

# Aberdeen Emerging Markets Investment Company Limited

Looking for the best-of-breed emerging market funds





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### Visit our Website

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

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If you have sold or otherwise transferred all your Ordinary shares in Aberdeen Emerging 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.

# Company Overview

## Financial Highlights

Aberdeen Emerging Markets Investment Company Limited ("AEMC" or the "Company") is a closed-end investment company with its Ordinary shares listed on the Premium Segment of the London Stock Exchange. It offers investors exposure to some of the best investment talent within the global emerging markets of Asia, Eastern Europe, Africa and Latin America.

The Company is governed by a board of independent directors, and has no employees. Like most other investment companies, it outsources its investment management and administration to an investment management group, the Standard Life Aberdeen Group, and other third party providers.

Net asset value ("NAV") per Ordinary share total return<sup>1,4</sup>

# +14.1%

2018 -12.4%

Ordinary share price total return<sup>1,4</sup>

# +13.2%

2018 -15.7%

MSCI Emerging Markets Net Total Return Index in sterling terms

# +10.3%

2018 -9.0%

Net gearing<sup>4</sup>

# +8.0%

2018 +7.0%

Dividends per Ordinary share<sup>4</sup>

# 21.0p

2018 21.0p

<sup>1</sup> Performance figures stated above include reinvestment of dividends on the ex-date

<sup>2</sup> See note 14 in the Notes to the Financial Statements for basis of calculation

NAV per Ordinary share<sup>2</sup>

# 663.3p

2018 600.6p

Ordinary share price – mid market

# 561.0p

2018 515.0p

Net Assets

# £304.9 million

2018 £276.6 million

Ongoing charges ratio ("OCR")<sup>4</sup>

# 1.07%

2018 1.02%

Revenue return per Ordinary share

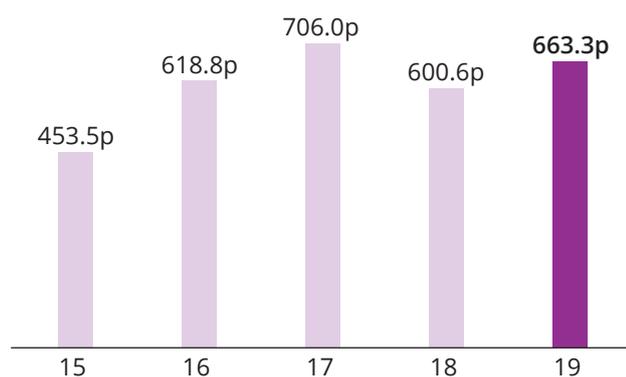
# 2.41p

2018 2.03p

<sup>3</sup> Dividends declared for the year in which they were earned  
<sup>4</sup> Definitions of these Alternative Performance Measures ('APMs') together with how these have been calculated can be found on page 49.

### NAV per Ordinary share

At 31 October – pence



### Ordinary share price–mid market

At 31 October – pence



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### Investment Objective

The Company's investment objective is to achieve consistent returns for shareholders in excess of the MSCI Emerging Markets Net Total Return Index in sterling terms (the "Benchmark").

### Investment Policy

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

### Benchmark

MSCI Emerging Markets Net Total Return Index in sterling terms.

### 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.

The Company's portfolio is managed by Aberdeen Standard Investments' highly experienced Closed End Fund Strategies ("CEFS") team, which is amongst the most experienced of any operating globally with a similar strategy. Further details of the team and the investment strategy and process are included on page 50.

### Financial Calendar

27 March 2020	First interim dividend payable for year ending 31 October 2020
21 April 2020	Annual General Meeting (Guernsey)
June 2020	Second interim dividend payable for year ending 31 October 2020
June 2020	Announcement of Half-Yearly Financial Report for the six months ending 30 April 2020
September 2020	Third interim dividend payable for year ending 31 October 2020
December 2020	Fourth interim dividend payable for year ending 31 October 2020
January/February 2021	Announcement of Annual Report and Accounts for the year ending 31 October 2020

# Company Overview

## Chairman's Statement

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### Overview

I am pleased to report that over the year to 31 October 2019, the Company's net asset value ("NAV") total return per ordinary share was 14.1%. This compares favourably with a total return of 10.3% from the Company's benchmark, the MSCI Emerging Markets Net Total Return Index (in sterling terms). The ordinary share price total return was 13.2%, as the discount to NAV at which the Company's shares trade widened slightly, to 15.4% from 14.3% at the start of the financial year. As at 7 February 2020, the discount to NAV is now 12.9%.

Despite periods of volatility, the period under review was positive for investors in emerging market equities with the asset class recovering from a poor 2018. While developments around the US-China trade dispute remained a cause for concern for most of the year, a backdrop of easier monetary policy globally provided support for equity markets. It is pleasing that the Company outperformed the benchmark in both net asset value and share price total return terms.

Asia was the best performing region during the year, with China, India and Taiwan all performing strongly. Chinese equities returned 11.4%, with the market direction unsurprisingly correlating closely with developments in the trade dispute with the US. The best performing country during the year was Russia, which returned over 32%, benefitting from depressed equity valuations and the country's relative immunity from trade war concerns. On the other hand, within the Latin American region, the Argentinian market fell by more than 35% mainly due to opposition leader Alberto Fernandez's victory in October's presidential election, which led investors to fear that a return to left wing populist policies may be imminent.

Fund selection, asset allocation and discount narrowing all made positive contributions to the performance for the year. Fund selection was particularly strong in China where a number of investments performed strongly. Within asset allocation, the Company benefited from its overweight exposure to Russia and underweight positioning in South Africa. The Company also benefited from the discount narrowing of a number of investment trusts, as well as the impact of fully utilising the Company's loan facility during a time of rising markets.

A more detailed explanation of the year's performance and portfolio activity during the year is provided in the Investment Manager's Report.

### Dividends

The Board believes that one of the attractions of the Company is its policy of making quarterly distributions by way of dividends to be funded from a combination of income and capital. This policy has been adopted by the Board in the belief that the level of dividends paid by emerging market companies over the long term is an increasingly important attraction for investors seeking to invest in the emerging market asset class.

Three interim dividends, each of 5.25p per share, were paid on 29 March, 28 June and 27 September 2019 and, since the year end, a fourth and final interim dividend in respect of the year of 5.25p per share was paid on 20 December 2019. This brings the total dividends for the year to 21p per share.

For future years, the Board intends to continue to pay interim dividends on a quarterly basis, in March, June, September and December and it is anticipated that the total dividends for the year ending 31 October 2020 will be no less than 22.0p per share, a 5% increase on the level of dividends paid last year, representing a yield of 3.47% based on the share price of 606.0p as at 7 February 2020. Accordingly, the Board declares a first interim dividend for the current financial year, of 5.5p per share, which will be paid on 27 March 2020 to shareholders on the register on 28 February 2020.

The Board will put a resolution to shareholders at the AGM in respect of its policy to declare four interim dividends each year, and will include this as a resolution at future AGMs. The payment of any dividends will be subject to compliance with all necessary regulatory obligations of the Company, including the Guernsey Law solvency test, compliance with its loan covenants, and will also be subject to the Company retaining sufficient cash for its working capital requirements.

### Loan Facility and Gearing

During the year, the Board announced the renewal of the Company's £25 million multicurrency revolving loan facility for a further year to 29 March 2020. The Board believes that the use of gearing, which is one of the advantages of a closed ended structure, within pre-determined ranges and at times when the Investment Manager sees attractive investment opportunities, will be beneficial to the longer term performance of the Company. At the end of the year, the full £25 million available under the facility was drawn down, representing gearing, net of cash, of 8.0%.

The Company has commenced discussions with its bankers and the Board expects to renew the facility on similar terms when it matures in March this year.

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## Share Buy Backs

During the year, in accordance with its stated discount management policy, the Company bought back 81,937 shares which are in treasury. Shares held in treasury may only be resold at a price that represents a premium to the prevailing NAV per share.

The Board's policy in relation to discount control is that it considers it desirable that the Company's shares do not trade at a price which, on average, represents a discount that is out of line with the Company's direct peer group. To assist the Board in taking action to deal with a material and sustained deviation in the Company's discount from its peer group it seeks authority from Shareholders annually to buy back shares. Shares may be repurchased when, in the opinion of the Board and taking into account factors such as market conditions and the discounts of comparable companies, the Company's discount is higher than desired and shares are available to purchase in the market. The Board is of the view that the principal purpose of share repurchases is to enhance net asset value for remaining shareholders, although it may also assist in addressing the imbalance between the supply of and demand for the Company's shares and thereby reduce the scale and volatility of the discount at which the shares trade in relation to the underlying net asset value.

## Shares in Public Hands

During the year, the Board announced that the number of ordinary shares which are deemed by the Listing Rules to be held in public hands was below the minimum 25% threshold. The Listing Rules provide that shares are not considered to be held in public hands if they are held by persons (or persons in the same group or persons acting in concert) who have an interest in 5% or more of a listed company's share capital, as well as shares held by directors of a listed company.

As at 31 October 2019, the shares in public hands was estimated to be approximately 17% and is broadly unchanged as at the date of this Report.

The FCA agreed to modify temporarily the relevant listing rule to permit this decreased level of shares in public hands for a period up until 21 August 2020, during which time the Company will continue to monitor its share register and keep the FCA informed of any relevant developments as well as working towards restoring the number of shares in public hands.

The Board is pleased to recognise the increased effort that the Manager is putting into broadening the Company's shareholder base and continues to work closely with the Manager in this regard.

## Annual General Meeting ("AGM")

The AGM will be held at 12 noon on 21 April 2020 at 11 New Street, St Peter Port, Guernsey, GY1 2PF.

For those shareholders unable to attend, we would encourage you to complete and return the proxy form enclosed with the Annual Report so as to ensure that your votes are represented at the meeting. If you hold your shares in the Company via a share plan or a platform and would like to attend and/or vote at the AGM, then you will need to make arrangements with the administrator of your share plan or platform. For this purpose, investors who hold their shares in the Company via the Aberdeen Standard Investments Plan for Children, Share Plan or ISA will find a Letter of Direction enclosed. Shareholders are encouraged to complete and return the Letter of Direction in accordance with the instructions printed thereon.

The Notice of the Meeting is contained on pages 56 and 57.

## Board Composition

In the light of relatively recent changes to the Board, and having served as a Director since the Company's reconstruction, the Directors have asked John Hawkins to continue to serve on the Board until the AGM in 2021. I am delighted that John has accepted this offer and will therefore stand for re-election at the AGM.

## Outlook

Despite concerns over the outlook for global growth, corporate earnings, tensions in the Middle East, and trade-war uncertainties, your Investment Manager remains positive about the prospects for emerging markets. Although there are signs of the global economy weakening, growth forecasts remain respectable, and should be supported by the continued accommodative stance of central banks and progress in the trade dispute between the US and China. At the time of writing, the spread of the Coronavirus is causing some volatility in markets. How long this continues is uncertain, as is the quantum of its potential knock-on impact.

Your Investment Manager continues to refine the Company's portfolio towards those markets with the most compelling fundamentals in terms of value, growth and quality. The Board believes that this, together with the Company's approach of investing through a portfolio of specialist funds run by talented managers with strong investment propositions, provides an attractive means for investors to benefit from the longer term investment opportunity in emerging markets.

**Mark Hadsley-Chaplin**  
Chairman  
12 February 2020

# Strategic Report

## Investment Manager's Report

During the financial year, the Company's NAV total return per Ordinary share was 14.1% while the MSCI Emerging Markets Net Total Return Index (the "Benchmark") rose by 10.3%. The Ordinary share price total return was 13.2%, as the discount to NAV at which the Company's Ordinary shares trade widened to 15.4% from 14.3% at the start of the financial year.

Relative performance over the period was good, with the Company's NAV outperforming the benchmark index by 3.8%. Fund selection, asset allocation and discount narrowing all made a positive contribution, as outlined in the table below. Fund selection was particularly strong in China, where the Company's investments in Neuberger Berman China Equity Fund and Aberdeen Standard China A Share Equity Fund performed strongly, benefitting in both instances from a high conviction, research intensive stock picking strategy. Investment trusts with a global emerging markets or Asian remit also added value (Genesis Emerging Markets Fund, JP Morgan Emerging Markets Investment Trust, Schroder AsiaPacific Fund, Asia Dragon Trust). QIC GCC Equity Fund, which invests primarily in Saudi Arabia, Qatar and the United Arab Emirates, was purchased in January and delivered healthy gains over the remainder of the period. It was also pleasing to see a strong year in both absolute and relative terms from Schroder Taiwanese Equity Fund. Outside of Asia, the portfolio's investments in Eastern Europe fared less well in relative terms, largely as a consequence of investments in Russia failing to match the market's 32.5% rally.

The primary driver of outperformance from asset allocation was positioning in the Europe, Middle East and Africa region, with the overweight in Russia and underweight in South Africa both proving beneficial. During the period the Company's revolving credit facility was fully drawn the majority of the time, enhancing overall performance.

The contribution from narrowing discounts on closed end fund investments was led by BlackRock Emerging Europe plc, which

was trading on a 5.3% discount at the start of the period but returned capital at NAV less costs in December 2018, enabling the Company to fully exit its holding. Other significant contributions were made by holdings in BlackRock Latin American Investment Trust and JPMorgan Emerging Markets Investment Trust whose discounts narrowed alongside strong NAV performance.

### NAV performance attribution for the year ended 31 October 2019

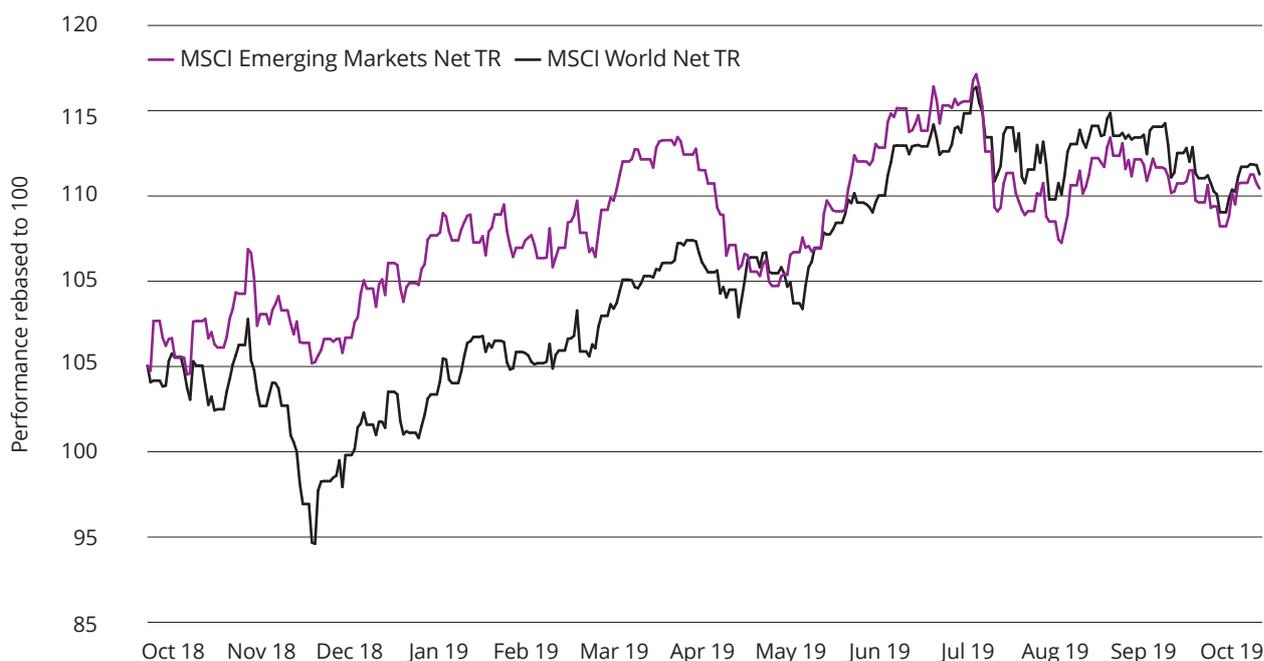
<b>Fund Selection</b>	<b>0.8%</b>
Asia	1.7%
EMEA	(0.9%)
Latin America	(0.0%)
<b>Asset Allocation</b>	<b>1.6%</b>
Asia	0.0%
EMEA	1.1%
Latin America	0.0%
Cash/Gearing (direct and underlying)	0.5%
<b>Discount Narrowing</b>	<b>2.4%</b>
<b>Fees and Expenses</b>	<b>(1.0%)</b>
<b>NAV outperformance*</b>	<b>3.8%</b>

\* The above analysis has been prepared on a total return basis.

### Market Environment

The year under review was a positive one for investors in emerging market equities, with the MSCI Emerging Markets Index gaining 10.3% in total return terms. Volatility was a regular feature, with three significant market retractions over the year as investors reacted to developments in the US-China trade war, weakening global economic data and the direction of monetary policy. While emerging markets outperformed developed markets for much of the year, the overall return was very similar, with the MSCI World Index up 11.2% over the period.

Chart 1. Emerging and developed market performance during year to 31 October 2019



Source: Bloomberg. GBP returns for the period from 31 October 2018 to 31 October 2019

Asia was the best performing region, gaining 11.2% as China, India and Taiwan all delivered double digit returns. Chinese equities gained 11.4%, with market direction correlating closely with developments in the trade dispute with the US. After several false dawns, the outline of a “Phase One” deal was agreed in October 2019. China also benefitted from index provider MSCI’s decision to increase the weighting of domestically traded A-Shares in local and regional indices during the period. Indian equities rose by 15.9%. The key event in that market was the general election, which saw the incumbent BJP deliver a resounding victory in May that helped the market shrug off a somewhat lacklustre economic outlook. Taiwan was a prime beneficiary of the improved news flow on the trade war in the final weeks of the period and a more optimistic demand outlook for the technology components sector which dominates that market.

The Europe, Middle East and Africa regional index rose by 9.7%. Russia was responsible for a significant part of that gain as its market appreciated by 32.5%, benefitting from its relative immunity from trade war concerns, depressed valuations and a sharp rally in Gazprom’s share price after a surprise doubling of its dividend in May. Turkey endured a volatile year with domestic politics and concerns about the direction of monetary policy impacting the value of the Turkish Lira. The market declined sharply in the final month of the period

following Turkey’s incursion into Syria and the US imposition of sanctions in response, although it still posted a gain of 7.9% for the overall period. South African equities rose by 6.9% despite a weak economic picture amidst ongoing electricity outages and financial uncertainty at power utility Eskom.

Latin America was the weakest region, gaining just 6.3% despite a strong recovery in Brazil, the largest regional market, which rose by 11.7%. This was largely a consequence of a change in political direction as President Bolsonaro took office in January with a policy agenda pledging to tackle political corruption, clamp down on crime and deliver social security and tax reform. A significant pension reform bill was approved by the senate in October. Mexico delivered a return of 5.7% despite concerns about the policy direction under President López Obrador’s administration and a somewhat testing relationship with the US over migration. Elsewhere in the region, Chile fell sharply in the final weeks of the year to post a return of -16.8% amidst a wave of anti-government protests over equality, pensions, healthcare and education. Argentina had an eventful year, rejoining the emerging markets index at the end of May (alongside Saudi Arabia) but falling sharply as opposition leader Alberto Fernandez’s victory in October’s presidential election led investors to fear that a return to left wing populist policies may be imminent. Over the year as a whole the Argentinian market declined 35.2%.

Chart 2. Market performance during the year to 31 October 2019



Source: Bloomberg. GBP returns for the period from 31 October 2018 to 31 October 2019

### Portfolio

Our portfolio construction process seeks to deliver a focused list of actively managed holdings run by talented investment teams. We continually review the list of funds to which we have entrusted the Company's capital and changes are made when we identify what we consider to be superior managers, our asset allocation views change or a discount opportunity in a closed end fund presents itself or has played out. The period under review was one in which there was a reasonable amount of activity in the portfolio consistent with the above themes.

New positions were initiated in several open ended funds to provide actively managed exposure to Middle Eastern equities (QIC GCC Equity Fund), the China A Share market (Aberdeen Standard China A Share Equity Fund) and frontier market debt (Aberdeen Standard Frontier Markets Bond Fund). QIC GCC Equity Fund is a best in class gulf-focused vehicle managed by an experienced investment team based in Qatar which provides significant exposure to Saudi Arabia, Kuwait and the United Arab Emirates. We believe markets in the region are attractively valued and are currently largely overlooked by international investors despite growing relevance within the Benchmark following recent index inclusions.

The investment in Aberdeen Standard China A Share Equity Fund was initiated in February, when concerns around US-China trade tensions were rife and valuations had declined to extreme levels. This proved a well-timed entry point. The fund invests in a concentrated portfolio of high quality, reasonably valued A Share companies with a focus on strong governance.

Frontier markets bonds have many attractions in the current environment given the uncertainty around global growth and the potential ongoing "easy" monetary policy in the US and much of the emerging world. The Aberdeen Standard Frontier Markets Bond Fund is one of a small number of dedicated vehicles globally and adds to portfolio diversification at the country level, while potentially offering equity like returns with bond like volatility. The fund invests over half its assets in hard currency sovereign bonds with the remainder allocated to hard currency corporate and local currency sovereign bonds. The fund's 8.4% yield represents a significant spread over emerging market debt. While the portfolio is highly diversified, key country exposures include Egypt, Nigeria, Ecuador, El Salvador and the Ivory Coast. As with all investments into "in-house" managed funds, there is no double charging of fees on the China A Share or Frontier Markets Bond Fund.

There were also several new additions within the closed end fund portion of the portfolio. As discussed in the Company's half yearly report, positions in Aberdeen New India Investment Trust and JPMorgan Indian Investment Trust were initiated at attractive discounts following significant underperformance of the Indian market relative to other emerging markets as pre-election nerves weighed on sentiment in early 2019. The JPMorgan managed vehicle had in place a performance driven tender offer for 25% of outstanding shares that was triggered at the end of September and we expect the tender to be completed in February.

In July, we initiated a new position in Gulf Investment Fund, a closed end Middle Eastern equity fund trading in London at a double digit discount to net asset value. In addition to being supported by the same top-down case as the QIC GCC Equity Fund investment, Gulf Investment Fund offers the potential upside of a full exit opportunity in 2020. We also accumulated a holding in Aberdeen Asian Income Fund over the year at an average discount of close to 8.0%. We view this as anomalous relative to its peers. Elsewhere, we made a significant addition to the existing position in Fondul Proprietatea, a deeply discounted Romanian closed end fund.

Corporate actions in a number of underlying holdings were a valuable source of funds for these purchases. These included a full exit from BlackRock Emerging Europe plc and tender offers at China Fund Inc and Edinburgh Dragon Trust (later renamed Asia Dragon Trust). In the latter two cases we were able to exit over 40% of the Company's holdings at a material uplift to the prevailing price.

Sales of market access products (such as exchanged traded funds) in Turkey, Saudi Arabia, South Korea and emerging markets debt provided additional sources of liquidity, the net result being that more of the portfolio is now managed on an active basis. The most significant open ended fund sale was the redemption of Steyn Capital South Africa Equity Fund, based on a deteriorating outlook for that market combined with a disappointing spell of performance.

The Company's geographic allocation is shown on page 11. The activity described above resulted in a meaningful increase in the Chinese and Indian allocations (to 29.6% and 7.4% respectively) while those of South Korea and Taiwan declined by several percentage points to 10.7% and 8.8% respectively. The corporate action in BlackRock Emerging Europe plc contributed to a decline in Russia's weighting to 6.5%. South Africa saw a meaningful decrease to just 0.6% while the Middle Eastern markets of Saudi Arabia, United Arab Emirates and Qatar rose to 2.4%, 1.2% and 1.0% respectively. In Latin America, Brazil's allocation increased to 6.6% largely as a consequence of a rotation in underlying exposure within the portfolio's core Latin American holding. We continue to believe that many frontier markets offer compelling valuations as they remain overlooked by mainstream emerging market investors. At the end of the period 11.8% of NAV was allocated to frontier markets, including Romania, Nigeria and Kenya.

The weighted average discount to NAV of the Company's closed end holdings stood at 10.3% at the end of the period, a level that was virtually unchanged on the prior period. This reflects the reinvestment of corporate action proceeds into new ideas at attractive discounts.

The allocation to funds managed by Aberdeen Standard Investments increased from 2.9% to 11.9% of net assets over the year. This is a trend we expect to continue, subject to us identifying in-house managed strategies that we believe can help us deliver the Company's investment objective. The lack of double-charging on in-house managed funds is a potentially valuable tool in making the Company as cost-effective as possible in an environment where this is increasingly a concern for investors. All investments in "in-house" products are subject to the same in-depth diligence as external funds and a rigorous conflicts of interest procedure.

The overall composition of the portfolio by type of vehicle is shown below. The allocations to both open and closed ended funds increased modestly as we exited a number of market access products. The Company's revolving credit facility was fully drawn at the end of the period, representing net gearing of 8.0%.

	October 2019	October 2018
Closed ended investment funds	50.1%	48.6%
Open ended investment funds	56.3%	53.1%
Market access products	1.4%	5.3%
Cash plus other net current assets	(7.8%)	(7.0%)

## Market Outlook

Despite the emerging markets index posting a gain of 10.3%, the investment backdrop became more challenging over the course of the year with investors increasingly focused on concerns about the outlook for global growth and trade war uncertainties. Corporate earnings and economic growth forecasts across the emerging world were generally revised down as the period progressed.

While the global economy is weaker than historical averages, growth remains respectable, with the IMF, OECD and World Bank forecasting real growth in 2020 in the range of 2.8% to 3.4% and a generally improving trend through 2021. Although there are risks to these forecasts we feel they are reasonable given the accommodative stance of central banks and signs of a truce in the trade war between the US and China following the recent signing of the "Phase one" trade deal and, as a result, the US suspending previously announced tariff increases. China will significantly increase its purchase of US agricultural products over the next two years. China has also indicated that it will accelerate the opening of its financial sector. Nonetheless, we will need to watch the tone of further negotiations closely, particularly as the US presidential election campaign develops and candidates potentially vie to be "tough on China".

While 2019 was undoubtedly a poor year for corporate earnings in emerging markets, with persistent downward revisions throughout the period, the coming year may well offer a better environment. Consensus expectations of 15.1% growth for 2020 appear somewhat high but double digit growth may well be achievable if the economic outlook and trade war truce can be sustained. As for valuations, while emerging markets are not outstandingly cheap compared with their history, they are trading on undemanding multiples (12.2 times forward earnings at the time of writing) relative to developed markets as a whole.

Emerging market equity is an unloved asset class at present, held back by negative sentiment and low expectations. The average global investor remains significantly underweight and over the course of 2019 global and regional emerging market equity funds saw only modest inflows of US\$4.1 billion, much of which came in the final weeks of the year. Anecdotally, we see a withdrawal by investors from single country funds and those regions now deemed to be marginal when compared with Asia, which is perceived as the most defensive emerging market region. This has been to the detriment of frontier markets, Latin America and Eastern Europe. We believe the long term prospects in many of these markets are as good, if not better, than those of Asia. This is reflected in the Company's current asset allocation.

A prerequisite for emerging markets to begin delivering relative outperformance of developed markets again is a weakening, or at least a consolidation, of the US dollar. The last year has shown tentative signs that this is possible, although these signs have not been sufficiently strong to prompt any meaningful rotation in investor allocations.

At the time of writing, investors remain focused on the developing Coronavirus situation to the exclusion of other factors. While the situation is still evolving, our expectation is that it will be short-lived and the effects of this unfortunate event will have no lasting impact on either economic activity or stock markets. We will of course continue to assess the situation as it develops and remain ready to act as necessary.

As for the portfolio, we continue to refine the Company's focused list of holdings with a bias towards those markets with the most compelling fundamentals in terms of value, growth and quality. The current portfolio provides exposure to some of the most talented managers operating in emerging markets. Amongst the closed ended investments we increasingly focus on defined catalysts to unlock additional value from discounts to net asset value. Underlying fee levels continue to be an area of focus and we have endeavoured to lower those where possible in recent years while maintaining the quality of the portfolio. That focus on costs will continue. We believe the Company is well placed to benefit from any recovery in interest in the asset class and its portfolio offers differentiated and diversified exposure to emerging markets that is not easily replicated.

## Aberdeen Asset Managers Limited

12 February 2020

## Portfolio Investments

As at 31 October 2019			
Company	Country of establishment	Value (£'000)	Percentage of net assets(%)
Neuberger Berman - China Equity Fund - USD I Acc Class	Ireland	29,514	9.7
Schroder AsiaPacific Fund PLC	United Kingdom	20,612	6.8
Schroder International Selection Taiwanese Equity Fund - USD Class Z	Luxembourg	19,271	6.3
Weiss Korea Opportunity Fund Limited	Guernsey	18,357	6.0
Fidelity China Special Situations PLC	United Kingdom	16,226	5.3
Brown Advisory Latin American Fund - USD Class SI	Ireland	15,430	5.1
Aberdeen Standard SICAV I - China A Share Equity Fund Z Acc USD	Luxembourg	14,929	4.9
Avaron Emerging Europe Fund - EUR Class E	Estonia	13,958	4.6
Diversified Growth Company QIC GCC Equity Fund - USD Class B	Luxembourg	13,423	4.4
Fondul Proprietatea	Romania	13,284	4.4
<b>Top ten investments</b>		<b>175,004</b>	<b>57.5</b>
Genesis Emerging Markets Fund Limited	Guernsey	12,889	4.2
JPMorgan Indian Investment Trust PLC	United Kingdom	11,533	3.8
JPMorgan Emerging Investment Trust PLC	United Kingdom	10,898	3.6
Lazard Emerging World Fund - Institutional	Ireland	10,774	3.5
Laurium Capital International Cayman Feeder SP	Cayman Islands	10,547	3.5
Verno Capital Growth Fund Limited	Cayman Islands	10,458	3.4
BlackRock Latin American Investment Trust PLC	United Kingdom	9,504	3.1
Schroder Oriental Income Fund Limited	Guernsey	9,454	3.1
Korea Value Strategy Fund Ltd - Class B	British Virgin Islands	8,592	2.8
Ton Poh Fund - Class C	Cayman Islands	8,500	2.7
<b>Next ten investments</b>		<b>103,149</b>	<b>33.7</b>
<b>Top twenty investments</b>		<b>278,153</b>	<b>91.2</b>
Aberdeen Standard SICAV I - Frontier Markets Bond Fund Z Acc USD	Luxembourg	7,571	2.5
Komodo Fund - Class S	Cayman Islands	6,963	2.3
Aberdeen Asian Income Fund Limited	United Kingdom	6,187	2.0
Baring Vostok Investments PCC Limited	Guernsey	5,986	2.0
Global X MSCI Colombia ETF	United States	4,413	1.4
Asia Dragon Trust PLC	United Kingdom	4,099	1.3
Aberdeen New India Investment Trust PLC	United Kingdom	3,592	1.2
Gulf Investment Fund plc	Isle of Man	2,985	1.0
JPMorgan Russian Securities PLC	United Kingdom	2,611	0.9
The China Fund Inc	United States	2,495	0.8
Taiwan Fund Inc	United States	1,879	0.6
Tarpon All Equities Cayman (Series B) L.P.	Cayman Islands	1,779	0.6
<b>Total investments</b>		<b>328,713</b>	<b>107.8</b>
Cash plus other net current assets and liabilities		(23,836)	(7.8)
<b>Net assets</b>		<b>304,877</b>	<b>100.0</b>

## Portfolio Asset Allocation

As at 31 October 2019		
Country split	Company (%)	Benchmark (%)
<b>Asia</b>	<b>65.0</b>	<b>72.8</b>
China	29.6	31.9
South Korea	10.7	12.2
Taiwan	8.8	11.9
India	7.4	9.0
Thailand	3.0	2.7
Indonesia	2.7	2.0
Singapore	1.5	-
Philippines	0.3	1.1
Vietnam	0.3	-
Malaysia	0.1	2.0
Pakistan	0.1	-
Other	0.5	-
<b>EMEA</b>	<b>25.6</b>	<b>15.2</b>
Russia	6.5	4.1
Romania	5.2	-
Saudi Arabia	2.4	2.4
Egypt	1.3	0.1
UAE	1.2	0.7
Poland	1.1	1.0
Qatar	1.0	1.0
Kenya	0.7	-
South Africa	0.6	4.7
Turkey	0.6	0.5
Czech Rep	0.3	0.1
Hungary	0.1	0.3
Greece	-	0.3
Other	4.6	-
<b>Latin America</b>	<b>12.2</b>	<b>12.0</b>
Brazil	6.6	7.7
Colombia	2.1	0.4
Mexico	1.2	2.5
Peru	0.9	0.4
Argentina	0.4	0.2
Chile	0.3	0.8
Other	0.7	-
<b>Non-specified</b>	<b>0.8</b>	<b>-</b>
Cash in underlying investments	4.2	-
Cash plus other net current assets	(7.8)	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The above analysis has been prepared on a portfolio look-through basis.

Benchmark: MSCI Emerging Markets Net Total Return Index in sterling terms.

# Governance

## Directors' Report

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The Directors of Aberdeen Emerging Markets Investment Company Limited ("AEMC" or the "Company") present the report and financial statements for the year ended 31 October 2019.

### Investment Policy

#### Objective

The Company's investment objective is to achieve consistent returns for shareholders in excess of the MSCI Emerging Markets Net Total Return Index in sterling terms (Bloomberg ticker: NDUJEEGF Index) (the "Benchmark").

#### i) Asset Allocation

The Investment Manager invests in a portfolio of funds and products which give a diversified exposure to developing and emerging market economies. The Investment Manager does not seek to replicate the Benchmark's geographical distribution. The Company's geographic asset allocation is derived from the Investment Manager's analysis of prospects for regions and countries and the underlying opportunities for investment.

The Board does not believe that it should impose prescriptive limits on the Investment Manager for the geographic breakdown and distribution by type of fund as this could have a negative impact on the Company's performance and accordingly the Company does not have any prescribed investment limits in this regard.

The Investment Manager has discretion to enter into hedging mechanisms where it believes that this would protect the performance of the Company's investment portfolio in a cost effective manner. To date, the Company has never entered into any such hedging mechanisms.

#### ii) Risk Diversification

Individual investments are selected for their potential to outperform as a result of one or more of the following: the performance of the region, market or asset class in which they invest; the skill of the underlying fund manager; and additionally, in the case of closed end funds, through the narrowing of discounts at which their shares trade to net asset value.

No holding by the Company in any other company will represent, at the time of the investment, more than 15% by value of the Company's net assets. The diversification within investee funds is taken into account when deciding on the size of each investment so the Company's exposure to any one underlying company should never be excessive.

#### iii) Gearing

The Directors reserve the right to borrow up to a maximum of 15% of the NAV of the Company at the time of drawdown.

### Business Activities

The Company is a closed-ended investment company incorporated and resident in Guernsey and holds a Premium Listing on the London Stock Exchange.

### Results and Dividends

The Company's total comprehensive income for the year was a gain of £38,447,000 (2018: loss of £40,984,000). The Company's revenue return for the year amounted to a profit of £1,109,000 (2018: profit of £980,000).

The Company declared four interim dividends, each of 5.25p per Ordinary share, in respect of the year ended 31 October 2019.

The Board has declared a first interim dividend of 5.5p per Ordinary share in respect of the year ending 31 October 2020, which will be paid on 27 March 2020 to shareholders on the register on 28 February 2020.

It is anticipated that four interim dividends will continue to be paid on a quarterly basis in March, June, September and December. The Board will put a resolution to shareholders at the AGM in respect of its policy to declare four interim dividends each year.

### Investment Report and Outlook

The Chairman's Statement and Investment Manager's Report incorporate a review of the highlights during the year and the outlook for the forthcoming year.

### Key Performance Indicators ("KPIs")

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

- (a) The Company seeks to generate consistent relative returns ahead of those generated by its Benchmark Index.
- (b) The Company seeks to achieve a positive absolute return over the longer term through its exposure to the emerging market asset class.

### Performance

An overview of the Company's performance is contained in the Chairman's Statement and Investment Manager's Report.

In sterling terms, the Benchmark Index total return increased by 10.3% over the year against an increase of 14.1% for the Company's NAV per Ordinary share.

### Ongoing Charges

For the year ended 31 October 2019, the Company's ongoing charges figure, calculated using the Association of Investment Companies' ("AIC") methodology, was 1.07% (2018: 1.02%).

### Principal Risks and Uncertainties

Together with the issues discussed in the Chairman's Statement and the Investment Manager's Report, the Board considers that the main risks and uncertainties faced by the Company fall into the following categories:

#### (i) General Market Risks Associated with the Company's Investments

Changes in economic conditions, interest rates, foreign exchange rates and inflationary pressures, industry conditions, competition, political and diplomatic events,

tax, environmental and other laws and other factors can substantially and either adversely or favourably affect the value of the securities in which the Company invests and, therefore, the Company's performance and prospects.

The Company's investments are subject to normal market fluctuations and the risks inherent in the purchase, holding or selling of securities, and there can be no assurance that appreciation in the value of those investments will occur. There can be no guarantee that any realisation of an investment will be on a basis which necessarily reflects the Company's valuation of that investment for the purposes of calculating the NAV.

The Company's investments, although not made into developed economies, are not entirely sheltered from the negative impact of economic slowdowns, decreasing consumer demands and credit shortages in such developed economies which, amongst other things, affects the demand for the products and services offered by the companies in which the Company directly or indirectly invests.

A proportion of the Company's portfolio may be held in cash or cash equivalent investments from time to time. Such proportion of the Company's assets will be out of the market and will not benefit from positive stock market movements, but may give some protection against negative stock market movements.

#### (ii) Emerging Markets

The funds selected by the Investment Manager invest in emerging markets. Investing in emerging markets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. In particular there may be: (a) the risk of nationalisation or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war and revolution; (c) dependence on exports and the corresponding importance of international trade and commodities prices; (d) less liquidity of securities markets; (e) currency exchange rate fluctuations; (f) potentially higher rates of inflation (including hyper-inflation); (g) controls on foreign investment and limitations on repatriation of invested capital and a fund manager's ability to exchange local currencies for pounds sterling; (h) a higher degree of governmental involvement and control over the economies; (i) government decisions to discontinue support for economic reform programmes and imposition of centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about economies and issuers; (k) less extensive regulatory oversight of securities markets; (l) longer settlement periods for securities transactions; (m) less stringent laws regarding the fiduciary duties of officers and directors and protection of investors; and (n) certain consequences regarding the maintenance of portfolio securities and cash with sub-custodians and securities depositories in developing markets.

#### (iii) Other Portfolio Specific Risks

##### (a) Small cap stocks

The underlying investee funds selected by the Investment Manager may have significant investments in smaller to medium sized companies of a less seasoned nature whose securities are traded in an "over-the-counter" market. These

"secondary" securities often involve significantly greater risks than the securities of larger, better-known companies, due to shorter operating histories, potentially lower credit ratings and, if they are not listed companies, a potential lack of liquidity in their securities. As a result of lower liquidity and greater share price volatility of these "secondary" securities, there may be a disproportionate effect on the value of the investee funds and, indirectly, on the value of the Company's portfolio.

##### (b) Liquidity of the portfolio

The fact that a share is traded does not guarantee its liquidity and the Company's investments may be less liquid than other listed and publicly traded securities. The Company may invest in securities that are not readily tradable or may accumulate investment positions that represent a significant multiple of the normal trading volumes of an investment, which may make it difficult for the Company to sell its investments. Investors should not expect that the Company will necessarily be able to realise its investments within a period which they would otherwise regard as reasonable, and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative market prices. The Company has a borrowing facility in place which may be utilised to assist in the management of liquidity. The borrowing facility is described later in this Directors' Report.

Liquidity of the portfolio is further discussed in note 17 to the financial statements.

##### (c) Foreign exchange risks

It is not the Company's present policy to engage in currency hedging. Accordingly, the movement of exchange rates between sterling and the other currencies in which the Company's investments are denominated or its borrowings are drawn down may have a material effect, unfavourable or favourable, on the returns otherwise experienced on the investments made by the Company.

Movements in the foreign exchange rate between sterling and the currency applicable to a particular shareholder may have an impact upon that shareholder's returns in their own currency of account.

#### Management or mitigation of the above risks

Risk	Management or mitigation of risk
General market risks associated with the Company's investments	These risks are largely a consequence of the Company's investment strategy but the Investment Manager attempts to mitigate such risks by maintaining an appropriately diversified portfolio by number of holdings, fund structure, geographic focus, investment style and market capitalisation focus.
Emerging markets	
Other portfolio specific risks (a) Small cap stock (b) Liquidity of the portfolio (c) Foreign exchange	
	Liquidity, risk and exposure measures are produced on a monthly basis by the Investment Manager and monitored against internal limits.

The investment management of the Company has been delegated to the Company's Investment Manager. The Investment Manager's investment process takes into account

the material risks associated with the Company's portfolio and the markets and holdings in which the Company is invested. The Board monitors the portfolio and the performance of the Investment Manager at regular Board meetings.

#### (iv) Internal Risks

Poor allocation of the Company's assets to both markets and investee funds by the Investment Manager, poor governance, compliance or administration, including poor controls over cyber security, could result in shareholders not making acceptable returns on their investment in the Company.

#### Management or mitigation of internal risks

The Board monitors the performance of the Manager and the other key service providers at regular Board meetings. The Manager provides reports to the Board on compliance matters and the Administrator provides reports to the Board on compliance and other administrative matters. The Board has established various committees to ensure that relevant governance matters are addressed by the Board.

The management or mitigation of internal risks is described in detail in the Corporate Governance Statement on pages 20 and 21.

#### Borrowings

The Company is permitted to borrow, at the point of drawdown, up to 15% of its net assets.

On 29 March 2018, the Company entered into an unsecured 12 month revolving credit facility with The Royal Bank of Scotland plc, under which loans with a maximum aggregate value of £25 million may be drawn. The facility was renewed with The Royal Bank of Scotland International Limited (London Branch) ("RBSI") on 29 March 2019 for a further 12 month period, with a termination date of 29 March 2020. The Company has commenced discussions with RBSI and the Board expects to renew the facility on similar terms when it matures. As at 31 October 2019, £25 million was drawn down in full at an all-in rate of 1.26413% (2018: 1.275%).

#### Gearing

The Company's year-end net gearing was 8.0% (2018: 7.0%). The Directors monitor the Company's gearing on a regular basis in accordance with the Company's investment policy and under advice from the Investment Manager.

#### Market Information

The NAV per Ordinary share is calculated for each business day and is published through a regulatory information service.

#### Discount Management Policy

The Board considers it desirable that the Company's shares do not trade at a price which, on average, represents a discount that is out of line with the Company's direct peer group. To assist the Board in taking action to deal with a material and sustained deviation in the Company's discount from its peer group, it seeks authority from shareholders annually to buy back shares. Shares may be repurchased when, in the opinion of the Board and taking into account factors such as market

conditions and the discounts of comparable companies, the Company's discount is higher than desired and shares are available to purchase in the market. The Board is of the view that the principal purpose of share repurchases is to enhance NAV for remaining shareholders, although it may also assist in addressing the imbalance between the supply of and demand for the Company's shares and thereby reduce the scale and volatility of the discount at which the shares trade in relation to the underlying NAV.

#### Ordinary Shares in Issue

As at 31 October 2019 the Company had 45,965,159 (2018: 46,047,096) Ordinary shares in issue (excluding shares held in treasury). The Company also held 8,653,348 Ordinary shares in treasury (2018: 8,571,411).

#### Purchases of Own Shares

During the year ended 31 October 2019, the Company purchased 81,937 (2018: 30,000) of its Ordinary shares which are held in treasury in accordance with its general share buy back authority.

The Company's discount management policy is described above.

The Company's present authority to make market purchases of its own Ordinary shares will expire at the conclusion of the AGM at which time a new authority to buy back shares will be sought. 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 Ordinary share.

#### Allotment of Shares and Disapplication of Pre-Emption Rights

At the forthcoming AGM, an ordinary resolution will be proposed to confer an authority on the Directors, in substitution for any existing authority, to allot, either as new Ordinary shares or shares from treasury, up to 5% of the issued Ordinary share capital of the Company (excluding shares held in treasury) as at the date of the passing of the resolution (up to a maximum of 2,298,257 Ordinary shares based on the number of Ordinary shares in issue as at the date of this report).

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. Any future issues of Ordinary shares, or sales of shares from treasury, will only be undertaken at a premium to the prevailing NAV per Ordinary share.

These authorities will expire at the conclusion of the AGM in 2021. The Directors consider that the authorities proposed to be granted at the AGM are necessary to retain flexibility, although they do not, at the present time, have any intention of exercising such authorities.

## Significant Shareholders

As at 31 October 2019, the Company had been formally notified of the following significant shareholdings of the issued Ordinary shares (excluding treasury shares) in accordance with the requirements of the FCA's Disclosure Guidance and Transparency Rules.

	Holding	%
City of London Investment Management Company Limited	13,742,013	29.9
Lazard Asset Management LLC	9,563,167	20.8
Wells Capital Management Inc	6,580,473	14.3
1607 Capital Partners, LLC	5,400,875	11.7
Derbyshire County Council Pension fund	2,788,425	6.1

There have been no other changes notified to the Company as at the date of this Report.

## Non-Mainstream Pooled Investments ("NMPs")

Financial Conduct Authority ("FCA") rules determine which investment products can be promoted to ordinary retail investors. Under of these rules, certain investment products are classified as NMPs and as a result face restrictions on their promotion to retail investors.

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers ("IFAs") to ordinary retail investors in accordance with the FCA rules in relation to NMPs and intends to continue to do so for the foreseeable future.

The Board has been advised that the Company's shares are excluded from the FCA's restrictions which apply to NMPs because they are shares issued by a non-UK company which would qualify as an investment trust if resident in the UK.

## Continuation Vote

The Company does not have a fixed life but the Directors consider it desirable that shareholders have the opportunity to review the future of the Company at appropriate intervals. At the 2018 AGM, a resolution was approved by shareholders that the Company should continue in existence in its current form until the AGM to be held in 2023. If the vote to continue is not passed at the 2023 AGM then, within four months of that resolution failing, the Directors will be required to formulate and put to shareholders proposals relating to the future of the Company, having had regard to, inter alia, prevailing market conditions and the applicable law and regulations. If the resolution is passed, the Company will continue in operation and a similar resolution will be put to shareholders at every fifth AGM thereafter.

## Automatic Exchange of Information

### Foreign Account Tax Compliance Act ("FATCA")

FATCA legislation, which was introduced in the United States of America, places obligations on foreign financial institutions such as the Company. In Guernsey, local law has been introduced that gives effect to the FATCA requirements and certain reporting obligations are placed on financial institutions as defined by this act. The Company is registered as a reporting financial institution and is subject to ongoing reporting obligations under the legislation.

### The Common Reporting Standard ("CRS")

CRS is the result of the drive by the G20 nations to develop a global standard for the automatic exchange of financial account information, developed by the Organisation for Economic Cooperation and Development. Guernsey has introduced local legislation to give effect to CRS. Guernsey financial institutions are required to identify, review and report on accounts maintained by them which are held by account holders resident in jurisdictions with which Guernsey has agreed to exchange information.

## Depository and Custody Services

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

## Management

Since 1 June 2016, the Company's Alternative Investment Fund Manager has been Aberdeen Standard Fund Managers Limited ("ASFML"), which is a wholly owned subsidiary of Standard Life Aberdeen plc and is authorised and regulated by the FCA. ASFML has been appointed to provide investment management, risk management and promotional activities to the Company.

The Company's portfolio is managed by Aberdeen Asset Managers Limited ("AAML") by way of a group delegation agreement in place between ASFML and AAML. Promotional activities have also been delegated to AAML.

Further details of the key terms of the agreement and fees payable to the Manager can be found in Note 6 to the financial statements.

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

The Company appointed ASFML as its Alternative Investment Fund Manager ("AIFM") with effect from 1 June 2016.

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 the requirements of the Annual Report.

All the information required by those rules and relevant AIFM remuneration disclosures are or will be available on the Company's website ([aberdeenemergingmarkets.co.uk](http://aberdeenemergingmarkets.co.uk)).

### Management Engagement

In accordance with the requirements of the FCA's Listing Rules, the Management Engagement Committee has reviewed whether to retain ASFML as the Manager of the Company. The Management Engagement Committee has agreed that, given the performance of the Company and the specialist knowledge of ASFML, it is in the best interests of shareholders as a whole to continue with ASFML's appointment as Manager to the Company.

### Company Secretary and Administrators

Vistra Fund Services (Guernsey) Limited ("Vistra") is appointed as Administrator and Secretary to the Company.

PraxisIFM Fund Services (UK) Limited ("PraxisIFM") is appointed by Vistra to act as administration agent in the United Kingdom.

Further details on the fees payable under these agreements can be found in Note 6 to the financial statements.

### Payment of Suppliers

It is the Company's payment policy to obtain the best terms for all business and therefore there is no consistent policy as to the terms used. The Company contracts with its suppliers setting out the terms on which business will take place and abides by such terms. A high proportion of expenses, including management and administration fees, are paid within the month when invoiced. There were no overdue amounts owing to trade creditors at 31 October 2019.

### Settlement of Share Transactions

Transactions in the Company's Ordinary shares are settled by the CREST share settlement system.

### Donations

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

### Going Concern

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

At the AGM held in April 2018, a resolution was approved by shareholders that the Company will continue in existence in its current form until the AGM to be held in 2023.

The Directors believe that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of this document. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows.

As at 31 October 2019, the Company held £1.2 million in cash and £328.7 million in investments. It is estimated that approximately 75% of the investments held at the year end could be realised in one month. The total operating expenses for the year ended 31 October 2019 were £3.2 million, which represented approximately 1.07% of average net assets during the year. The Company also incurred £0.3 million of finance costs. At the date of approval of this report, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover. The Company's net assets at 31 January 2020 were £307.4 million.

The Company has a £25 million revolving loan facility with RBSI, maturing on 29 March 2020. The Company has commenced discussions with RBSI and the Board expects to renew the facility on similar terms when it matures. As at 31 October 2019, £25 million was drawn down from the RBSI facility. The liquidity of the Company's portfolio, as mentioned above, sufficiently supports the Company's ability to repay its borrowings at short notice.

The Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements and, after due consideration, that the Company is able to continue in operation for a period of at least 12 months from the date of approval of these financial statements.

### Viability Statement

The continuation of the Company is subject to the approval of shareholders every five years, with the next vote due to take place at the AGM in 2023.

In accordance with Principle 21 of the AIC Code of Corporate Governance published in July 2016, the Directors have assessed the prospects of the Company over the period from the date of this report up until 31 October 2022 (the "Period"). The Directors believe that the Period, being approximately three years, is an appropriate time horizon over which to assess the viability of the Company, particularly when taking into account the long-term nature of the Company's investment strategy.

In their assessment of the prospects of the Company, the Directors have considered each of the principal risks and uncertainties set out on pages 12 to 14 of this report. Developments in emerging markets and portfolio changes are discussed at quarterly Board meetings and the internal control framework of the Company is subject to formal review on at least an annual basis. The Company's portfolio consists of a range of funds and other products which provide exposure to emerging markets. 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 Directors do not expect there to be any material increase in the annual ongoing charges of the Company over the Period. The Company's income from investments and cash realisable from the sale of its investments provide substantial cover to the Company's operating expenses, and any other costs likely to be faced by the Company over the Period.

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Taking the above into account, 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 Period.

### **Auditor**

KPMG Channel Islands Limited ("KPMG ") was re-appointed as auditor of the Company at the AGM held in April 2019. As explained in the Report of the Audit Committee on pages 22 and 23, an audit tender process was undertaken during the year by the Audit Committee. Following the tender process, the Audit Committee recommend to the Board that KPMG should be re-appointed as auditor. Accordingly, a resolution for the re-appointment of KPMG Channel Islands Limited as auditor of the Company will be proposed at the forthcoming AGM.

### **Annual General Meeting ("AGM")**

The AGM will be held on 21 April 2020. The notice of AGM is included in this document.

### **Corporate Governance**

The Corporate Governance Statement on pages 18 to 21 forms part of this report.

### **Statement of Directors' Responsibilities**

The Statement of Directors' Responsibilities on page 25 forms part of this report.

**Helen Green**  
Director

**William Collins**  
Director  
12 February 2020

# Governance

## Corporate Governance Statement

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This Corporate Governance Statement forms part of the Directors' Report.

The Board of Aberdeen Emerging Markets Investment Company Limited (the "Company") has considered the principles and recommendations of the Association of Investment Companies' ("AIC") Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide") as issued in July 2016. The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in the UK Corporate Governance 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 revised its Code of Corporate Governance (the "Guernsey Code") in February 2016. Companies which report under 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 Corporate Governance 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 in the preamble to the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

### The Board

The Board aims to provide effective leadership so the Company has the platform from which it can achieve its investment objective. Its role is to guide the overall business strategy for the benefit of shareholders and stakeholders, ensuring that their interests are its primary consideration. The intention is to create a supportive working environment which allows the Investment Manager the opportunity to manage the portfolio in accordance with the investment policy, through a framework of effective controls which enable risks to be assessed and managed.

### Composition

Mr Hadsley-Chaplin was appointed by the Board on 26 April 2012, Mr Collins was appointed by the Board on 14 June 2012 and Mrs Green was appointed by the Board on 1 July 2016. Ms de Rochechouart was appointed by the Board with effect from 16 April 2019. Mr Hawkins was appointed as a Director of the Company with effect from its commencement on 16 September 2009. All the Directors hold their office in accordance with the Company's Articles of Incorporation.

Mr Hadsley-Chaplin was appointed Chairman of the Board on 10 April 2017.

All Directors are considered by the Board to be independent at the date of this report.

An insurance policy covering Directors' and officers' liabilities is maintained by the Company.

### Board Diversity

The Company's policy is that the Board should have a broad range of skills and diversity. The Board performs an annual review of its performance and these factors form part of that review process. At the year end, the Board comprised three male and two female Directors.

The Board has given careful consideration to the recommendations of the AIC Code and other guidance on boardroom diversity. The Board considers these recommendations when reviewing Board composition.

**Mark Hadsley-Chaplin** (Chairman) – United Kingdom resident - founded RWC Partners Ltd, a London based fund management firm in 2000, was CEO until 2006 and Chairman until 2010. Prior to this he was Vice Chairman of UBS Securities (East Asia) Ltd, based in Singapore and responsible for the management and development of the bank's Asian equity business worldwide.

Mr Hadsley-Chaplin holds no other public company directorships.

**John Hawkins** - United Kingdom resident - is a Fellow of the Institute of Chartered Accountants in England and Wales. He was formerly Executive Vice President and a member of the Corporate Office of The Bank of Bermuda Limited. He was with The Bank of Bermuda for 25 years, of which approximately 15 years were based in Hong Kong. He is also a director of Raffles Asia Investment Company Limited.

Given Mr Hawkins' tenure of service as a Director, of more than nine years, he stands annually for re-election at the AGM.

**William Collins** (Senior Independent Director) – Guernsey resident - has over 45 years' experience in banking and investment. From September 2007 he was employed by Bank J Safra Sarasin (formerly Bank Sarasin) in Guernsey as Director - Private Clients, retiring at the end of 2014. Prior to that he worked for Barings in Guernsey for over 18 years. In 1995 he was appointed a director and from 2003 until August 2007 was Managing Director of Baring Asset Management (CI) Ltd.

Mr Collins holds no other public company directorship.

**Helen Green** - Guernsey resident - is a chartered accountant and has been employed by Saffery Champness, a top 20 firm of chartered accountants, since 1984. She qualified as a chartered accountant in 1988 and became a partner in the London office in 1998. Since 2000 she has been based in the Guernsey office where she is Client Liaison Director responsible for trust and company administration. Mrs Green serves as a non-executive director on the boards of a number of companies in various jurisdictions.

Mrs Green holds other public company directorships in UK Mortgages Limited, Landore Resources Limited, CQS Natural Resources Growth and Income plc and JPMorgan Global Core Real Assets Limited.

**Eleonore de Rochechouart** - United Kingdom resident - is a partner of ResFamiliaris LLP, a wealth management advisory boutique designed for families looking for a dedicated and independent service covering all aspects of their global wealth including financial and non-financial assets. Prior to joining ResFamiliaris in 2010, Ms de Rochechouart spent 20 years in the financial services industry as an economist, researcher and asset allocator in both the traditional and alternative investment arena.

Ms de Rochechouart holds no other public company directorships.

#### The Chairman

The Chairman is independent in accordance with principle 1 of the AIC Code. Mr Hadsley-Chaplin has extensive knowledge of the investment management industry and backgrounds which provide the foundation for the role of Chairman and the basis on which to make judgements as head of the Board, on behalf of shareholders.

### Board Meetings

The actual number of meetings of the Board and Committees for the year under review is given below, together with individual Directors' 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.

	Board	Nomination Committee	Audit Committee	Management Engagement Committee	Remuneration Committee
M Hadsley-Chaplin	3/4	2/2	n/a	1/1	1/1
W Collins	4/4	2/2	3/3	1/1	1/1
J Hawkins	4/4	2/2	3/3	1/1	1/1
H Green	4/4	2/2	3/3	1/1	1/1
E de Rochechouart	3/3	n/a	3/3	1/1	1/1

In addition there were three Board meetings to deal with matters relating to the loan facility renewal, and the approval of dividends and share buybacks.

### Re-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. Each Director's appointment is for an initial three year period subject to renewal and termination upon three months' notice.

In accordance with the Company's Articles of Incorporation one third of the Directors will retire by rotation. In addition to this requirement, the Board has agreed that all Directors should be subject to re-election at intervals of no more than three years and that Directors who have served for more than nine years will seek annual re-election. A retiring Director shall be eligible for re-appointment in accordance with the Articles of Incorporation. Accordingly, Mrs Green and Mr Hawkins will retire and put themselves forward for re-election at the AGM and Ms de Rochechouart will put herself forward for election at the AGM.

### Directors' Shareholdings

At 31 October 2019 and at the date of this report, the Directors had the following shareholdings in the Company.

	Ordinary shares At 31 October 2019 and at the date of this report	Ordinary shares At 31 October 2018
M Hadsley-Chaplin	30,000	25,000
W Collins	15,000	12,000
J Hawkins	10,000	10,000
H Green	1,800	-
E de Rochechouart	-	-

A procedure has been adopted for the Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. Directors are encouraged to attend industry and other seminars, including courses run by the AIC, covering issues and developments relevant to investment companies.

The Board has reviewed the contributions made by Mrs Green and Ms de Rochechouart and recommends their continuing appointment as Directors of the Company.

### Board Committees

The Company has established an Audit Committee, a Management Engagement Committee, a Nomination Committee and a Remuneration Committee. Other committees of the Board may be formed from time to time to deal with specific matters.

#### Audit Committee

A report on pages 22 and 23 provides details of the role, composition and meetings of the Audit Committee together with a description of the work of the Committee in discharging its responsibilities.

Mrs Green is the Chairman of the Audit Committee. The Audit Committee has formal terms of reference and copies of these are available on request from the Company Secretary and on the Company's website.

### Management Engagement Committee

The Company has established a Management Engagement Committee which at the year end comprised all the independent Directors, namely, Mr Hadsley-Chaplin, Mr Collins, Mr Hawkins, Ms de Rochechouart and Mrs Green. The Committee meets formally at least on an annual basis to consider the appointment and remuneration of the Manager. The Committee also considers the appointment and remuneration of other suppliers of services to the Company.

Mr Hadsley-Chaplin was appointed Chairman of the Management Engagement Committee on 24 January 2019. The Committee has formal terms of reference and copies of these are available on request from the Company Secretary and on the Company's website.

### Nomination Committee

The Company has established a Nomination Committee which at the year end comprised Mr Collins, Mrs Green, Mr Hawkins, Ms de Rochechouart and Mr Hadsley-Chaplin. The Committee has been established for the purpose of considering the composition of the Board as a whole and for identifying and putting forward candidates for the office of Director of the Company and meets as and when it is required. The Committee considers job specifications and assesses whether candidates have the necessary skills and time available to devote to the job.

Mr Collins is Chairman of the Nomination Committee. The Nomination Committee has formal terms of reference and copies of these are available on request from the Company Secretary and on the Company's website.

### Remuneration Committee

The Company has established a Remuneration Committee, which at the year end comprised Mr Collins, Mr Hadsley-Chaplin, Mr Hawkins, Ms E de Rochechouart and Mrs Green. The Committee meets at least on an annual basis to consider the remuneration of the Directors. The Committee reviews the remuneration of the Directors and Chairman against the fees paid to the directors of other investment companies of a similar size and nature, as well as taking into account other comparable data.

Mr Collins is the Chairman of the Remuneration Committee. The Remuneration Committee has formal terms of reference and copies of these are available on request from the Company Secretary and on the Company's website.

### Performance Evaluation

A formal annual performance appraisal process is performed on the Board, the committees, and the individual Directors. The appraisal is performed internally and the Board considers that this is appropriate given the nature and size of the Company. A programme consisting of open and closed end questions is used as the basis for the appraisals. The results are reviewed by the Chairman and are then discussed with the Board so that any necessary action can be considered and undertaken. A separate appraisal of the Chairman is carried out under the supervision of the Senior Independent Director and the results are reviewed and reported back to the Chairman. The results of the performance appraisal carried out in the financial year ended 31 October 2019

demonstrated that the structure of the Board and the diverse experience of the Directors are appropriate to meet the Company's requirements.

The Directors are aware that the Board should have an appropriate balance of skills, experience, independence and knowledge. The annual performance evaluation report covers this issue and the Board understands the requirement for this balance to be maintained.

### Internal Controls

The AIC Code requires the Board to review the effectiveness of the Company's system of internal controls. The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness and has applied the Financial Reporting Council's ("FRC") guidance on internal controls. The system of 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 guidance 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. Through these procedures the Directors have kept under review the effectiveness of the internal control system throughout the year and up to the date of this report.

The Board uses a risk assessment matrix to consider the main risks and controls for the Company. The matrix is reviewed and updated on a frequent basis by the Board.

The Board has contractually delegated to external agencies, including the 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 was 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 it is fully informed of the internal control framework established by the Manager, the Administrator and the UK Administration Agent to provide reasonable assurance on the effectiveness of internal financial controls.

The key procedures include monthly production of management accounts and NAV calculations, monitoring of performance monthly and at regular Board meetings, review by the Directors of the valuation of securities, segregation

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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. In addition, the Board keeps under its own direct control all material payments out of the Company other than for investment purposes.

The Statement of Directors' Responsibilities in respect of the financial statements is on page 25 and a statement of going concern is on page 16. The Independent Auditor's Report is on pages 27 to 29.

#### Other Aspects of Internal Control

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

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

Upon joining the Board, any new Directors receive an induction and other relevant training is available to Directors on an ongoing basis.

Directors receive and consider 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 the scope of their services, 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 Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

This contact with the Manager, Administrator, UK Administration Agent and the external Auditor 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.

There are no significant findings to report from the review of internal controls during the year.

#### Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed is set out in the Directors' Report.

#### Shareholder Relations

The Board encourages all shareholders to attend the AGM and seeks to provide at least 20 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 the Company's shareholders. The Board receives shareholder feedback directly and via the Company's Manager and Broker through their programme of meetings with shareholders.

All 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 usually votes on relevant decisions of its holdings. In making a voting decision all relevant factors are taken into account, including the performance of the investee company, its corporate governance where this bears meaningfully upon the responsiveness of its management to shareholders' needs and the readiness of its management to address any areas where improvements might be expected to strengthen its share price or otherwise create real benefit for shareholders. Further information regarding the activities of the Company in pursuing these issues may be found in the Investment Manager's report. The Manager has published on its website its statement of compliance with the principles of best practice of the Stewardship Code issued by the FRC in July 2010 and updated in September 2012.

#### UK Stewardship Code and Proxy Voting as an Institutional Shareholder

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager and in turn to the Investment Manager.

The full text of the Company's response to the Stewardship Code may be found on its website.

#### Environmental, Social and Corporate Governance ("ESG") Policy

The Company is a closed-ended investment company and therefore has no staff, premises, manufacturing or other operations. The Investment Manager takes into account the ESG policies of potential investee funds as part of its investment process and has implemented an ESG policy.

# Governance

## Report of the Audit Committee

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### Role, Composition and Meetings

The Board has established an Audit Committee, which at the year end comprised Mrs Green, Mr Collins, Ms de Rochechouart and Mr Hawkins. As a minimum, the Audit Committee meets on a bi-annual basis 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 reports from the auditor, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditor and monitoring and reviewing annually the auditor's independence, objectivity, effectiveness and qualifications and, where relevant, compliance with corporate governance changes. The Committee is responsible for the development and implementation of a policy on the supply of any non-audit services provided by the auditor. The Board has also requested that the Audit Committee advise it on whether it believes that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Mrs Green is the Chairman of the Audit Committee and has recent and relevant financial experience. The Audit Committee as a whole has competence relevant to the investment company sector.

In the year ended 31 October 2019 there were three meetings of the Audit Committee. The Company's external auditor also attends the meetings at the Committee's request and reports on its work procedures and its findings in relation to the Company's statutory audit. The Company's external auditor attended all of the Audit Committee meetings during the year ended 31 October 2019.

### Financial Statements and Significant Accounting Matters

The Audit Committee considered the following significant accounting issues in relation to the Company's financial statements for the year ended 31 October 2019.

#### Valuation of Investments

The Company, as an investment company, invests virtually all of its assets into funds invested in developing and emerging markets. As at 31 October 2019, investments represented approximately 107.8% of its net assets. The valuation of investments is therefore the most significant factor in relation to the accuracy of the financial statements. The portfolio consists of investments in either quoted investment companies or open ended funds with observable independent values. The estimates, assumptions and judgements required to be made by management in determining the valuation of investments and method of accounting are described in more detail in notes 3(a) and 18 to the financial statements.

The Audit Committee reviewed the portfolio valuation as at 31 October 2019. The Audit Committee obtained confirmation from the Administrator, UK Administration Agent and the Manager that the Company's accounting policies on valuation of investments had been followed. The Audit Committee made enquiries of the Administrator, UK Administration Agent and the Manager with regards to the procedures that are in place to ensure that the portfolio is valued correctly.

The Audit Committee agreed the approach to the audit of the valuation of investments with the external auditor prior to the commencement of the audit. The results of the audit in this area were reported by the external auditor and there were no significant disagreements between management and the external auditor's conclusions.

### Effectiveness of External Audit

The Audit Committee reviews the effectiveness of the Company's external audit. The Audit 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 Committee performed a review of the external auditor following the presentation of the results of the audit. The review included a discussion of the audit process and the ability of the external auditor to fulfil its role. The factors considered by the Audit Committee included the external auditor's resources, independence, the performance of the team employed to conduct the audit, audit planning, communication and scope of the audit.

### Audit Tenure

KPMG Channel Islands Limited ("KPMG") has been the Company's external auditor since 2009 and the audit of the Company's accounts for the year ended 31 October 2019 will be the tenth year that KPMG has acted as auditor. Following professional guidelines, the audit partner rotates after five years. The current audit partner is in his fourth year of appointment. The Company is committed to the highest standards of corporate governance and, in accordance with best practice for premium-segment listed companies, the Audit Committee decided to put the audit out to tender during the year. The Audit Committee identified three suitably experienced audit firms, including KPMG. The three firms were asked to provide detailed written proposals to the Audit Committee and two of the firms were then interviewed by the Committee. Following the interviews, and having given full consideration to the proposed fees, auditor independence and quality of the audit teams, the Audit Committee concluded that it would be in the best interests of the Company for KPMG to be re-appointed as auditor.

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Accordingly, the Audit Committee agreed that the re-appointment of KPMG as auditor should be recommended to the Board and put to shareholders for approval at the Annual General Meeting.

### **Provision of Non-Audit Services**

The Audit Committee has put a policy in place for 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 31 October 2019 there were no non-audit services provided, other than reporting on the Company's half year financial statements. The fee payable to the Auditor for this additional service amounted to £15,000 (2018: £14,500).

**Helen Green**  
Audit Committee Chairman  
12 February 2020

# Governance

## Directors' Remuneration Report

This Directors' Remuneration Report has been prepared on a voluntary basis in accordance with UK regulations governing the disclosure and approval of Directors' remuneration, and comprises three parts:

1. a Remuneration Policy which the Board has decided will be subject to a binding shareholder vote every three years (or sooner if varied during this interval). The first such vote took place at the AGM on 10 April 2017, covering the three year period to 31 October 2019.
2. an Implementation Report which is subject to an advisory vote on the level of remuneration paid during the year; and
3. an Annual Statement.

A Remuneration Committee has been formed which comprises Mr Collins (Chairman), Mr Hadsley-Chaplin, Ms de Rochechouart, Mr Hawkins and Mrs Green. The Directors' Remuneration Policy and level of Directors' Remuneration are determined by the Remuneration Committee.

### 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 Incorporation and Directors are not eligible for bonuses, pension benefits, share benefits, share options, long-term incentive schemes or other benefits.

The Company's Articles of Incorporation currently limit the maximum amount payable in aggregate to the Directors to £200,000 per annum and this may only be changed by the passing of an ordinary resolution of the Company.

No services have been provided by, or fees paid to, advisers in respect of remuneration policy during the year ended 31 October 2019.

No shareholder views have been sought in setting the Remuneration Policy although any comments received from shareholders are considered.

### Directors' Service Contracts

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

There were no changes to the Directors' Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future. The Remuneration Policy is reviewed by the Remuneration Committee on an annual basis and it is the Committee's intention that this Remuneration Policy will apply for the three year period ending 31 October 2022. A resolution to approve the Directors' Remuneration Policy covering the three year period to 31 October 2022 will be proposed at the forthcoming AGM.

### Implementation Report

#### Directors' Emoluments for the Year

Fees payable with effect from 1 July 2018 have been at a rate of £38,000 per annum for the Chairman, £33,000 per annum for the Audit Committee Chairman and £28,000 per annum for the other Directors.

During the year ended 31 October 2019, there were no additional fees paid to the Directors.

The following emoluments in the form of fees were payable in the year ended 31 October 2019 to the Directors who served during the year:

	Fees 2019 £'000	Fees 2018 £'000
M Hadsley-Chaplin (Chairman)	38.0	34.7
H Green	33.0	29.7
J Hawkins	28.0	26.0
W Collins	28.0	26.0
E de Rochechouart (appointed 16 April 2019)	15.2	-
M Barker (resigned 4 October 2018)	-	23.9
	<b>142.2</b>	<b>140.3</b>

#### Statement of Voting at the AGM

At the Company's last AGM, held on 16 April 2019, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 October 2018. 99.99% of proxy votes were in favour of the resolution and 0.01% of proxy votes were against. At the Company's AGM held on 10 April 2017, shareholders approved the Directors' Remuneration Policy in respect of the three years ending 31 October 2019. 99.9% of proxy votes were in favour of the resolution and 0.1% of proxy votes were against.

A resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 31 October 2019 will be proposed at the AGM.

#### Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown above.

#### Annual Statement

The Board confirms that the above Directors' Remuneration Report summarises, as applicable, for the year ended 31 October 2019:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration; and
- the context in which the changes occurred and decisions have been taken.

#### William Collins

Remuneration Committee Chairman  
12 February 2020

# Statement of Directors' Responsibilities in Respect of the Annual Report and Accounts

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The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Guernsey company law requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the IASB and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, but not for the content of any information included on the website that has been prepared or issued by third parties. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## Responsibility Statement of the Directors in Respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Management Report (comprising the Chairman's Statement, the Investment Manager's Report and the Directors' Report) includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

**Helen Green**  
Director

**William Collins**  
Director  
12 February 2020

# Governance

## Depositary Report

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Northern Trust (Guernsey) Limited has been appointed as Depositary to the Company with effect from 1 August 2014 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 31 October 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 documents, the scheme particulars 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 Company, the assets in which a Company 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
- (ii) otherwise in accordance with the provisions of the constitutional document and the AIFMD legislation.

For and on behalf of  
**Northern Trust (Guernsey) Limited**  
12 February 2020

# Financial Statements

## Independent Auditor's Report

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

### Our Opinion is Unmodified

We have audited the financial statements of Aberdeen Emerging Markets Investment Company Limited (the "Company"), which comprise the Statement of Financial Position as at 31 October 2019, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 October 2019, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards (IFRS); and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards, as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Key Audit Matters: Our Assessment of the Risks of Material Misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which 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. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2018):

	The risk	Our response
<p><i>Valuation of Investments (Investments at fair value through profit or loss) £328,713,000; (2018: £295,601,000)</i></p> <p><i>Refer to page 22 of the Audit Committee, notes 2(g), 3(a) accounting policies and note 18 disclosures</i></p>	<p><b>Basis:</b> As at 31 October 2019 the Company had invested in closed and open-ended investment funds (together, the "investments") which represented the majority of net assets.</p> <p>The Company's listed or quoted investments, which represents 86% of investments, are valued based on prices obtained from third party pricing providers</p> <p>The Company's holdings in unlisted funds, which represents 14% of investments and are not quoted or traded on a recognised stock exchange or other trading facility are valued at the net asset values provided by the underlying funds' administrators.</p> <p><b>Risk:</b> The valuation of the Company's investments, given that it represents the majority of the Company's net assets, is a significant area of our audit, with those which are unlisted being subject to estimation risk.</p>	<p><i>Our audit procedures included:</i></p> <p><b>Internal controls:</b> <i>Assessing the design and implementation of controls over the valuation of investments</i></p> <p><b>Challenging managements' assumptions and inputs including use of KPMG specialist:</b> <i>Our valuation specialist independently priced investments with a value of £281,874,000 to a third party pricing source.</i></p> <p><i>For holdings in unlisted funds with a value of £46,839,000, we:</i></p> <ul style="list-style-type: none"> <li>• reviewed the valuation technique applied for appropriateness</li> <li>• confirmed the net asset value per share directly with the underlying funds' administrators</li> <li>• obtained the latest audited financial statements of the underlying funds in order to consider: the nature of the investments held by the underlying funds; the financial reporting standards applied in the preparation of the underlying funds' financial statements; any modifications to audit reports; and any other disclosures that may be relevant to their valuation</li> </ul> <p><b>Assessing disclosures:</b> <i>We also considered the Company's disclosures (see note 2(g)) in relation to the use of estimates and judgments regarding the valuation of investments and the Company's investment valuation policies adopted in note 3(a) and fair value disclosures in note 18 in compliance with IFRS.</i></p>

# Financial Statements

## Independent Auditor's Report continued

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### Our Application of Materiality and an Overview of the Scope of Our Audit

Materiality for the financial statements as a whole was set at £6,169,000, determined with reference to a benchmark of net assets of £304,877,000, of which it represents approximately 2.0% (2018: 3%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £308,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

### We Have Nothing to Report on Going Concern

We are required to report to you if we have anything material to add or draw attention to in relation to the directors' statement in note 2(b) to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in this respect.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Disclosures of Emerging and Principal Risks and Longer Term Viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement (pages 16 and 17) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed or mitigated;

- the directors' explanation in the viability statement (pages 16 and 17) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

### Corporate Governance Disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report to you in these respects.

### We Have Nothing to Report on Other Matters on Which We are Required to Report by Exception

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

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

### Respective Responsibilities

#### Directors' Responsibilities

As explained more fully in their statement set out on page 25, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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### Auditor's Responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The Purpose of this Report and Restrictions on its Use by Persons Other Than the Company's Members as a Body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008 and, in respect of any further matters on which we have agreed to report, on terms we have agreed with the Company. 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.

### Barry Ryan

For and on behalf of KPMG Channel Islands Limited  
Chartered Accountants and Recognised Auditors  
Guernsey  
12 February 2020

## Financial Statements

# Statement of Comprehensive Income

	Note	Year ended 31 October 2019			Year ended 31 October 2018		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments at fair value through profit or loss	4	-	37,730	37,730	-	(41,807)	(41,807)
Losses on currency movements		-	(392)	(392)	-	(157)	(157)
<b>Net investment gains/(losses)</b>		<b>-</b>	<b>37,338</b>	<b>37,338</b>	<b>-</b>	<b>(41,964)</b>	<b>(41,964)</b>
Investment income	5	4,861	-	4,861	5,019	-	5,019
		<b>4,861</b>	<b>37,338</b>	<b>42,199</b>	<b>5,019</b>	<b>(41,964)</b>	<b>(36,945)</b>
Investment management fees	6	(2,331)	-	(2,331)	(2,515)	-	(2,515)
Other expenses	6	(883)	-	(883)	(886)	-	(886)
<b>Operating profit/(loss) before finance costs and taxation</b>		<b>1,647</b>	<b>37,338</b>	<b>38,985</b>	<b>1,618</b>	<b>(41,964)</b>	<b>(40,346)</b>
Finance costs	9	(315)	-	(315)	(312)	-	(312)
<b>Operating profit/(loss) before taxation</b>		<b>1,332</b>	<b>37,338</b>	<b>38,670</b>	<b>1,306</b>	<b>(41,964)</b>	<b>(40,658)</b>
Withholding tax expense		(223)	-	(223)	(326)	-	(326)
<b>Total profit/(loss) and comprehensive income for the year</b>		<b>1,109</b>	<b>37,338</b>	<b>38,447</b>	<b>980</b>	<b>(41,964)</b>	<b>(40,984)</b>
<b>Earnings per Ordinary share</b>	10	<b>2.41p</b>	<b>81.17p</b>	<b>83.58p</b>	<b>2.03p</b>	<b>(86.83p)</b>	<b>(84.80p)</b>

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

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 48 form part of these financial statements.

# Financial Statements

## Statement of Financial Position

	Note	As at 31 October 2019 £'000	As at 31 October 2018 £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	4	328,713	295,601
<b>Current assets</b>			
Cash and cash equivalents		1,190	1,037
Sales for future settlement		72	-
Other receivables		350	297
		<b>1,612</b>	<b>1,334</b>
<b>Total assets</b>		<b>330,325</b>	<b>296,935</b>
<b>Current liabilities</b>			
Purchases for future settlement		(104)	-
Other payables		(344)	(351)
Finance costs payable	9	-	(28)
Bank loan payable	9	(25,000)	(20,000)
<b>Total liabilities</b>		<b>(25,448)</b>	<b>(20,379)</b>
<b>Net assets</b>		<b>304,877</b>	<b>276,556</b>
<b>Equity</b>			
Share capital	12	149,616	150,082
Capital reserve	13	161,204	132,546
Revenue reserve		(5,943)	(6,072)
<b>Total equity</b>		<b>304,877</b>	<b>276,556</b>
<b>Net assets per Ordinary share</b>	14	<b>663.28p</b>	<b>600.59p</b>

Approved by the Board of Directors and authorised for issue on 12 February 2020 and signed on its behalf by:

Helen Green – Director

William Collins – Director

The notes on pages 34 to 48 form part of these financial statements.

## Financial Statements

# Statement of Changes in Equity

Year ended 31 October 2019	Note	Share capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>Balance at 1 November 2018</b>		<b>150,082</b>	<b>132,546</b>	<b>(6,072)</b>	<b>276,556</b>
Profit for the year		-	37,338	1,109	38,447
Dividends paid	11	-	(8,680)	(980)	(9,660)
Share buybacks	12	(466)	-	-	(466)
<b>Balance at 31 October 2019</b>		<b>149,616</b>	<b>161,204</b>	<b>(5,943)</b>	<b>304,877</b>

Year ended 31 October 2018	Note	Share capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>Balance at 1 November 2017</b>		<b>183,930</b>	<b>184,593</b>	<b>(7,052)</b>	<b>361,471</b>
Loss for the year		-	(41,964)	980	(40,984)
Dividends paid	11	-	(10,083)	-	(10,083)
Tender offer	12	(33,413)	-	-	(33,413)
Tender offer costs	12	(254)	-	-	(254)
Share buybacks	12	(181)	-	-	(181)
<b>Balance at 31 October 2018</b>		<b>150,082</b>	<b>132,546</b>	<b>(6,072)</b>	<b>276,556</b>

The Company's distributable reserves comprise; the Capital reserve attributable to realised profits and the Revenue reserve.

The notes on pages 34 to 48 form part of these financial statements.

## Financial Statements

# Statement of Cash Flow

		Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
	Note		
<b>Operating activities cash flows</b>			
Cash inflow from investment income and other income		4,830	4,908
Cash outflow from management expenses		(3,243)	(3,407)
Cash inflow from disposal of investments*		110,609	73,523
Cash outflow from purchase of investments*		(105,959)	(27,668)
Cash outflow from withholding tax		(223)	(326)
<b>Net cash flow from operating activities</b>	15	<b>6,014</b>	<b>47,030</b>
<b>Financing activities cash flows</b>			
Proceeds from/(repayment of) bank borrowings	9	5,000	(5,000)
Borrowing commitment fee and interest charges		(343)	(319)
Dividend paid	11	(9,660)	(10,083)
Tender offer and associated costs	12	-	(33,667)
Share buybacks	12	(466)	(181)
<b>Net cash flow used in financing activities</b>		<b>(5,469)</b>	<b>(49,250)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>545</b>	<b>(2,220)</b>
Effect of foreign exchange		(392)	(157)
Cash and cash equivalents at start of the year		1,037	3,414
<b>Cash and cash equivalents at end of the year</b>		<b>1,190</b>	<b>1,037</b>

\* Receipts from the disposal and purchase of investments have been classified as components of cash flow from/(used in) operating activities because they form part of the Company's operating activities.

The notes on pages 34 to 48 form part of these financial statements.

## 1. Reporting entity

Aberdeen Emerging Markets Investment Company Limited (the “Company”) is a closed-ended investment company, registered in Guernsey on 16 September 2009. The Company’s registered office is 11 New Street, St Peter Port, Guernsey, GY1 2PF. The Company’s Ordinary shares have a premium listing on the London Stock Exchange and commenced trading on 10 November 2009. The Company changed its name to Aberdeen Emerging Markets Investment Company Limited on 14 April 2016. The financial statements of the Company are presented for the year ended 31 October 2019.

The Company invests in a portfolio of funds and products which give diversified exposure to developing and emerging markets economies with the objective of achieving consistent returns for shareholders in excess of the MSCI Emerging Markets Net Total Return Index in sterling terms.

### Manager

The investment activities of the Company were managed by Aberdeen Standard Fund Managers Limited (“ASFML”) during the year ended 31 October 2019.

### Non-mainstream pooled investments (“NMPIs”)

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority’s rules in relation to NMPIs and intends to continue to do so for the foreseeable future.

## 2. Basis of preparation

### (a) Statement of compliance

The financial statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are in compliance with the Companies (Guernsey) Law, 2008. There were no changes in the accounting policies of the Company in the year to 31 October 2019.

Where presentational guidance set out in the Statement of Recommended Practice (“SORP”) for Investment Companies issued by the Association of Investment Companies (“AIC”) in October 2019 is consistent with the requirements of IFRS, the directors have sought early adoption of the SORP and to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The total column of the Statement of Comprehensive Income is the profit or loss account of the Company. The “Capital” and “Revenue” columns provide supplementary information.

The financial statements were approved and authorised for issue by the Board on 12 February 2020.

This report will be sent to shareholders and copies will be made available to the public at the Company’s registered office. It will also be made available on the Company’s website: [aberdeenemergingmarkets.co.uk](http://aberdeenemergingmarkets.co.uk).

### (b) Going concern

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

At the AGM held in April 2018, a resolution was approved by shareholders that the Company will continue in existence in its current form until the AGM to be held in 2023.

The Directors believe that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of this document. In reaching this conclusion, the Directors have considered the liquidity of the Company’s portfolio of investments as well as its cash position, income and expense flows.

As at 31 October 2019, the Company held £1.2 million in cash and £328.7 million in investments. It is estimated that approximately 75% of the investments held at the year end could be realised in one month. The total operating expenses for the year ended 31 October 2019 were £3.2 million, which represented approximately 1.07% of average net assets during the year. The Company also incurred £0.3 million of finance costs. At the date of approval of this report, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

The Company has a £25 million revolving loan facility with RBSI, maturing on 29 March 2020. The Company has commenced discussions with RBSI and the Board expects to renew the facility on similar terms when it matures. As at 31 October 2019, £25 million was drawn down from the RBSI facility. The liquidity of the Company’s portfolio, as mentioned above, sufficiently supports the Company’s ability to repay its borrowings at short notice.

The Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements and, after due consideration, that the Company is able to continue in operation for a period of at least 12 months from the date of approval of these financial statements.

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**(c) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for investments held at fair value through profit or loss which are measured at fair value.

**(d) Functional and presentation currency**

The Company's investments are denominated in multiple currencies. However, the Company's Ordinary shares are issued in GBP sterling and the majority of its investors are UK based. Therefore, the financial statements are presented in sterling, which is the Company's functional currency. All financial information presented in sterling has been rounded to the nearest thousand pounds.

**(e) Capital reserve**

Profits achieved by selling investments and changes in fair value arising upon the revaluation of investments that remain in the portfolio are all charged to profit or loss in the capital column of the Statement of Comprehensive Income and allocated to the capital reserve. The capital reserve is also used to fund dividend distributions.

**(f) Revenue reserve**

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 reserve. The revenue reserve is also used to fund dividend distributions.

**(g) Use of estimates, assumptions and judgements**

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**Use of estimates and assumptions**

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below.

**Classification and valuation of investments**

Investments are designated as fair value through profit or loss on initial recognition and are subsequently measured at fair value. The valuation of such investments requires estimates and assumptions made by the management of the Company depending on the nature of the investments as described in notes 3 (a) and 18 and fair value may not represent actual realisable value for those investments.

**Allocation of investments to fair value hierarchy**

IFRS requires the Company to measure fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 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 are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – 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); and

Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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.

**Use of judgements**

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.

**3. Significant accounting policies****(a) 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 designated as fair value through profit or loss on initial recognition. These investments are recognised on the trade date of their acquisition at which the Company becomes a party to the contractual provisions of the

## Financial Statements

# Notes to the Financial Statements continued

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instrument. At this time, the best evidence of the fair value of the financial assets is the transaction price. Transaction costs that are directly attributable to the acquisition or issue of the financial assets are charged to profit or loss in the Statement of Comprehensive Income as a capital item. Subsequent to initial recognition, investments designated as fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss in the Statement of Comprehensive Income and determined by reference to:

- i) investments quoted or dealt on recognised stock exchanges in an active market are valued by reference to their market bid prices;
- ii) investments other than those in i) above which are dealt on a trading facility in an active market are valued by reference to broker bid price quotations, if available, for those investments;
- iii) investments in underlying funds, which are not quoted or dealt on a recognised stock exchange or other trading facility or in an active market, are valued at the net asset values provided by such entities or their administrators. These values may be unaudited or may themselves be estimates and may not be produced in a timely manner. If such information is not provided, or is insufficiently timely, the Investment Manager uses appropriate valuation techniques to estimate the value of investments. In determining fair value of such investments, the Investment Manager takes into consideration the relevant issues, which may include the impact of suspension, redemptions, liquidation proceedings and other significant factors. Any such valuations are assessed and approved by the Directors. The estimates may differ from actual realisable values;
- iv) investments which are in liquidation are valued at the estimate of their remaining realisable value; and
- v) any other investments are valued at the directors' best estimate of fair value.

Transfers between levels of the fair value hierarchy are recognised as at the end of the reporting period during which the change has occurred.

Investments are derecognised on the trade date of their disposal, which is the point where the Company transfers substantially all the risks and rewards of the ownership of the financial asset. Gains or losses are recognised in profit or loss in the capital column of the Statement of Comprehensive Income. The Company uses the weighted average cost method to determine realised gains and losses on disposal of investments.

### **(b) Foreign currency**

Transactions in foreign currencies are translated into sterling at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into sterling at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are retranslated into sterling at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into sterling using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss and, depending on the nature of the gain or loss, are allocated to the revenue or capital column of the Statement of Comprehensive Income. Foreign currency differences on retranslation of financial instruments designated as fair value through profit or loss are shown in the "Losses on currency movements" line.

### **(c) Income from investments**

Dividend income is recognised when the right to receive it is established and is reflected in the Statement of Comprehensive Income as Investment Income in the revenue column. For quoted equity securities this is usually on the basis of ex-dividend dates. For unquoted investments this is usually on the entitlement date confirmed by the relevant holding. Income from bonds is accounted for using the effective interest rate method.

Special dividends and distributions described as capital distributions are assessed on their individual merits and may be credited to the capital reserve if considered to be closely linked to reconstructions of the investee company or other capital transactions. Bank interest receivable is accounted for on a time apportionment basis and is based on the prevailing variable interest rates for the Company's bank accounts.

### **(d) Treasury shares**

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is recognised as a deduction from equity shareholders' funds through the Company's reserves. When such shares are subsequently sold or re-issued to the market any consideration received, net of any directly attributable incremental transaction costs, is recognised as an increase in equity shareholders' funds through the share capital account. Shares held in treasury are excluded from calculations when determining NAV per share.

### **(e) Cash and cash equivalents**

Cash comprises cash and demand deposits. Cash equivalents, which include bank overdrafts, are short term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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**(f) Investment management fees and finance costs**

Investment management fees and finance costs are charged to the Statement of Comprehensive Income as a revenue item and are accrued monthly in arrears. Finance costs include interest payable and direct loan costs. Performance-related fees, if any, are payable directly by reference to the capital performance of the Company and are therefore charged to profit or loss in the Statement of Comprehensive Income as a capital item.

**(g) Financial liabilities**

Financial liabilities (including bank loans) are classified according to the substance of the contractual arrangements entered into. Financial liabilities held at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss in the Statement of Comprehensive Income.

**(h) Taxation**

The Company has exempt status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charged an annual exemption fee of £1,200 (2018: £1,200).

Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin. The tax charges shown in profit or loss in the Statement of Comprehensive Income relate to overseas withholding tax on dividend income.

**(i) 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 investing in a portfolio of funds and products which give exposure to developing and emerging market economies. The key measure of performance used by the Board is the NAV of the Company (which is calculated under IFRS). Therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

Further information on the Company's operating segment is provided in note 19.

**(j) Offsetting**

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the recognised amounts and it intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are only presented on a net basis when permitted under IFRS.

**(k) Structured entities**

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

The Company holds shares, units or partnership interests in the funds or investment products presented in the Company's portfolio. The Company does not consider its investments in listed funds to be structured entities but does consider its investments in unlisted funds to be investments in structured entities because the voting rights in such entities are limited to administrative tasks and are not the dominant factor in deciding who controls those entities.

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

**(l) Dividend payable**

Final dividends payable to equity shareholders are recognised in the financial statements when they have been approved by shareholders and become a liability of the Company. Interim dividends payable are recognised in the period in which they are paid. The capital and revenue reserve may be used to fund dividend distributions.

**(m) New standards and interpretations effective in the current financial year**

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

At the date of approval of these financial statements, the following interpretations was in issue but not yet effective:

- IFRIC 23 (effective for periods beginning on or after 1 January 2019), clarifies the accounting for uncertainties in income taxes. An entity is required to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty. An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

# Financial Statements

## Notes to the Financial Statements continued

### 4. Investments at fair value through profit or loss and classification of financial instruments

	2019 £'000	2018 £'000
Quoted and listed closed end fund investments	157,004	172,449
Open ended fund and limited liability partnership investments	171,709	123,152
<b>Total investments at fair value at 31 October</b>	<b>328,713</b>	<b>295,601</b>
Investments held at fair value through profit or loss	2019 £'000	2018 £'000
Opening book cost	246,718	278,903
Opening investment holding gains	48,883	104,360
<b>Opening fair value</b>	<b>295,601</b>	<b>383,263</b>
<b>Analysis of transactions made during the year</b>		
Purchases at cost	106,064	27,668
Sales proceeds received	(110,682)	(73,523)
Gains/(losses) on investments	37,730	(41,807)
<b>Closing fair value</b>	<b>328,713</b>	<b>295,601</b>
Closing book cost	259,025	246,718
Closing investment holding gains	69,688	48,883
<b>Closing fair value</b>	<b>328,713</b>	<b>295,601</b>

The company received £110,682,000 (2018: £73,523,000) from investments sold in the year. The book cost of these investments when they were purchased was £93,757,000 (2018: £59,853,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

The table below sets out the classifications of the carrying amounts of the Company's financial assets and financial liabilities into categories of financial instruments.

	Held at fair value £'000	Loans and receivables £'000	Other financial liabilities £'000	Total £'000
<b>Financial instruments as at 31 October 2019</b>				
Investments at fair value through profit and loss	328,713	-	-	328,713
Cash and cash equivalents	-	1,190	-	1,190
Sales for future settlement and other receivables	-	422	-	422
Purchases for future settlement and other payables	-	-	(448)	(448)
Bank loan payable	-	-	(25,000)	(25,000)
<b>Total</b>	<b>328,713</b>	<b>1,612</b>	<b>(25,448)</b>	<b>304,877</b>

	Held at fair value £'000	Loans and receivables £'000	Other financial liabilities £'000	Total £'000
<b>Financial instruments as at 31 October 2018</b>				
Investments at fair value through profit and loss	295,601	-	-	295,601
Cash and cash equivalents	-	1,037	-	1,037
Sales for future settlement and other receivables	-	297	-	297
Purchases for future settlement and other payables	-	-	(379)	(379)
Bank loan payable	-	-	(20,000)	(20,000)
<b>Total</b>	<b>295,601</b>	<b>1,334</b>	<b>(20,379)</b>	<b>276,556</b>

### 5. Investment income

	2019 £'000	2018 £'000
Dividends from UK Investments	2,585	2,388
Dividends from Overseas Investments	2,270	2,626
Other income	6	5
<b>Total income</b>	<b>4,861</b>	<b>5,019</b>

## 6. Management fee and other expenses

	2019 £'000	2018 £'000
<b>Management fee</b>	<b>2,331</b>	<b>2,515</b>
Administration fees	200	200
Depositary and custody service fees	150	130
Registration fees	33	31
Directors' fees	142	140
Auditor's fees:		
Audit services	39	39
Non-audit services	15	15
Promotional fees	158	187
Broker fees	57	36
Miscellaneous expenses	89	108
<b>Total other expenses</b>	<b>883</b>	<b>886</b>
<b>Total expenses</b>	<b>3,214</b>	<b>3,401</b>

### Management fee

Management services are provided by Aberdeen Standard Fund Managers Limited ("ASFML"). The management fee is payable monthly in arrears (and pro rata for part of any month during which the management agreement is in force) at an annualised rate of 0.8% of net assets, reduced by the proportion of the Company's net assets invested in funds which are managed by Aberdeen Standard Investments ("Aberdeen Standard Funds"), other than the investments in Aberdeen Standard SICAV I - China A Share Equity Fund and Aberdeen Standard SICAV I - Frontier Markets Bond Fund, which are held in share classes not subject to management charges at a fund level and the Manager is therefore entitled to a fee on the value of those investments.

The Management Agreement is terminable by either party on not less than six months' written notice at any time, subject to earlier termination in certain circumstances including certain breaches or the insolvency of either party.

### Promotional fee

The Company has agreed to pay a fee to ASFML for the provision of promotional activities at an annual rate of £160,000 with effect from 1 July 2018 and £154,000 with effect from 1 July 2019.

### Company Secretary and Administrator fees

Vistra Fund Services (Guernsey) Limited ("Vistra") is appointed as Administrator and Secretary to the Company. Vistra is appointed under a contract subject to ninety days' written notice and receives a fee at a rate of £40,000 per annum plus certain additional fees (during the year ended 31 October 2019, Vistra's fee for ad hoc meetings held amounted to £11,000 (2018: £16,500)). Vistra also receives the fees payable to the UK Administration Agent.

### UK Administration agent fees

PraxisIFM Fund Services (UK) Limited ("PraxisIFM") is appointed by Vistra to act as administration agent in the United Kingdom. PraxisIFM is appointed under a contract subject to not less than ninety days' notice. The UK Administration Agent receives from the Administrator a monthly fee equal to one twelfth of 0.1% of NAV subject to a maximum fee for the year ended 31 October 2019 of £148,653 (2018: £143,846) per annum. The maximum fee is increased annually, in November, by the change in the UK Retail Price Index (all items) over the preceding 12 months.

### Depositary services and custodian fees

Northern Trust (Guernsey) Limited, receives fees for Depositary services calculated at the rate of 2.95 basis points per annum subject to a minimum annual fee of £20,000, effective 1 August 2018. Northern Trust (Guernsey) Limited also receives a fee for custody services. It receives an asset based fee equal to between 1.00 basis points and 60.00 basis points of the value of the assets of the Company. Transaction based fees are also payable of between £10 and £140 per transaction. The variable fees are dependent on the countries in which the individual holdings are registered.

## 7. Directors' fees

The fees payable for the year were £142,200 (2018: £140,300). There were no other emoluments.

# Financial Statements

## Notes to the Financial Statements continued

### 8. Transaction charges

	2019 £'000	2018 £'000
Transaction costs on purchases of investments	58	5
Transaction costs on sales of investments	29	6
<b>Total transaction costs included in gains on investments</b>	<b>87</b>	<b>11</b>

### 9. Bank loan payable and finance costs

On 29 March 2018, the Company entered into an unsecured 12 month revolving credit facility with The Royal Bank of Scotland plc, under which loans with a maximum aggregate value of £25 million may be drawn. The facility was renewed with The Royal Bank of Scotland International Limited (London Branch) ("RBSI") on 29 March 2019 for a further 12 month period, with a termination date of 29 March 2020. The Company has commenced discussions with RBSI and the Board expects to renew the facility on similar terms when it matures. As at 31 October 2019, £25 million (2018: £20 million) was drawn down at an all-in rate of 1.26413% (2018: 1.275%).

	2019 £'000	2018 £'000
Interest payable	303	273
Facility arrangement fees and other charges	12	39
<b>Total finance costs</b>	<b>315</b>	<b>312</b>

At 31 October 2019, interest payable of nil (2018: £28,000) was accrued in the Statement of Financial Position.

### 10. Earnings per Ordinary share

Earnings per Ordinary share is based on the total comprehensive income for the year ended 31 October 2019, being a profit of £38,447,000 (2018: loss of £40,984,000) attributable to the weighted average of 46,000,304 (2018: 48,331,919) Ordinary shares in issue (excluding shares held in treasury) during in the year ended 31 October 2019.

Supplementary information is provided as follows: revenue per share is based on the net revenue profit of £1,109,000 (2018: profit of £980,000) and capital earnings per share is based on the net capital profit of £37,338,000 (2018: loss of £41,964,000) attributable to the above Ordinary shares.

### 11. Dividends paid

#### Dividends paid during the year ended 31 October 2019

Dividend type (in respect of the year) – Pay date	Pence per Ordinary Share	Capital reserve £'000	Revenue reserve £'000
Fourth interim (2018) - paid 21 December 2018	5.25	1,437	980*
First interim (2019) - paid 29 March 2019	5.25	2,417	–
Second interim (2019) - paid 28 June 2019	5.25	2,413	–
Third interim (2019) - paid 27 September 2019	5.25	2,413	–
<b>Total dividend</b>	<b>21.00</b>	<b>8,680</b>	<b>980</b>

\* The revenue reserve element of the Fourth interim dividend paid for the year ended 31 October 2018 was partly funded from the revenue profit for the year ended 31 October 2018.

On 3 October 2019, the Board declared a fourth interim dividend in respect of the year of 5.25p per Ordinary share, payable on 20 December 2019 to those shareholders on the register on 29 November 2019.

The Board declares a first interim dividend for the financial year ending 31 October 2020, of 5.5p per Ordinary share, which will be paid on 27 March 2020 to shareholders on the register on 28 February 2020.

#### Dividends paid during the year ended 31 October 2018

Dividend type (in respect of the year) – Pay date	Pence per Ordinary Share	Capital reserve £'000	Revenue reserve £'000
Second interim (2017) - paid 29 December 2017	5.00	2,560	–
First interim (2018) - paid 29 March 2018	5.25	2,689	–
Second interim (2018) - paid 29 June 2018	5.25	2,417	–
Third interim (2018) - paid 28 September 2018	5.25	2,417	–
<b>Total dividend</b>	<b>20.75</b>	<b>10,083</b>	<b>–</b>

## 12. Share capital

		Ordinary shares of 1 p nominal value £'000	Allotted, issued and fully paid	Ordinary shares with voting rights (excluding treasury shares)	Treasury shares
<b>For the year ended 31 October 2019</b>	<b>Authorised</b>				
Opening number of shares	Unlimited	546	54,618,507	46,047,096	8,571,411
Purchase of own shares	-	-	-	(81,937)	81,937
<b>Closing number of shares</b>	<b>Unlimited</b>	<b>546</b>	<b>54,618,507</b>	<b>45,965,159</b>	<b>8,653,348</b>

		Ordinary shares of 1 p nominal value £'000	Allotted, issued and fully paid	Ordinary shares with voting rights (excluding treasury shares)	Treasury shares
<b>For the year ended 31 October 2018</b>	<b>Authorised</b>				
Opening number of shares	Unlimited	546	54,618,507	51,196,729	3,421,778
Tender offer	-	-	-	(5,119,633)	5,119,633
Purchase of own shares	-	-	-	(30,000)	30,000
<b>Closing number of shares</b>	<b>Unlimited</b>	<b>546</b>	<b>54,618,507</b>	<b>46,047,096</b>	<b>8,571,411</b>

### Purchases of own shares

There were 81,937 (2018: 30,000) Ordinary shares purchased during the year at an aggregate cost to the Company of £466,000 (2018: £181,000), all of which are held in treasury.

### Tender offer

#### 2019

There were no tender offers during the year ended 31 October 2019.

#### 2018

As described in the circular to shareholders dated 13 March 2018, the Company put forward proposals for a tender offer under which shareholders had the ability to tender up to 10% of their Ordinary shares held.

A total of 5,119,633 Ordinary shares were repurchased by the Company on 17 April 2018 under the terms of the Tender Offer and placed in treasury. The Tender Price of 652.6487p per Ordinary share reflected a discount of 3.5% to the prevailing NAV per Ordinary share. Payments with an aggregate value of £33,413,000 were made to shareholders in respect of validly tendered shares during the week commencing 23 April 2018.

Tender offer costs amounted to £254,000.

### Share capital account

The aggregate balance (including share premium) standing to the credit of the share capital account at 31 October 2019 was £149,616,000 (2018: £150,082,000).

### Ordinary shares

#### Voting rights

Holders of Ordinary shares are entitled to attend, speak and vote at general meetings of the Company. Each Ordinary share (excluding shares in treasury) carries one vote. Treasury shares do not carry voting rights.

#### Dividends

The holders of Ordinary shares are entitled to such dividend as may be declared by the Company from time to time. Shares held in treasury do not receive dividends.

#### Capital entitlement

On a winding up, the Ordinary shares (excluding treasury shares) shall rank pari passu for the nominal capital paid up thereon and in respect of any surplus. Shares held in treasury have no capital entitlement on a winding up of the Company.

# Financial Statements

## Notes to the Financial Statements continued

### 13. Capital reserve

	2019 £'000	2018 £'000
<b>Realised gains on investments and other capital reserve movements</b>		
Opening balance	83,663	80,233
Dividends paid from capital reserves	(8,680)	(10,083)
Gains from disposal of investments*	19,216	15,748
Losses from disposal of investments*	(2,292)	(2,078)
Foreign exchange losses	(392)	(157)
<b>Balance at 31 October</b>	<b>91,515</b>	<b>83,663</b>
<b>Investments held</b>		
Opening balance	48,883	104,360
Movement in unrealised gain on revaluation of investments held*	31,218	3,657
Movement in unrealised loss on revaluation of investments held*	(10,412)	(59,134)
<b>Balance at 31 October</b>	<b>69,689</b>	<b>48,883</b>
<b>Capital reserve balance at 31 October</b>	<b>161,204</b>	<b>132,546</b>

\* Net gains on investments held at fair value through profit or loss figure for the year ended 31 October 2019 totalled £37,730,000 (2018: net losses of £41,807,000).

### 14. Net asset value ("NAV") per Ordinary share

The NAV per Ordinary share is based on net assets of £304,877,000 (2018: £276,556,000) divided by 45,965,159 (2018: 46,047,096) Ordinary shares in issue (excluding shares held in treasury) at the year end.

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

	As at 31 October 2019		As at 31 October 2018	
	Net assets (£'millions)	NAV per Ordinary share(p)	Net assets (£'millions)	NAV per Ordinary share(p)
NAV as published on 1 November 2019 and 1 November 2018 respectively	304.5	662.42	276.5	600.46
Revaluation adjustments – delayed prices	0.4	0.86	0.1	0.13
<b>NAV as disclosed in these Financial Statements</b>	<b>304.9</b>	<b>663.28</b>	<b>276.6</b>	<b>600.59</b>

### 15. Reconciliation of operating gains/(losses) to net cash flow from operating activities

	2019 £'000	2018 £'000
Operating profit/(loss) before finance costs and taxation	38,985	(40,346)
Less: Tax deducted at source on income from investments	(223)	(326)
Add: Realisation of investments at book cost	93,757	59,853
Less: Purchase of investments	(106,063)	(27,668)
Less: Adjustment for unrealised (gains)/losses	(20,806)	55,477
Effect of foreign exchange	392	157
Increase in debtors	(125)	(111)
Increase/(decrease) in creditors	97	(6)
<b>Net cash flow from operating activities</b>	<b>6,014</b>	<b>47,030</b>

## 16. Related party disclosures

### Manager

Management fees payable are shown in profit or loss in the Statement of Comprehensive Income and Note 6. At 31 October 2019, management fees of £199,000 (2018: £199,000) were accrued in the Statement of Financial Position. Total management fees for the year were £2,331,000 (2018: £2,515,000).

Details of promotional fees payable can be found in Note 6. The balance outstanding at the year end was £51,000 (2018: £53,000).

### Investments held by the Company which are managed by the Standard Life Aberdeen plc group

As at 31 October 2019, the Company held the following investments managed by the Standard Life Aberdeen Group;

	As at 31 October 2019 £'000	As at 31 October 2018 £'000
Aberdeen Standard Asia Focus PLC	-	1,260
Aberdeen Asian Income Fund Limited	6,187	-
Aberdeen New India Investment Trust PLC	3,592	-
Aberdeen Standard SICAV I - Frontier Markets Bond Fund Z Acc USD	7,571	-
Aberdeen Standard SICAV I - China A Share Equity Fund Z Acc USD	14,929	-
Asia Dragon Trust PLC	4,099	6,767
<b>Total</b>	<b>36,378</b>	<b>8,027</b>

### Directors

Total fees for the Directors in the year ended 31 October 2019 were £142,200 (2018: £140,300). There were no outstanding fees due to the Directors at the year end (2018: nil). Details of Directors' share holdings in the Company can be found on page 19.

## 17. Financial instruments – risk profile

### Risk Management Framework

The Company has established procedures to enable it to manage its financial risks. The main financial risks faced from its financial instruments are market risk, liquidity risk and credit risk, which are discussed as follows.

### Market risks

#### i) Risks associated with emerging markets

Investment in certain developing and emerging securities markets may involve a greater degree of risk than that associated with investment in more developed securities markets. In particular, in certain countries in which the Company is proposing to invest:

- liquidity and settlement risks may be greater;
- accounting standards may not provide the same degree of shareholder protection as would generally apply internationally;
- national policies may restrict the investment opportunities available to foreign investors, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests;
- the fiscal and monetary systems remain relatively undeveloped and this may affect the stability of the economic and financial markets of those countries;
- substantial limitations may exist with respect to the Company's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors; and
- assets may be subject to increased political and/or regulatory risk.

The day to day management of the market risks is the responsibility of the Investment Manager, who analyses markets within a framework of quality, value, growth and change. The Board believes the Investment Manager utilises its proven research and management selection experience to ensure that these risks are minimised, as far as is possible. The investment policy employed by the Investment Manager ensures that diversification within investee funds is taken into account when deciding on the size of each investment so the Company's exposure to any one underlying company should never be excessive. The Company's market positions are monitored by the Board in the monthly portfolio valuations and at Board meetings.

#### ii) Currency risks

As stated under i) above, the Company invests in emerging markets. It is therefore exposed to currency risks which affect both the performance of its investee funds and also the value of the Company's holdings against the Company's functional currency, sterling. The Company holds US dollars and occasionally other foreign currencies for brief periods in its account with the custodian, but only at times when it expects soon to invest that currency into portfolio holdings.

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# Notes to the Financial Statements continued

It is not the Company's policy to hedge against foreign currency movements, nor does the Company use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt. Movements in exchange rates are likely to affect directly and indirectly the value of the Company's investments.

### Currency price risk sensitivity

The effect of a 1% appreciation/depreciation in the exchange rate of the US dollar over sterling would have resulted in an increase/decrease of £1,780,000 (2018: £1,656,000) in the Company's investments held at fair value through profit or loss at the Statement of Financial Position date. This analysis assumes that all other variables remain constant.

### iii) Interest rate risk

With the exception of cash, no significant interest rate risks arise in respect of any current asset. The Company, generally, does not hold significant cash balances, with short-term borrowings being used when required. All cash held as a current asset is sterling or US dollar and is held at the variable interest rates of the custodian.

On 31 March 2017, the Company entered into an unsecured 12 month revolving credit facility with RBSI, under which loans with a maximum aggregate value of £25,000,000 may be drawn. The facility was renewed on 29 March 2019 for a further 12 month period, with a termination date of 29 March 2020. The Company has commenced discussions with RBSI and the Board expects to renew the facility on similar terms when it matures. As at 31 October 2019, £25 million (2018: £20 million) was drawn down at an all-in monthly rate of 1.26413% (2018: 1.275%).

Movements in interest rates are likely to indirectly affect the value of the Company's investments.

### Interest rate risk sensitivity

Movements in interest rates are likely to directly affect bank loan interest payments and commitment fees and are likely to indirectly affect the value of the Company's investments. Both of which are not likely to affect the Company's net assets to a material extent. However, it is not possible to give an accurate assessment of how significant changes in interest rates would affect the prices of equity investments held by the Company.

### Quantitative analysis

A breakdown of the pricing denominations of the funds in which the Company is invested is shown below.

The Company's financial assets and liabilities at 31 October comprised:

	2019				2018			
	Cash flow Interest rate risk £'000	Non interest rate risk £'000	Total £'000	% of net assets	Cash flow Interest rate risk £'000	Non interest rate risk £'000	Total £'000	% of net assets
<b>Non-current asset investments at fair value:</b>								
EUR denominated	-	13,958	13,958	4.6	-	14,446	14,446	5.3
GBP denominated	-	136,738	136,738	44.8	-	115,561	115,561	41.8
USD denominated	-	178,017	178,017	58.4	-	165,594	165,594	59.9
Cash and cash equivalents								
Floating rate - GBP	873	-	873	0.3	125	-	125	-
Floating rate - USD	317	-	317	0.1	912	-	912	0.3
Short term receivables	-	422	422	0.1	-	297	297	0.1
Bank loan and short term payables	(25,000)	(448)	(25,448)	(8.3)	(20,028)	(351)	(20,379)	(7.4)
<b>Total</b>	<b>(23,810)</b>	<b>328,687</b>	<b>304,877</b>	<b>100.0</b>	<b>(18,991)</b>	<b>295,547</b>	<b>276,556</b>	<b>100.0</b>

### iv) Other price risks

The principal price risk for the Company is the price volatility on the investment portfolio. The Investment Manager attempts to diversify the price risk by spreading the Company's investments across a number of geographical regions and economic sectors. The Board meets regularly to review the Investment Manager's performance and the asset allocation.

### Market price risk sensitivity

The effect on the portfolio of a 10% increase or decrease in market prices would have resulted in an increase or decrease of £32,871,000 (2018: £29,560,000) in the investments designated as fair value through profit or loss at the Statement of Financial Position date, equivalent to 11% (2018: 11%) of the net assets attributable to equity holders. This analysis assumes that all other variables remain constant.

## Market concentration

At 31 October 2019, the largest five country concentrations on a look through basis were as follows:

Country	2019 % of net assets	2018 % of net assets
China	29.6	26.4
Korea	10.7	14.3
Taiwan	8.8	10.9
India	7.4	2.5
Brazil	6.6	5.2

## Liquidity risks

The majority of the Company's investments are in quoted securities. A high percentage of securities are listed on the London or New York Stock Exchanges and are considered to be readily realisable by comparison with most emerging market securities. The Company also holds unquoted investments, which are predominantly in open-ended funds. Some delay may be encountered in obtaining liquidity in respect of these securities; the Company may utilise its borrowing powers on a short-term basis to avoid delays in reinvestment of the proceeds of redemptions. As at 31 October 2019, the Company held shares in Tarpon All Equities Cayman (Series B) L.P. ("Tarpon"). Tarpon holds side pockets within private equity structures which were valued at £1.8 million at 31 October 2019 (2018: £1.0 million).

The Investment Manager has estimated the percentages of the portfolio that could be liquidated within various timescales, assuming one third of daily trading volumes. The results are shown below.

Liquidation Period	2019 (%)	2018 (%)
One month	75	63
Three months	88	85
One year	92	88

The analysis above supports the Company's ability to repay borrowings, considering the Company is permitted to borrow, at the point of borrowing, up to 15% of its net assets compared to the Company's ability to realise an estimated 75% of its portfolio within one month.

The Company had £104,000 (2018: nil) purchase transactions and £72,000 (2018: nil) sales transactions awaiting settlement at the year end.

The liquidity of the underlying holdings in the funds in which the Company is invested may have an impact on the ability of the Company to realise its holdings in those funds.

## Credit risks

The Company's principal direct credit risk is the risk of default on cash held at the custodian. Cash at bank at 31 October 2019 included £1,190,000 (2018: £1,037,000) held by the custodian, Northern Trust (Guernsey) Limited. The Company monitors the credit quality of the custodian. Interest is based on the prevailing money market rates.

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

All of the assets of the Company are held by the custodian or through the custodian's nominated sub custodians. Bankruptcy or insolvency of the Company's custodian, Northern Trust (Guernsey) Limited, or its sub custodians may cause the Company's rights with respect to securities held by them to be delayed or limited. The latest credit ratings at the time of approval of this document for Northern Trust (Guernsey) Limited's parent company, The Northern Trust Company, were as follows:

	Standard & Poor's	Moody's	Fitch Ratings
Individual rating	-	-	BBB
Short-term deposit/debt	A-1+	P-1	F1+
Long-term deposit/debt	AA-	Aa2	AA-

The funds in which the Company is invested may be exposed to credit risk.

# Financial Statements

## Notes to the Financial Statements continued

### Capital management

The Company considers that its capital consists of its net assets.

The Company's authorised share capital consists of an unlimited number of Ordinary shares of £0.01 par value. At 31 October 2019 there were 45,965,159 (2018: 46,047,096) Ordinary shares in issue (excluding shares held in treasury).

The 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 and buying back shares can be found in the Directors' Report.

The Company entered into an unsecured revolving credit facility with RBSI on 31 March 2017, under which loans with a maximum aggregate value of £25 million may be drawn. During the year the Board announced the renewal of the loan facility for a further year to 29 March 2020. As at 31 October 2019, £25 million was drawn down from RBSI (2018: £20 million).

Restrictions imposed by RBSI in connection with the loan facility include the following covenants:

- Consolidated net tangible assets are not less than £175 million.
- Consolidated gross borrowings expressed as a percentage of the investment portfolio value shall not exceed 15%.
- Consolidated gross borrowings expressed as a percentage of the adjusted investment portfolio value shall not exceed 22.5%.
- The Borrower's portfolio must contain a minimum of 20 eligible Investments of which a minimum of 8 shall be of a closed-ended structure.

The Company does not have any externally imposed capital requirements other than disclosed above.

### Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities with financial instruments either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- contingency plans;
- ethical business standards;
- insurance; and
- risk mitigation.

The Directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risk is carried out via regular discussions with the main service providers to the Company and a review of their internal controls documents prepared under industry recognised guidance, if available.

### 18. Valuation of financial instruments

The Company's financial assets and liabilities held at fair value through profit or loss are valued at fair value in accordance with the provisions of IFRS as described in note 2 (g).

The classification of the Company's investments held at fair value is detailed in the table below:

	31 October 2019	31 October 2018
	£'000	£'000
Level 1	275,888	229,608
Level 2	51,046	64,994
Level 3	1,779	999
<b>Total</b>	<b>328,713</b>	<b>295,601</b>

The Company recognises transfers between levels of fair value hierarchy at the date the change occurred.

There were no investments that were transferred between levels during the year (2018: no investments that were transferred between levels).

#### Level 1 classification basis

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

#### Level 2 classification basis

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 investment funds. The underlying net asset values of the open ended funds included under level 2 are prepared using industry accepted standards and the funds have a history of accepting and redeeming funds on a regular basis at net asset value. The net asset values of regularly traded open ended funds are considered to be reasonable estimates of the fair values of those investments and such investments are therefore classified within level 2 if they do not meet the criteria for inclusion in level 1.

#### Level 3 classification basis

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. The level 3 figure consists of a private equity investment held in a side pocket of Tarpon. This holding is stated at fair value which is estimated in good faith by the directors following consultation with the Investment Manager with a view to establishing the probable realisable value of this investment. The fair value of Tarpon and its side pocket has been based on an unadjusted net asset value provided by the administrator of that fund.

The movement on the level 3 classified investments during the year is shown below:

	2019 £'000	2018 £'000
Opening balance	999	1,133
Additions during the year	-	-
Disposals during the year	-	-
Profit or loss on disposals during the year	-	-
Valuation adjustments*	780	(134)
<b>Closing balance at 31 October</b>	<b>1,779</b>	<b>999</b>

\* Total gains/(losses) included in profit or loss on assets held at year end.

#### Level 3 classified investments sensitivity analysis

If the fair value of level 3 classified investments changed by 5%, the impact on the Companies net assets attributable to equity holders would be 0.03%. As at 31 October 2019, the Companies net assets attributable to equity holders would be adversely affected by a maximum of 0.6% if level 3 classified investments were written off to nil.

#### Structured entities

The Company invests in a portfolio of funds and products which give diversified exposure to developing and emerging market economies. The Company does not consider its investments in listed funds to be structured entities but does consider its investments in unlisted funds to be investments in structured entities because the voting rights in such entities are limited to administrative tasks and are not the dominant factor in deciding who controls those entities.

The investments in structured entities are subject to the terms and conditions of offering documents and/or constitutional documents. These investments are subject to market price and other risks arising from their underlying portfolios. Investee funds are managed by portfolio managers who are compensated by the respective funds for their services. Such compensation generally may consist of an asset based fee and/or a performance based fee.

The investments in structured entities are financial assets which are designated as fair value through profit or loss in the Company's financial statements.

The exposure to investments in investee funds and products at fair value by strategy employed is disclosed in the following table.

Strategy	Number of investee funds	Fair value range £'000	Weighted average fair value £'000	Investment at fair value £'000	% of total net assets of underlying funds
Equity long-only	10	1,779 - 29,514	15,678	97,954	32.1%

#### Equity long-only

Portfolio managers implementing equity long-only strategies generally take long positions in equity related instruments such as Ordinary shares, preferred shares, convertible bonds, Depositary receipts, exchange traded funds and market access products such as index futures with the expectation that the asset will rise in value.

### 19. Operating segments

The Board of Directors is responsible for ensuring that the Company's objective and investment strategy is followed. The day-to-day implementation of the investment strategy 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 to ensure compliance with the investment strategy and to assess the achievement of the Company's objective. The Investment Manager has been given full authority to make investment decisions on behalf of the Company in accordance with the investment strategy and analyses markets within a framework of quality, value, growth and change. The investment policy employed by the Investment Manager ensures that diversification within investee funds is taken into account when deciding on the size of each investment so the Company's exposure to any one underlying company should never be excessive. The Company's positions are monitored as a whole by the Board in monthly portfolio valuations and at Board meetings. Any significant change to the Company's investment strategy requires shareholder approval.

The Company has a diversified portfolio of investments and no single investment accounted for more than 9.7% (2018: 9.1%) of the Company's net assets at the Company's year end. The Investment Manager aims to identify funds which it considers are likely to deliver consistent capital growth over the longer term. The largest income from an individual investment is a Romanian investment (Fondul Proprietatea) which accounted for 14% (2018: 13%) of the total investment income receivable in the year.

At its financial year end, the Company had 214 registered shareholders. At 31 October 2019, the Company was notified of four shareholders who each held more than 10% of the issued share capital and their holdings were 29.8% (2018: 29.8%), 16.1% (2018: 15.8%), 14.3% (2018: 14.6%) and 11.7% (2018: Not disclosed) respectively.

### 20. Post balance sheet events

On 20 December 2019 the Company paid a fourth interim dividend in respect of the year ended 31 October 2019 of 5.25p per Ordinary share, to shareholders on the register on 29 November 2019. The total payment amounted to £2,413,171 and will be accounted for in the financial year ending 31 October 2020.

# Corporate Information

## Alternative Performance Measures (“APMs”) (unaudited)

### Discount

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

		Page	As at 31 October 2019
NAV per Ordinary share (in pence)	a	2	663.28
Ordinary share price (in pence)	b	2	561.00
<b>Discount</b>	<b>(b÷a)-1</b>	<b>4</b>	<b>15.4%</b>

### Gearing

A way to enhance income and capital returns, but which can also magnify losses. The revolving loan facility with RBSI is a common method of gearing.

		Page	As at 31 October 2019
Total assets less cash/cash equivalents (£'000)	a	n/a	329,135
Net assets (£'000)	b	31	304,877
<b>Gearing (net)</b>	<b>(a÷b)-1</b>	<b>2</b>	<b>7.96%</b>

### Leverage

Under the Alternative Investment Fund Managers Directive (“AIFMD”), leverage is any method by which the exposure of an Alternative Investment Fund (“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.

Further details on the Company's leverage is provided on page 54.

### Ongoing Charges

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

Year end 31 October 2019		Page	
Average NAV	a	n/a	300,880,000
Operating expenses	b	n/a	3,214,000
<b>Ongoing charges figure</b> (calculated using the AIC methodology)	<b>b÷a</b>	<b>2</b>	<b>1.07%</b>

### 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 end 31 October 2019		Page	Ordinary share price	NAV
Opening at 1 November 2018 (in pence)	a	2	515.0	600.6
Closing at 31 October 2019 (in pence)	b	2	561.0	663.3
Price movement (b ÷ a) - 1	c	n/a	8.9%	10.4%
Dividend reinvestment	d	n/a	4.3%	3.7%
<b>Total return (c+d)</b>		<b>2</b>	<b>13.2%</b>	<b>14.1%</b>

n/a = not applicable

# Corporate Information

## Information about the Investment Manager

### Aberdeen Asset Managers Limited

The Company's Investment Manager is Aberdeen Asset Managers Limited, a wholly-owned subsidiary of Standard Life Aberdeen plc. Assets under the management of the group's investment division, Aberdeen Standard Investments, were £525.7 billion at 30 June 2019.

### Investment Team

Aberdeen Standard Investments' Closed End Fund Strategies ("CEFS") team is amongst the most experienced of any operating globally with a similar strategy. The team's members have in

excess of 50 years' experience of investing in emerging markets with a focus on conducting in depth manager research and the analysis of discounts on closed end funds. Average tenure on the team is in excess of 10 years. While the team is based in London, its members travel frequently to emerging markets to meet with existing managers and identify new prospects. Being part of a global asset management business, the team has the ability to draw on the expertise of the wider Aberdeen Standard Investments group.



**Andrew Lister**  
Senior Investment Manager  
Years in team: 19.  
Years' experience in emerging markets: 19.



**Bernard Moody**  
Senior Investment Manager  
Years in team: 13.  
Years' experience in emerging markets: 20.



**Samir Shah**  
Investment Manager  
Years in team: 9.  
Years' experience in emerging markets: 9.



**Viktor Broczko**  
Investment Manager  
Years in team: 17.  
Years' experience in emerging markets: 17.

### Investment Strategy and Process

The CEFS team seeks to achieve the Company's objective by allocating to talented managers ('Manager Selection') who buy well managed companies in markets that are themselves attractive ('Asset Allocation'). Closed end funds are utilised to gain exposure to managers and markets at a discount to their intrinsic value ('Discount Opportunities'). The team is actively contrarian, meaning that it will often allocate to out of favour markets and funds that, as a result, are trading at attractive valuation levels.

The team's investment process includes three pillars:



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

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

The AIFMD requires Aberdeen Standard Fund Managers Limited, 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: [aberdeenemergingmarkets.co.uk](http://aberdeenemergingmarkets.co.uk).

The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 54.

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

Aberdeen Standard Investments has been contacted by investors informing us 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 our 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/scams](http://fca.org.uk/consumers/scams).

### 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, 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 Investments Children's Plan, Investment Trust Share Plan or Investment Trust Individual Savings Account (“ISA”) or through the many broker platforms which offer the opportunity to acquire shares in investment companies.

### Aberdeen Standard Investments Children's Plan

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. 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.

### Aberdeen Standard Investments 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 bid-offer 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. 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 Investments 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. The annual ISA administration charge is £24 + VAT, 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.

### 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: [aberdeenemergingmarkets.co.uk](http://aberdeenemergingmarkets.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.

The Company's Ordinary share price appears under the heading 'Investment Companies' in the Financial Times.

Alternatively, please call 0808 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).

### Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Company's website.

### Literature Request Service

For literature and application forms for Aberdeen Standard Investments' investment trust products, please contact us through [invtrusts.co.uk](http://invtrusts.co.uk).

Or telephone: 0808 500 4000

Or write to:-  
Aberdeen Standard Investment Trusts  
PO Box 11020  
Chelmsford  
Essex CM99 2DB

### 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/financial-services-register](http://fca.org.uk/firms/financial-services-register)

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

### Voting at General Meetings

If you hold your shares in the Company via a share plan or a platform and would like to attend and/or vote at the Annual General Meeting, then you will need to make arrangements with the administrator of your share plan or platform.

For this purpose, investors who hold their shares in the Company via the Aberdeen Standard Investments Children's Plan, the Aberdeen Standard Investments Share Plan and/or the Aberdeen Standard Investments ISA will find a Letter of Direction enclosed with the Annual Report. Shareholders are encouraged to complete and return the Letter of Direction in accordance with the instructions printed thereon.

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## 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 trusts 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 50 and 53 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 (“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 January 2019.

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 6 to 9;
- none of the Company’s assets are subject to special arrangements arising from their illiquid nature;
- the Investment Manager’s Report on pages 6 to 9, note 17 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;
- 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, Aberdeen Standard Fund Managers Limited, on request and the remuneration disclosures in respect of the AIFM’s relevant reporting period for the year ended 31 December 2019 will be made 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	1.15:1	1.15:1
Actual level at 31 October 2019	1.08:1	1.08:1

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 Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.*

# Corporate Information

## Glossary of Terms and Definitions

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<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>	The Alternative Investment Fund Managers Directive. The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' ("AIFs"). It is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF.
<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>Benchmark Index</b>	A basket of stocks which is considered to replicate a particular stock market or sector.
<b>Discount</b>	The amount, expressed as a percentage, by which the share price is less than the net asset value per share.
<b>Depository</b>	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depository's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the Depository is appointed under a strict liability regime. Northern Trust (Guernsey) Limited has been appointed to provide depository services to the Company.
<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>Investment company</b>	A company formed to invest in a diversified portfolio of assets.
<b>Investment Manager or "AAML"</b>	Aberdeen Asset Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Company's investment manager. It is authorised and regulated by the FCA.
<b>Key Information Document or "KID"</b>	The Packaged Retail and Insurance-based Investment Products ("PRIIPS") Regulation requires the Manager, as the Company's PRIIP 'manufacturer', to prepare a Key Information Document in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.
<b>Leverage</b>	<p>An alternative word for "Gearing".</p> <p>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.</p> <p>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.</p>
<b>Liquidity</b>	The extent to which investments can be sold at short notice.
<b>Manager, "AIFM" or "ASFML"</b>	Aberdeen Standard Fund Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Alternative Investment Fund Manager for the Company. It is authorised and regulated by the FCA.
<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>Ongoing charges</b>	A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.
<b>Ordinary shares</b>	The Company's ordinary shares in issue.
<b>Portfolio</b>	A collection of different investments held in order to deliver returns to shareholders and to spread risk.
<b>Premium</b>	The amount, expressed as a percentage, by which the share price is more than the net asset value per share.
<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>Standard Life Aberdeen Group</b>	The Standard Life Aberdeen plc group of companies.
<b>Total return</b>	A measure of performance that takes into account both income and capital returns.
<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

## Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 11 New Street, St Peter Port, Guernsey, GY1 2PF at 12 noon on 21 April 2020 for the purpose of considering and, if thought fit, passing the following resolutions:

### Ordinary Resolutions

1. To receive and adopt the financial statements for the year ended 31 October 2019, with the reports of the Directors and auditor thereon.
2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) included in the Annual Report for the year ended 31 October 2019.
3. To approve the Directors' Remuneration Policy for the three years ending 31 October 2022.
4. To approve a dividend policy to declare four interim dividends each year and to authorise the Directors to declare such dividends subject to compliance with applicable law.
5. To elect Ms de Rochechouart as a Director of the Company.
6. To re-elect Mrs Green as a Director of the Company.
7. To re-elect Mr Hawkins as a Director of the Company.
8. To re-appoint KPMG Channel Islands Limited as auditor of the Company to hold office until the conclusion of the next AGM of the Company at which audited accounts are laid before the Company.
9. To authorise the Directors to determine the remuneration of the auditor for the year ended 31 October 2020.
10. THAT the Company be and is hereby authorised in accordance with section 315 of the Companies (Guernsey) Law, 2008 to make market purchases (within the meaning of section 316 of the Companies (Guernsey) Law, 2008 of its shares, provided that:
  - a) the maximum number of Ordinary shares hereby authorised to be acquired is 14.99% of the issued Ordinary share capital of the Company (excluding treasury shares) as at the date of this AGM;
  - b) the minimum price (exclusive of expenses) which may be paid for a share is £0.01;
  - c) the maximum price to be paid per share shall be the higher of: (a) 105% of the average of the closing market value of the 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;
  - d) the authority hereby conferred shall expire at the earlier of the conclusion of the AGM of the Company to be held in 2021 and the date being 18 months from the date of this resolution, unless previously renewed, varied or revoked by the Company in general meeting; and
  - e) the Company may make a contract to purchase its shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its shares in pursuance of any such contract
11. THAT the Directors be and are hereby generally and unconditionally authorised pursuant to Article 5 of the Articles of Incorporation of the Company to allot and issue up to 2,298,257 shares or, if less, the number of shares 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 2021 (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

12. THAT the shareholders hereby waive, with respect to any allotment and issue of shares pursuant to the authority granted by Resolution 11, any and all rights of pre-emption or similar rights which they may have, whether under the Articles of Incorporation of the Company (including, without limitation, Article 6.2(a)) or otherwise. This waiver will expire at the conclusion of the AGM in 2021.

By order of the Board  
Vistra Fund Services (Guernsey) Limited (in the capacity as Company Secretary)

**Registered Office:**  
11 New Street  
St Peter Port  
Guernsey GY1 2PF

12 February 2020

## Corporate Information

# Notice of Annual General Meeting continued

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### Notes:

1. A shareholder entitled to attend and vote may appoint a proxy to attend, speak and vote instead of him/her. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder. A proxy need not be a shareholder of the Company.
2. To appoint more than one proxy to vote in relation to different shares within your holding you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope.
3. Forms of Proxy duly completed, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's registrar, Link Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not later than 12 noon on 17 April 2020 or not less than 48 hours (excluding non-working days) before the time appointed for the holding of any adjourned AGM or, in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of a poll, or in the case of a poll taken not more than 48 hours after it was demanded, the time at which the poll was demanded.
4. A Form of Proxy is included for use by shareholders to complete, sign and return. Completion and return of the Form of Proxy will not prevent a shareholder from subsequently attending the AGM or any adjournments and voting in person if he/she so wishes.
5. Entitlement to attend and vote at the AGM (or any adjournment thereof) and the number of votes which may be cast thereat will be determined by reference to the Company's register of shareholders as at close of business on 17 April 2020.
6. To allow effective continuation of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, the Chairman may appoint a substitute to act as proxy in his stead for any shareholder provided that such substitute proxy shall vote on the same basis as the Chairman.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on the above date and any adjournment(s) thereof by using 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (CREST ID is RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the meeting. 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 Application Host) from which the Company's agent is liable to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take, (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor's or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST systems and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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# Corporate Information

## Form of Proxy

### Aberdeen Emerging Markets Investment Company Limited

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

being (a) member(s) of Aberdeen Emerging 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 AGM of the Company to be held at 11 New Street, St Peter Port, Guernsey, GY1 2PF on 21 April 2020 at 12 noon 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
1. To receive and adopt the financial statements for the year ended 31 October 2019, with the reports of the Directors and auditor thereon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 31 October 2019.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the Directors' Remuneration Policy for the three years ended 31 October 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve a dividend policy to declare four interim dividends each year and to authorise the Directors to declare such dividends.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect Ms de Rochechouart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mrs Green as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-elect Mr Hawkins as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-appoint KPMG Channel Islands Limited as auditor to the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To authorise the Directors to determine the remuneration of the auditor for the forthcoming financial year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To give the Company the authority to purchase its own shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. To give the Company the authority to allot new shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. To waive shareholders' 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 \_\_\_\_\_ 2020

### 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 Form of Proxy must be lodged at the Company's Registrars, Link Asset Services, not less than 48 hours (excluding non-working days) 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 Form of Proxy is executed under a power of attorney or other authority, such power of attorney or other authority or a notarially certified copy thereof must be lodged with the Registrars with the Form of Proxy.
- 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 Form of Proxy should be posted, in the enclosed reply paid envelope, to the Company's Registrars, Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive before 12 noon on 17 April 2020.

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# Contact Addresses

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## Directors

Mark Hadsley-Chaplin (Chairman)  
William Collins  
Helen Green  
John Hawkins  
Eleonore de Rochechouart (appointed on 16 April 2019)

## Registered Office

11 New Street  
St Peter Port  
Guernsey GY1 2PF

## Company Secretary and Administrator

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

## Alternative Investment Fund Manager

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

## Investment Manager

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

## Customer Services Department, Children's Plan, Share Plan and ISA enquiries

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

Freephone: 0808 500 0040  
(open Monday to Friday, 9.00 a.m. – 5.00 p.m., excluding  
public holidays in England and Wales)  
Email: [inv.trusts@aberdeenstandard.com](mailto:inv.trusts@aberdeenstandard.com)

## Company Registration Number

Incorporated in Guernsey Number 50900

## Website

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

## UK Administration Agent

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

## Registrars

Link Asset Services  
Longue Hougue House  
St Sampson  
Guernsey GY2 4JN

## Depository Services and Custodian

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

## Financial Adviser and Stockbroker

Shore Capital Markets Limited  
Cassini House  
57-58 St James's Street  
London SW1A 1LD

## Advisers as to Guernsey law

Mourant Ozannes  
1 Le Marchant Street  
St Peter Port  
Guernsey GY1 4HP

## Independent Auditor

KPMG Channel Islands Limited  
Glategny Court  
Glategny Esplanade  
St Peter Port  
Guernsey GY1 1WR

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

WLL8YJ.99999.SL.831

## Legal Entity Identifier ("LEI")

213800RIA1NX8DP4P938

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