Aberdeen Emerging Markets Investment Company Limited

LEI: 213800RIA1NX8DP4P938

Looking for the best-of-breed emerging market funds

Half-Yearly Report
For the six months ended 30 April 2020

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.

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").

Benchmark

MSCI Emerging Markets Net Total Return Index in sterling terms.

Visit our Website

To find out more about Aberdeen Emerging Markets Investment Company Limited, please visit: **aberdeenemergingmarkets.co.uk**

Management

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.

Performance Highlights

Performance Highlights for the six month period ended 30 April 2020

Net asset value ("NAV") per Ordinary share total return[1,4]		NAV per Ordinary share[2]	
-11.4%		**578.2p**	
31 October 2019	**+14.1%**	**31 October 2019**	**663.3p**

Ordinary share price total return[1,4]		Ordinary share price – mid market	
-9.6%		**497.5p**	
31 October 2019	+13.2%	31 October 2019	561.0p

MSCI Emerging Markets Net Total Return Index in sterling terms		Net Assets	
-8.0%		**£265.7million**	
31 October 2019	+10.3%	31 October 2019	£304.9 million

Net gearing[3,4]		Revenue return per Ordinary share	
Nil		**0.38p**	
31 October 2019	8.0%	31 October 2019	2.41p

[1] Performance figures stated above include reinvestment of dividends on the ex-date
[2] See note 7 in the Notes to these Financial Statements for basis of calculation
[3] Based on the net of the drawn down loan value and cash, as a percentage of NAV
[4] Definitions of these Alternative Performance Measures ('APMs') together with how these have been calculated can be found in the APM's section of this report

Financial Calendar

25 September 2020 23 December 2020 26 March 2021 25 June 2021	Payment dates of quarterly dividends
31 October 2020	Financial year end
February 2021	Expected announcement of results for year ended 31 October 2020
April 2021	Annual General Meeting

Chairman's Statement

Overview
Against a backdrop of significant global market volatility caused by the spread of COVID-19, the Company's NAV per Ordinary share total return for the six month period ended 30 April 2020 was -11.4%. This compares with a total return of -8.0% from the Benchmark. The Ordinary share price total return was -9.6%, as the discount to NAV at which the Company's shares trade narrowed slightly to 13.9%, compared to 15.4% at the start of the period.

In the earlier part of the period, emerging markets made reasonable progress, recording gains of nearly 10% by the third week of January. However, over the next two month period, the benchmark index fell by more than 25% as the potential economic implications of the spread of COVID-19 became evident. There was a partial recovery in markets towards the end of the period as investors reacted positively to the unprecedented fiscal and monetary stimulus packages put in place by governments and central banks around the world. Markets remain volatile, however, and it seems clear that the road to recovery for economies across the world will be a long and uncertain one.

The Board is confident that emerging markets retain their long term appeal, and continues to believe that the Company's approach of investing through a portfolio of specialist funds, and often at a discount to NAV, provides an attractive means for investors to benefit from the longer term investment opportunity in emerging markets.

Within the portfolio, the contribution from fund selection was positive during the period, with a number of funds performing well. However, asset allocation detracted from performance, with the Company's underweight exposure to China, in particular, having a noticeable impact. There was also an adverse impact from the widening of closed end fund discounts, caused by a decline in investor sentiment as the COVID-19 crisis took hold.

A more detailed explanation of the performance for the period and portfolio activity 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 asset class.

A first interim dividend of 5.5p per share was paid on 27 March 2020 and a second interim dividend of 5.5p per share was paid on 26 June 2020. The Board now declares a third interim dividend in respect of the year of 5.5p per share, payable on 25 September 2020 to those shareholders on the register on 28 August 2020. In the absence of unforeseen circumstances, the Board anticipates declaring one further interim dividend in respect of the current financial year, of at least 5.5p per share. It is therefore anticipated that the total dividend for the year will be no less than 22p per share representing a yield of 3.9% based on the share price of 565p as at 7 July 2020. In respect of future years, the Board intends to continue to pay interim dividends on a quarterly basis, in March, June, September and December.

The payment of any dividends will be subject to compliance with all necessary regulatory obligations of the Company, including the Companies (Guernsey) Law 2008 (as amended) 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 period, the Company announced the renewal of its £25 million multi-currency revolving loan facility for a further year to 26 March 2021. The Board continues to believe 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. The facility was fully drawn for the majority of the period but, in light of the Board's and Investment Manager's current cautious stance, half of the facility was repaid towards the period end. Gearing net of cash as at 30 April 2020 was nil, compared to 8.0% at the start of the period. The Company retains the ability to adopt a more aggressive stance when markets are better aligned with fundamentals.

Shares in Public Hands

The Board has previously announced that the number of Ordinary shares which are deemed by the Listing Rules to be held in public hands is 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.

In September 2019, the Company announced that the FCA had agreed to modify the relevant Listing Rule for the period up until 21 August 2020 to permit a reduced level of shares in public hands, even though the level was below the minimum 25% threshold normally permitted. Significant efforts have subsequently been made by the Company and its advisers to increase the shares in public hands through additional marketing efforts, but progress has been hindered by the emergence of the COVID-19 crisis and lockdown measures that have been adopted. Accordingly, the Company has sought and received the agreement of the FCA to extend the period of the Listing Rule modification to 21 August 2021. During this time the Company will continue to monitor its share register, which currently shows a free float of between 16% and 17%, keep the FCA informed of any relevant developments and work towards restoring the number of shares in public hands.

Outlook

Whilst recent monetary policy stimulus has helped support markets in the short term, there is a great deal of uncertainty over the longer term implications of the COVID-19 pandemic. The easing of lockdown restrictions across the world might enable economic activity to increase, but it is unlikely to return to its previous levels for some time. There have already been significant downgrades in the expectations for corporate earnings in emerging markets and the crisis will also have a significant impact on the debt burdens of individual countries. For the time being, emerging markets are therefore likely to remain volatile.

The Board and Manager are confident that emerging markets retain their long term appeal, whilst acknowledging that emerging market equities have lagged global equities over most recent timeframes. The Board continues to believe that the Company's approach of investing through a portfolio of specialist funds, and often at a discount to NAV, provides an attractive means for investors to benefit from the longer term investment opportunity in emerging markets.

Mark Hadsley-Chaplin
Chairman

9 July 2020

Investment Manager's Report

During the half year the Company's NAV per Ordinary share total return was -11.4% while the Benchmark returned -8.0%. The Ordinary share price total return was -9.6%, as the discount to NAV at which the Company's Ordinary shares trade narrowed to 13.9% from 15.4% at the start of the period.

In the earlier part of the period the Company's performance was similar to or slightly ahead of the Benchmark index. The Company entered March 2020 with the NAV per Ordinary share total return 1.4% ahead of the Benchmark, but during the ensuing COVID-19 related market decline the Company more than gave up that outperformance and as a consequence its performance trailed the Benchmark for the period as a whole. Attribution analysis follows in the table below and shows that, while underlying holdings in general outperformed their benchmarks, asset allocation and discount widening on closed end funds were detrimental to relative performance.

Amongst the holdings that performed well, relative to benchmark, were the Company's investments in Korea through Weiss Korea Opportunity Fund and Korea Value Strategy Fund, the former investing in deeply discounted preferred shares and the latter adopting a deep value strategy. Romanian private equity focused holding Fondul Proprietatea delivered strong relative returns as did the value biased Emerging Europe (ex Russia) specialist, Avaron Emerging Europe Fund. Fidelity China Special Situations also performed well with its focus on "new economy" sectors proving helpful, while in the Gulf region, Diversified Growth Company QIC GCC Equity Fund's tilt towards the domestic consumption theme enabled it to outperform the regional benchmark. Dividend focused strategies in Asia (Schroder Oriental Income Fund and Aberdeen Asian Income Fund) were amongst the negative contributors, while holdings in Neuberger Berman - China Equity Fund and Schroder International Selection Taiwanese Equity Fund also failed to match their respective benchmarks.

The Chinese and Taiwanese markets were the only two to deliver a positive return during the period, helped by remarkable resilience in the face of the COVID-19 sell off. Despite the Company having more than 40% of NAV invested in these two markets, this reflects an underweight position relative to a Benchmark in which the Greater China region now represents more than half the overall index. Being less exposed than this was a material detractor from relative performance in the period. Elsewhere, positioning in Romania and Colombia detracted from relative performance while India, South Africa and Mexico contributed positively.

Closed end fund discounts proved a further headwind, with discount widening reflecting a general decline in investor sentiment as the COVID-19 crisis took hold. The two largest detractors were Gulf Investment Fund and Weiss Korea Opportunity Fund which suffered from a sharp widening of discounts; the former experienced its discount widen by 14.5% compared with the start of the period while the latter experienced a 6.5% widening. For the period as a whole the weighted average discount to NAV of the Company's closed end holdings widened from 10.3% to 11.4%.

NAV performance attribution for the half year end
30 April 2020

Fund Selection	**0.9%**
Asia	(0.6%)
EMEA	1.6%
Latin America	0.1%
Global Emerging Markets	(0.2%)
Asset Allocation	**(2.8%)**
Asia	(1.2%)
EMEA	(1.0%)
Latin America	(0.5%)
Cash/Gearing (direct and underlying)	(0.1%)
Closed End Fund Discounts	**(1.0%)**
Fees and Expenses	**(0.5%)**
NAV excess return*	**(3.4%)**

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

Market Environment

In the earlier months of the period, emerging markets continued to make headway, with the Benchmark up 9.8% by the third week of January. The asset class then suffered a significant setback, declining 25.2% between 20 January and 23 March as the global spread of COVID-19 caused most countries to introduce social and economic restrictions, which severely impacted economic activity. Investors retreated to traditional safe-haven assets such as US treasury bonds and gold. In a number of emerging markets, the situation was compounded by commodity price declines and the associated impact of this on currencies. Most notable was the precipitous fall in oil prices (the price of Brent crude fell by 56.9% in sterling terms over the period). In response to the crisis, governments and central banks around the world, including virtually all emerging markets, implemented unprecedented fiscal and monetary stimulus measures with the aim of ameliorating the economic impact of COVID-19. These measures spurred a rebound in investor sentiment and over the remainder of the period the emerging markets index rallied sharply to end an extraordinarily challenging half year down 8.0%.

The Emerging Asia index fell by just 1.1%, largely as a consequence of the resilient performance of index heavyweight China. Despite being the epicentre of the COVID-19 outbreak, China implemented aggressive measures to control the spread of COVID-19 quickly and effectively, enabling a gradual resumption of economic activity in the latter part of the period as the lockdown was eased. Remarkably, the Chinese stock market rose by 8.2% over the period. The other large North Asian markets of South Korea and Taiwan also benefitted from being “first in, first out” of the COVID-19 pandemic. Well managed pandemic response plans helped both countries deal more efficiently with the crisis than appears to have been the case in many other countries. Taiwan gained 3.5% over the Period while South Korean equities recorded a loss of 6.5%. Markets elsewhere in the region were less resilient, with India down 17.0%, amidst significant outflows from foreign investors and the perception of being behind the curve in its response to the virus outbreak. South East Asian markets also performed poorly with Thailand, the Philippines and Indonesia losing 20.5%, 25.4% and 27.6% respectively.

In Eastern Europe, the Middle East and Africa, the regional index fell by 19.5% with all constituent markets ending the period in negative territory. The Russian market fell by 21.6%, which reflected a sharp decline in oil prices over the period. A disagreement between Russia and Saudi Arabia in March over production cuts exacerbated an already weak environment for oil, given the COVID-19 related demand shock. In the weeks that followed, record oil oversupply and related storage concerns drove unprecedented energy price moves, causing US crude oil prices to turn negative for the first time in history in mid-April, although they recovered somewhat in the final weeks of the period on news that the major oil producing countries had reached a tentative agreement on lower production levels. Despite the weakness in energy prices, Saudi Arabia was the least weak market in the region, declining by 6.9%. In general, Gulf countries appear to have been reasonably effective in containing the virus, with stock markets in Qatar (-7.1%) and the United Arab Emirates (-16.4%) also outperforming the region as a whole. In Eastern Europe, equity markets in Hungary (-25.8%), the Czech Republic (-25.9%) and Poland (-30.0%) suffered from their locality within the European Union where the impact of the pandemic was significant and, with the exception of Germany, management of the virus’ spread proved challenging.

Latin America was the worst performing emerging region, losing 37.2% as the spread of COVID-19 accentuated the economic challenges for the region. Brazil, the largest market in the region, lost 42.1%, as investor confidence was shaken by President Bolsonaro’s dismissal of the potential health consequences of COVID-19 and the resignation of the Minister of Justice following the dismissal of the head of the Federal Police.

Portfolio

The overall composition of the portfolio by vehicle type is shown below. Most significantly, the Company moved from a position of having borrowings equivalent to 8.0% of NAV at the start of the period to a small net cash position by the end of April. The move to a net cash position was made during the final weeks of the period as we took advantage of the rally in markets to reduce the portfolio’s overall exposure. While the global policy response to the current crisis has been impressive, markets are potentially underestimating the longer term impact of the pandemic on corporate earnings and we considered it prudent to adopt a slightly more cautious stance. Sales made to achieve this encompassed all regions and included several redemptions from open ended funds as well as reductions in a number of closed end fund holdings on either discount or asset allocation grounds. The allocations to both of those categories were lower at the end of the period as a result. The Company’s £25 million revolving credit facility was fully drawn until late April when we used the proceeds of sales to repay half of the facility.

	April 2020	October 2019
Closed ended investment funds	45.0%	50.1%
Open ended investment funds	53.5%	56.3%
Market access products	0.8%	1.4%
Cash and other net assets	0.7%	(7.8%)

The Company’s geographic allocation is shown further below. The most significant changes during the period were an increase in China’s weighting and the move to a modest net cash position. The former was due to the country’s resilient performance during the period and the latter reflects sales made as markets rallied in April. Exposure to China increased to 33.5% during the period, while India declined to 4.4% as a result of a tender offer from JPMorgan Indian Investment Trust, which is discussed below. Allocations to Indonesia, Taiwan, the Middle East and Latin America also fell over the period as a consequence of redemptions we instructed from open ended funds. The weighting in South Korea increased to 11.1% after strong relative performance from the portfolio’s investments in that market. We continue to believe that many frontier markets offer compelling valuations as they remain extremely attractively valued and overlooked by mainstream emerging market investors. At the end of the period, 14.3% 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 widened from 10.3% at the beginning of the period to over 15% in late March, before narrowing to 11.4% at the end of April. We endeavoured to take advantage of volatility amidst the COVID-19 panic to add to existing closed end fund positions at some of the most attractive discounts seen for a number of years. As a result, we purchased additional shares in Aberdeen Asian Income Fund, Aberdeen New India Investment Trust, Asia Dragon Trust, Fidelity China Special Situations and Schroder Oriental Income Fund. Earlier in the period we participated in the placing of a significant block of shares in BlackRock Latin American Investment Trust, purchasing stock at what we considered an attractive discount in the mid-teens. The company affords investors the potential benefit of a tender offer should performance or the discount not meet certain criteria over the four year period to the end of 2021. In the meantime, the portfolio is managed by a team we hold in high regard, who adopt a high conviction and often contrarian stock-picking approach.

Our portfolio construction process seeks to deliver a focused list of actively managed holdings run by talented investment teams. One consequence of this has been that the number of positions in the portfolio has decreased over recent years and now stands at twenty-nine, the fewest it has ever been. Exits made during the period included a number of small positions in closed end funds where we considered the likelihood of sustained discount narrowing to be low (China Fund Inc, Taiwan Fund Inc, JP Morgan Russian Securities), a residual holding in JP Morgan Indian Investment Trust post its tender offer and several exchange traded funds. At the end of the period the Company held just one passive vehicle, accounting for less than 1% of NAV.

The Company participated in several accretive corporate actions during the period. JP Morgan Indian Investment Trust completed a tender offer for 25% of shares in issue in February. With a surprisingly low participation rate, there was substantial scaling-up and we exited 60% of the Company's position at a significant premium to the prevailing market price. The Company also benefitted from a modest tender offer in Romanian holding Fondul Proprietatea in which we exited 6% of the Company's position, also at a large premium to the market price on the transaction date. We also took advantage of a liquidity window provided by a share buyback by Russian private equity specialist Baring Vostok that was conducted at a price materially higher than it had traded at over prior months.

The allocation to funds managed by Aberdeen Standard Investments increased from 11.9% to 18.0% over the period. A significant element of that is accounted for by positions in open ended funds investing in the China A Share Equity Fund (5.5%) and Frontier Market Bond Fund (5.6%) with the remainder spread across several closed end funds focused on Asian equities. For all investments into "in-house" managed funds, there is no double charging of management fees which is a 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.

Outlook

The primary driver of the recovery in markets from the March low point was the massive global fiscal and monetary policy stimulus implemented by policymakers. While this has served to alleviate investor panic in the short term, longer term considerations around the emergence from the COVID-19 pandemic and its ultimate cost remain. As countries begin to emerge from lockdown, economic activity will pick up quickly but not to a level that can rapidly replace the lost output of the first half of the year. Corporate earnings in emerging markets are clearly going to suffer and analysts' estimates of earnings for the year have declined significantly since the start of 2020. Dividends may also suffer cuts as companies prioritise balance sheet strength over returning capital to investors. Governments globally will exit the crisis with increased levels of debt and difficult decisions to make in terms of how and when to unwind the measures already taken.

While we are confident that emerging markets retain their long term appeal and that the Company is well placed, with a differentiated and diversified portfolio, the range of economic and market outcomes from this unsettling episode remains broad and uncertain. We expect further bouts of volatility and remain alert to the risks of any "second wave" virus resurgence. We have positioned the portfolio accordingly and will seek to take advantage of any such volatility wherever possible, ideally by adding to well managed closed end fund exposure at attractive discounts to net asset value.

Aberdeen Asset Managers Limited
Investment Manager
9 July 2020

Investments

As at 30 April 2020			
Company	**Country of establishment**	**Value (£'000)**	**Percentage of net assets (%)**
Neuberger Berman - China Equity Fund	Ireland	30,957	11.6
Schroder AsiaPacific Fund PLC	United Kingdom	18,146	6.8
Fidelity China Special Situations PLC	United Kingdom	16,800	6.3
Weiss Korea Opportunity Fund Limited	Guernsey	16,190	6.1
Aberdeen Standard SICAV I - Frontier Markets Bond Fund	Luxembourg	14,718	5.5
Aberdeen Standard SICAV I - China A Share Equity Fund	Luxembourg	14,502	5.4
Schroder International Selection Taiwanese Equity Fund	Luxembourg	13,423	5.1
Fondul Proprietatea	Romania	11,155	4.2

Genesis Emerging Markets Fund Limited	Guernsey	9,984	3.8
Lazard Emerging World Fund	Ireland	9,832	3.7
Top ten investments		**155,707**	**58.5**
Schroder Oriental Income Fund Limited	Guernsey	9,420	3.5
Diversified Growth Company QIC GCC Equity Fund	Luxembourg	9,272	3.5
Avaron Emerging Europe Fund	Estonia	8,844	3.3
Laurium Limpopo Africa Fund	Cayman Islands	8,648	3.3
Korea Value Strategy Fund Ltd	British Virgin Islands	8,389	3.2
Aberdeen Asian Income Fund Limited	Jersey	7,686	2.9
Verno Capital Growth Fund Limited	Cayman Islands	8,130	3.1
BlackRock Latin American Investment Trust PLC	United Kingdom	7,352	2.8
Ton Poh Fund	Cayman Islands	6,896	2.6
Aberdeen New India Investment Trust PLC	United Kingdom	6,444	2.4
Next ten investments		**81,081**	**30.6**
Top twenty investments		**236,788**	**89.1**
JPMorgan Emerging Markets Investment Trust PLC	United Kingdom	5,580	2.1
Brown Advisory Latin American Fund	Ireland	5,449	2.1
Asia Dragon Trust PLC	United Kingdom	4,237	1.6
Baring Vostok Investments PCC Limited	Guernsey	3,883	1.5
iShares MSCI Brazil Capped ETF	United States	2,213	0.8
Gulf Investment Fund PLC	Isle of Man	2,176	0.8
Komodo Fund	Cayman Islands	2,144	0.8
Tarpon All Equities Cayman	Cayman Islands	1,076	0.4
JPMorgan Global Emerging Markets Income Trust PLC	United Kingdom	212	0.1
Total investments		**263,758**	**99.3**
Cash plus other net current assets and liabilities		1,987	0.7
Net assets		**265,745**	**100.0**

Asset Allocation

As at 30 April 2020		
Country split	**Company (%)**	**Benchmark (%)**
Asia	**63.4**	**79.1**
China	33.5	39.6
South Korea	11.1	11.7
Taiwan	7.4	12.9
India	4.4	8.4
Thailand	2.6	2.3
Singapore	1.6	-
Indonesia	1.0	1.6
Pakistan	0.2	-
Malaysia	0.1	1.8
Philippines	0.1	0.8
Vietnam	0.1	-
Other	1.3	-
EMEA	**23.8**	**13.0**
Russia	4.8	3.3
Romania	4.5	-
Saudi Arabia	1.9	2.6
Egypt	1.6	0.1
Kenya	0.8	-

Poland	0.8	0.7
UAE	0.8	0.6
South Africa	0.7	3.8
Qatar	0.6	0.9
Turkey	0.5	0.4
Czech Rep	0.2	0.1
Hungary	0.1	0.3
Greece	-	0.2
Other	6.5	-
Latin America	**7.8**	**7.9**
Brazil	4.6	4.7
Mexico	1.0	1.8
Peru	0.4	0.3
Argentina	0.3	0.2
Colombia	0.3	0.2
Chile	0.1	0.7
Other	1.1	-
Non–specified	**0.7**	**-**
Cash in underlying investments	3.9	-
Cash plus other net current assets	0.4	-
Total	**100.0**	**100.0**

Interim Management Report

The Chairman's Statement and the Investment Manager's Report above provide details on the performance of the Company. Those reports also include an indication of the important events that have occurred during the first six months of the financial year ending 31 October 2020 and the impact of those events on the condensed unaudited financial statements included in this Half-Yearly Financial Report.

Principal Risks and Uncertainties

The Board considers that the main risks and uncertainties faced by the Company fall into the categories of (i) general market risks associated with the Company's investments, (ii) emerging markets, (iii) other portfolio specific risks and (iv) internal risks (corporate governance and internal control). A detailed explanation of these risks and uncertainties can be found in the Company's most recent Annual Report for the year ended 31 October 2019 (the "Annual Report"). The principal risks and uncertainties facing the Company remain unchanged from those disclosed in the Annual Report. The Chairman's Statement and the Investment Manager's Report contain market outlook sections.

The Directors have also reviewed and assessed recent emerging risks including the on-going impact of a global pandemic (COVID-19) and increasing focus of ethical, social and governance measures in assessing investment opportunities. Given the level of market volatility experienced due to the impact of the COVID-19 pandemic, the Investment Manager has performed stress tests on the Company's portfolio of investments under current conditions and the Directors remain comfortable with the liquidity of the portfolio.

Related Party Transactions

Full details of the investment management arrangements were provided in the Annual Report. There have been no changes to the related party transactions described in the Annual Report that could have a material effect on the financial position or performance of the Company. Amounts payable to the Manager in the six months ended 30 April 2020 are detailed in note 8 of the notes to the condensed set of financial statements.

Going Concern

See note 2 below for details on going concern.

Signed on behalf of the Board of Directors on 9 July 2020

Helen Green
Director

Independent Review Report

To Aberdeen Emerging Markets Investment Company Limited

Conclusion

We have been engaged by Aberdeen Emerging Markets Investment Company Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2020 of the Company which comprises the Condensed Unaudited Statement of Comprehensive Income, the Condensed Unaudited Statement of Financial Position, the Condensed Unaudited Statement of Changes in Equity, the Condensed Unaudited Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2020 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* and the Disclosure Guidance and Transparency Rules (the "DTR") of the UK's Financial Conduct Authority (the "UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached

Barry Ryan
For and on behalf of
KPMG Channel Islands Limited
Chartered Accountants
Guernsey

9 July 2020

Statement of Directors' Responsibilities

In respect of the Half-Yearly Financial Report, the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting;* and
- the Interim Management Report which includes the Chairman's Statement, Investment Manager's Report and Interim Management Report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

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, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Directors on 9 July 2020

Helen Green
Director

Condensed Unaudited Statement of Comprehensive Income

		Six months to 30 April 2020			Six months to 30 April 2019		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments		-	(34,295)	(34,295)	-	37,402	37,402
Losses on currency movements		-	(72)	(72)	-	(293)	(293)
Net investment (losses)/gains		**-**	**(34,367)**	**(34,367)**	**-**	**37,109**	**37,109**
Investment income		1,998	-	1,998	2,356	-	2,356
		1,998	**(34,367)**	**(32,369)**	**2,356**	**37,109**	**39,465**
Investment management fees		(1,096)	-	(1,096)	(1,111)	-	(1,111)
Other expenses		(456)	-	(456)	(423)	-	(423)
Operating (loss)/profit before finance costs and taxation		**446**	**(34,367)**	**(33,921)**	**822**	**37,109**	**37,931**
Finance costs	10	(151)	-	(151)	(131)	-	(131)
Operating (loss)/profit before taxation		**295**	**(34,367)**	**(34,072)**	**691**	**37,109**	**37,800**
Withholding tax expense		(119)	-	(119)	(107)	-	(107)
Total (loss)/profit and comprehensive income for the period		**176**	**(34,367)**	**(34,191)**	**584**	**37,109**	**37,693**
Earnings per Ordinary share	6	**0.38p**	**(74.77p)**	**(74.39p)**	**1.27p**	**80.61p**	**81.88p**

The "Total" column of this statement represents the Company's Statement of Comprehensive Income, prepared under IAS 34 Interim Financial Reporting. 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 period.

The notes below form an integral part of these financial statements.

Condensed Unaudited Statement of Financial Position

	Note	As at 30 April 2020 £'000	As at 30 April 2019 £'000	As at 31 October 2019* £'000
Non-current assets				
Investments at fair value through profit or loss		263,758	333,589	328,713
Current assets				
Cash and cash equivalents		13,467	663	1,190
Sales for future settlement		1,420	-	72
Other receivables		329	256	350
		15,216	**919**	**1,612**
Total assets		**278,974**	**334,508**	**330,325**
Current liabilities				
Purchases for future settlement		(237)	-	(104)
Other payables		(492)	(532)	(344)
Finance costs payable		-	(27)	-
Bank loan payable	10	(12,500)	(25,000)	(25,000)
Total liabilities		**(13,229)**	**(25,559)**	**(25,448)**
Net assets		**265,745**	**308,949**	**304,877**
Equity				
Share capital	5	149,616	149,616	149,616
Capital reserve		121,896	165,801	161,204
Revenue reserve		(5,767)	(6,468)	(5,943)
Total equity		**265,745**	**308,949**	**304,877**
Net assets per Ordinary share	7	**578.15p**	**672.14p**	**663.28p**
Number of Ordinary shares in issue (excluding shares held in treasury)		**45,965,159**	**45,965,159**	**45,965,159**

*Audited

Approved by the Board of Directors and authorised for issue on 9 July 2020 and signed on its behalf by:

Helen Green
Director

The notes below form an integral part of these financial statements.

Condensed Unaudited Statement of Changes in Equity

For the six months to 30 April 2020	Note	Share capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2019		**149,616**	**161,204**	**(5,943)**	**304,877**

Loss for the period		-	(34,367)	176	(34,191)
Dividends paid	9	-	(4,941)	-	(4,941)
Balance at 30 April 2020		**149,616**	**121,896**	**(5,767)**	**265,745**

For the six months to 30 April 2019	Note	Share capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2018		**150,082**	**132,546**	**(6,072)**	**276,556**
Profit for the period		-	37,109	584	37,693
Dividends paid		-	(3,854)	(980)	(4,834)
Share buybacks	5	(466)	-	-	(466)
Balance at 30 April 2019		**149,616**	**165,801**	**(6,468)**	**308,949**

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

*Audited

The notes below form an integral part of these financial statements.

Condensed Unaudited Statement of Cash Flow

	Six months to 30 April 2020 £'000	Six months to 30 April 2019 £'000
Operating activities		
Cash inflow from investment income and bank interest	2,022	2,397
Cash outflow from management expenses	(1,406)	(1,353)
Cash inflow from disposal of investments*	66,179	53,670
Cash outflow from purchase of investments*	(36,735)	(54,256)
Cash outflow from withholding tax	(119)	(107)
Net cash flow from operating activities	**29,941**	**351**
Financing activities		
(Repayment)/drawdown from bank borrowings	(12,500)	5,000
Borrowing commitment fee and interest charges	(151)	(132)
Dividends paid	(4,941)	(4,834)
Share buybacks	-	(466)
Net cash flow used in financing activities	**(17,592)**	**(432)**
Net increase/(decrease) in cash and cash equivalents	**12,349**	**(81)**
Effect of foreign exchange	(72)	(293)
Cash and cash equivalents at start of the period	1,190	1,037
Cash and cash equivalents at end of the period	**13,467**	**663**

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

The notes below form an integral part of these financial statements.

Notes to the Financial Statements

For the six month period ended 30 April 2020

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 condensed interim financial statements of the Company are presented for the six months to 30 April 2020.

The Company invests in a portfolio of funds and products which give diversified exposure to developing and emerging market 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 Company's Manager during the six month period to 30 April 2020 was Aberdeen Standard Fund Managers Limited ('ASFML').

Non-mainstream pooled investments ("NMPIs")

The Company currently conducts its affairs so that the Ordinary 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

Statement of compliance

The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("DTRs") of the UK's Financial Conduct Authority. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 October 2019. The financial statements of the Company as at and for the year ended 31 October 2019 were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies used by the Company are the same as those applied by the Company in its financial statements as at and for the year ended 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 have prepared the financial statements on a basis compliant with the recommendations of the SORP.

The "Total" column of the Condensed Unaudited Statement of Comprehensive Income is the profit and loss account of the Company. The "Capital" and "Revenue" columns provide supplementary information.

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 in electronic form on the Company's website: **www.aberdeenemergingmarkets.co.uk.**

Going concern

The Directors have adopted the going concern basis, which considered the adequacy of the Company's resources and the impact of the COVID-19 pandemic, in preparing these condensed interim financial statements.

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 twelve 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 30 April 2020, the Company held £13.5 million in cash and cash equivalents and £263.8 million in investments. It is estimated that approximately 78.4% of the investments held at the period end could be realised in one month. The total operating expenses for six month period to 30 April 2020 were £1.6 million, which on an annualised basis represented approximately 1.05% of average net assets during the period. The Company also incurred £0.2 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 multicurrency revolving loan facility with The Royal Bank of Scotland International Limited (London Branch) ("RBSI"), maturing on 26 March 2021. As at 30 April 2020, £12.5 million was drawn down from the RBSI facility. The liquidity of the Company's portfolio 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 twelve months from the date of approval of these financial statements.

COVID-19

The rapid spread of COVID-19 led governments across the globe to implement policies to restrict the gathering, interaction and/or movement of people. These policies have inevitably impacted and changed the nature of the operations of some aspects of the Company, its key service providers and companies in its investment portfolio. Share prices respond to assessments of future economic activity as well as their own forecast performance, and the COVID-19 pandemic has had a materially negative impact on the economy and may continue do so for an unknown period of time. The Board and Investment Manager have regular discussions to assess the impact of emerging risks, including COVID-19 on both the investment portfolio and on its ability to maximise returns for shareholders.

Use of estimates and judgements

The preparation of the condensed interim 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.

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 any future periods affected.

Adoption of new and revised standards

At the date of approval of these financial statements, the following interpretation was in effect but had no material impact on the Company:

- 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

3 Investments

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are held 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 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 the profit or loss of the condensed unaudited 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 the profit or loss of the condensed unaudited 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 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 Directors' best estimate of fair value.

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 within profit or loss in the 'Capital' column of the condensed unaudited Statement of Comprehensive Income. The Company uses the weighted average cost method to determine realised gains and losses on disposal of investments.

4 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 Net Asset Value 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.

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, valu e, 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 sho uld 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 12% of the Company's net assets at the Company's period 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 UK investment (Schroder AsiaPacific Fund PLC) which accounted for 24.4% of the total investment income receivable in the period.

5 Share capital

For the six month period ended 30 April 2020	Authorised	Ordinary shares of 1p nominal value £'000	Allotted, issued and fully paid	Ordinary shares with voting rights (excluding treasury shares)	Treasury shares
Opening number of shares	Unlimited	546	54,618,507	45,965,159	8,653,348
Purchase of own shares	-	-	-	-	-
Closing number of shares	**Unlimited**	**546**	**54,618,507**	**45,965,159**	**8,653,348**

For the six month period ended 30 April 2019	Authorised	Ordinary shares of 1p nominal value £'000	Allotted, issued and fully paid	Ordinary shares with voting rights (excluding treasury shares)	Treasury shares
Opening number of shares	Unlimited	546	54,618,507	46,047,096	8,571,411
Purchase of own shares	-	-	-	(81,937)	81,937
Closing number of shares	**Unlimited**	**546**	**54,618,507**	**45,965,159**	**8,653,348**

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

*Audited

Purchase of own shares

There were no Ordinary shares purchased during the six month period to 30 April 2020 (during the six month period ended 30 April 2019 and for the full year ended 31 October 2019: 81,937 Ordinary shares purchased at an aggregate cost to the Company of £466,000, all of which are held in treasury).

Share capital account

The aggregate balance (including share premium) standing to the credit of the share capital account at 30 April 2020 was £149,616,000 (30 April 2019 and 31 October 2019: £149,616,000).

6 Earnings/(losses) per Ordinary share

Earnings per Ordinary share is based on the loss for the period of £34,191,000 (30 April 2019: profit of £37,693,000) attributable to the weighted average of 45,965,159 (30 April 2019: 46,036,031) Ordinary shares in issue (excluding shares held in treasury) in the six months to 30 April 2020.

7 Net asset value per Ordinary share

Net asset value per Ordinary share is based on net assets of £265,745,000 (30 April 2019: £308,949 ,000 and 31 October 2019: £304,877,000) divided by 45,965,159 (30 April 2019 and 31 October 2019: £45,965,159) Ordinary shares in issue (excluding treasury shares) at the period end.

The table below 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 30 April 2020		As at 30 April 2019		As at 31 October 2019	
	Net assets (£'millions)	NAV per Ordinary share (p)	Net assets (£'millions)	NAV per Ordinary share (p)	Net assets (£'millions)	NAV per Ordinary share (p)
NAV as published on 1 May 2020; 1 May 2019 and 1 November 2019 respectively	264.4	575.27	308.7	671.49	304.5	662.42
Revaluation adjustments – delayed prices	1.3	2.88	0.2	0.65	0.4	0.86
NAV as disclosed in these financial statements	**265.7**	**578.15**	**308.9**	**672.14**	**304.9**	**663.28**

8 Related party disclosures

Manager

Management fees payable are shown in profit or loss in the Condensed Unaudited Statement of Comprehensive Income.
At 30 April 2020, management fees of £319,000 (30 April 2019: £391,000 and 31 October 2019: £ 199,000) were accrued in the Condensed Unaudited Statement of Financial Position. Total management fees for the period were £1,096,000 (30 April 2019: £1,111,000 and 31 October 2019: £2,331,000).

Investments held by the Company which are managed by the Standard Life Aberdeen Group

As at 30 April 2020, the Company held the following investments managed by the Standard Life Aberdeen Group;

	As at 30 April 2020 £'000	As at 30 April 2019 £'000	As at 31 October 2019 £'000
Aberdeen Standard SICAV I - Frontier Markets Bond Fund Z Acc USD	14,718	-	7,571
Aberdeen Standard SICAV I – China A Share Equity Fund Z Acc USD	14,502	10,123	14,929
Aberdeen Asian Income Fund Limited*	7,686	1,314	6,187
Aberdeen New India Investment Trust PLC*	6,444	3,593	3,592
Asia Dragon Trust PLC*	4,237	4,119	4,099
Aberdeen Standard Asia Focus PLC*	-	1,394	-
Total	**47,587**	**20,543**	**36,378**

* Monthly management fees are reduced by the proportion of the Company's net assets invested in above securities at the end of each month.

Directors

Total fees for the Directors in the period ended 30 April 2020 were £77,500 (2019: £64,680). There were no outstanding fees due to the Directors at the period end (2019: nil).

As at 30 April 2020 and at the date of this report, the Directors held the following Ordinary shares in the Company.

	Ordinary shares At 30 April 2020 and at the date of this report	Ordinary shares At 31 October 2019

M Hadsley-Chaplin	30,000	30,000
W Collins	15,000	15,000
J Hawkins	10,000	10,000
H Green	1,800	1,800
E de Rochechouart	-	-

9 Dividends paid

The dividends declared in respect of the year ending 31 October 2020 are detailed below:

Dividends paid during the year ending 31 October 2020.

Dividend type (in respect of the year) – Pay date	Pence per Ordinary share	Capital reserve £'000	Revenue reserve £'000
Fourth interim (2019) - paid 20 December 2019	5.25	2,413	-
First interim (2020) - paid 27 March 2020	5.50	2,528	-
Total dividends	**10.75**	**4,941**	**-**

On 21 April 2020, the Board declared a second interim dividend in respect of the year ending 31 October 2020 of 5 .50p per Ordinary share, payable on 26 June 2020 to those shareholders on the register on 29 May 2020. The Board has also declared a third interim dividend in respect of the year of 5.50p per Ordinary share payable on 25 September 2020 to those shareholders on the register on 28 August 2020.

Dividends paid during the year ending 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	-
Total dividends	**21.00**	**8,680**	**980**

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

10 Bank loan and finance costs

On 29 March 2018, the Company entered into an unsecured 12 month revolving credit facility with RBSI, under which loans with a maximum aggregate value of £25 million may be drawn. The facility was renewed with RBSI on 26 March 2020 for a further 12 month period, with a termination date of 26 March 2021. As at 30 April 2020, £12.5 million (2019: £25 million) was drawn down at an all-in monthly rate of 0.76925% (2019: 1.28088%).

	As at 30 April 2020 £'000	As at 30 April 2019 £'000	As at 31 October 2019 £'000
Interest payable	143	126	303
Facility arrangement fees and other charges	8	5	12
Total finance costs	**151**	**131**	**315**

At 30 April 2020, interest payable of £nil (30 April 2019: £27,000 and 31 October 2019: £nil) was accrued in the Condensed Unaudited Statement of Financial Position.

Restrictions imposed by RBSI in connection with the credit 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 5 shall be of a closed-ended structure.
The Company does not have any externally imposed capital requirements other than disclosed above.

11 Financial instruments

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

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);
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 assumptions based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

The classification of the Company's investments held at fair value as at 30 April 2020 is detailed in the table below:

	30 April 2020 £'000	30 April 2019 £'000	31 October 2019 £'000
Instruments held at fair value through profit and loss			
Level 1	208,402	262,465	275,888
Level 2	54,280	69,937	51,046
Level 3	1,076	1,187	1,779
Total	**263,758**	**333,589**	**328,713**

The Company recognises transfers between levels of fair value hierarchy as at the date of the period end in which the change occurred.

There was one investment, valued at £16,190,000, transferred between levels during the period (2019: nil).

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 All Equities Cayman (Series B) L.P. ("Tarpon"). This holding is stated at fair value which is estimated in good faith by the Directors following consultation with the 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 is shown below:

	Six months to 30 April 2020 £'000	Six months to 30 April 2019 £'000	Year to 31 October 2019 £'000
Opening balance	1,779	999	999
Valuation adjustments*	(703)	188	780
Closing balance	**1,076**	**1,187**	**1,779**

*Total gains and losses for the period included in profit or loss relating to assets held at the end of the period

12 Financial instruments – risk profile

The principal risks relating to financial instruments held by the Company remain the same as at the Company's last financial year end.

13 Post balance sheet events

There are no post balance sheet events other than as disclosed in this Half-Yearly Financial Report.

Alternative Performance Measures ("APMs")

Discount

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

		As at 30 April 2020
NAV per Ordinary share (in pence)	a	578.15
Share price (in US pence)	b	497.50
Discount	**(b÷a)-1**	**13.9%**

Gearing

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

		As at 30 April 2020
Total assets less cash/cash equivalents (£'000)	a	265,507
Net assets (£'000)	b	265,745
Gearing (net)	**(a÷b)-1**	**Nil**

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 in the Annual Report and Accounts.

Ongoing charges

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

		As at 30 April 2020
Average NAV (£'000)	a	296,430
Annualised expenses (£'000)	b	3,121
Ongoing charges	**b÷a**	**1.05%**

Premium

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

There is no calculation of premium shown as the Company's Ordinary shares were trading at a discount of 13.9% at the period end.

Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary shares on the ex-dividend date.			
Six months to 30 April 2020		Share price	NAV
Opening at 1 November 2019 (in pence)	a	561.00	663.28
Closing at 30 April 2020 (in pence)	b	497.50	578.15
Share price/NAV movement (b ÷ a) - 1	c	-11.3%	-12.8%
Dividend reinvestment	d	1.7%	1.4%
Total return (c+d)		**-9.6%**	**-11.4%**

Contact Addresses

Directors

Mark Hadsley-Chaplin (Chairman)
William Collins
Helen Green
John Hawkins
Eleonore de Rochechouart

Registered Office

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Company Secretary and Administrator

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Investment Manager

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Company Registration Number

Incorporated in Guernsey Number 50900

Website

aberdeenemergingmarkets.co.uk

UK Administration Agent

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Glategny Court
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St Peter Port
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United States Internal Revenue Service FATCA Registration Number ("GIIN")

WLL8YJ.99999.SL.831

Legal Entity Identifier ("LEI")

213800RIA1NX8DP4P938

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Ordinary Shares - Listing Category: Premium – Equity Closed-ended Investment Funds

9 July 2020
END