

Aberdeen Standard Emerging Opportunities Fund

Monthly factsheet - performance data and analytics to 31 March 2019



Investment objective

To provide investors with high capital growth over the medium to long term (3-5 years) by seeking exposure to emerging stock markets worldwide or companies with significant activities in emerging markets.

Investment strategy

The Fund invests primarily in a concentrated portfolio of around 40-70 emerging market listed securities with the potential for capital growth and increased earning potential.

Our emerging markets equities managers, located in Sao Paulo, London, Singapore, Bangkok, Hong Kong, Jakarta and Kuala Lumpur, seek to identify and invest in good quality emerging markets equities through first hand company visits.

Performance (%)

	1 Month	3 Months	1 Year	Per annum		
				3 Years	5 Years	Since Inception ¹
Aberdeen Standard Emerging Opportunities Fund net returns ²	2.59	9.17	1.85	9.82	7.60	10.11
Aberdeen Standard Emerging Opportunities Fund gross returns ³	2.72	9.58	3.38	11.47	9.21	11.76
MSCI Emerging Markets Index (AUD unhedged)	1.01	8.97	0.36	14.08	9.75	9.02
Net returns ² vs index	1.58	0.20	1.49	-4.26	-2.15	1.09
Gross returns ³ vs index	1.71	0.61	3.02	-2.61	-0.54	2.74

1. This figure represents the annualised performance of the Fund from the first full month of operation.

2. Net performance figures are calculated using end-of-month exit prices, post standard fees, reflect the annual reinvestment of distributions and make no allowance for tax. If investing through an IDPS Provider, the total after fees performance returns of your investment in the Fund may be different from the information we publish due to cash flows specific to your portfolio and any fees charged by the IDPS Provider.

3. Gross performance figures are calculated using end-of-month exit prices, pre-fees, reflect the annual reinvestment of distributions and make no allowance for tax. These returns are provided for the purpose of wholesale investors only. Retail investors should refer to net returns.

Please note: Prior to June 2006 the Fund invested directly in the Luxembourg SICAV, the Aberdeen Standard Emerging Markets Fund.

Past performance is not a reliable indicator of future results.

Performance review

The Fund returned 2.72% in March (before fees), outperforming the benchmark by 1.71%.

Against this backdrop, the fund outperformed the benchmark in Australian-dollar terms.

Stock selection in China was the largest contributor. Holdings of the Aberdeen Standard SICAV I China A Share Equity Fund rebounded on expectations of a US-China trade deal and the boost from Beijing's stimulus measures. China Resources Land was among best performers on the back of the real estate sector's more positive outlook. Huazhu Group, one of the domestic largest operators of mid to low-end hotels, rose on decent results, as well as upbeat quarterly and annual forecasts. The general optimism boosted Autohome, while Ping An Insurance enjoyed a good run, as it continued to deliver good earnings. In India, the pick-up in sentiment bolstered our holdings in the Aberdeen Standard SICAV I Indian Equity Fund.

Elsewhere, the underweight to Korea aided performance, as the market recorded yet another disappointing earnings season amid the global slowdown. In Russia, Lukoil continued to fare well, with better-than-expected fourth-quarter results.

Conversely, the biggest detractor was Turkish retailer BIM that retreated due to the lira weakness, despite posting decent earnings. Latin American markets were mixed with sub-par performances by Brazil and Chile. Investors remained concerned over the state of the Brazilian pension reform bill, while

Top ten holdings (%)

	Fund	Index
Aberdeen Standard SICAV I India Equity fund	13.0	0.0
Aberdeen Standard SICAV I China A share fund	8.1	0.0
Tencent Holdings	6.3	5.0
TSMC	5.3	3.7
Samsung Electronics	5.1	4.0
Ping An Insurance	3.7	1.1
Banco Bradesco	3.4	0.9
AIA Group	2.7	0.0
Lukoil	2.5	0.8
Vale S.A.	2.3	0.8
Total	52.4	16.3

Sector breakdown (%)

	Fund	Index
Financials	41.9	24.2
Communication Services	12.2	12.3
Information Technology	11.0	14.6
Consumer Discretionary	9.6	13.4
Materials	7.1	7.4
Real Estate	5.5	3.2
Consumer Staples	5.4	6.4
Energy	4.1	8.1
Industrials	1.2	5.4
Health Care	0.6	2.6
Utilities	0.0	2.5
Cash	1.5	0.0
Total	100	100

4. Exposure to India via Aberdeen Standard SICAV I India Equity fund / Aberdeen Standard China via SICAV I China A share fund. GICS Sector Classification - Diversified Financial. Underlying holdings available upon request.

Figures may not always sum to 100 due to rounding.

Country breakdown (%)

	Fund	Index
China/Hong Kong	34.3	33.0
India	13.0	9.2
Brazil	10.3	7.2
South Korea	7.8	13.0
Indonesia	5.4	2.2
Taiwan	5.3	11.3
Mexico	4.7	2.7
South Africa	3.7	5.8
Philippines	3.3	1.1
Thailand	2.7	2.3
Russia	2.5	3.8
Chile	1.8	1.0
Argentina	1.1	0.0
Malaysia	1.0	2.2
Turkey	0.9	0.5
Others	0.7	4.5
Cash	1.5	0.0
Total	100	100

5. Exposure to India via Aberdeen Standard SICAV I India Equity fund / China via Aberdeen Standard SICAV I China A share fund. Underlying holdings available upon request.

The top 15 countries by portfolio weight are shown. The remaining countries are included with 'Others'. Figures may not always sum to 100 due to rounding.

Aberdeen Standard Emerging Opportunities Fund

Monthly factsheet - performance data and analytics to 31 March 2019

Chilean stocks fell on the peso weakness. Holdings Banco Bradesco and Multiplan suffered as a result.

In portfolio activity, we initiated Petrobras on improving confidence in its deleveraging process, higher forecast for operating-expense optimisation and a two-fold increase in its return-on-capital-employed target. We topped up LG Chem in view of its brightening outlook and attractive positioning in the electric-vehicle segment compared to its peers. We added to MTN, as our conviction strengthened on its restructuring, healthy cash flow and sustainable dividend payout. We increased our exposure to Tenaris, given its upbeat results and prospects, as well as attractive valuations. Against this, we exited Ultrapar, due to intensifying competitive pressure on fuel retailer Ipiranga, its core business. We pared Tencent, as its near-term outlook for gaming revenues remained muted.

Market review

Emerging markets edged higher in March amid sluggish progress from the US-China trade talks and fears of a global slowdown. The US Federal Reserve and European Central Bank lowered their growth forecasts and held off further rate hikes this year. Nevertheless, recovering manufacturing data in China lifted sentiment towards the month-end.

Chinese stocks rose to end a solid quarter, as stimulus to revive domestic growth continued apace. The manufacturing sector rebounded, with a pickup in industrial production and overseas orders. Meanwhile, Beijing accelerated the passage of its new foreign investment law that prevents forced technology transfer to local joint ventures, one of the outstanding issues in its trade negotiations with Washington.

Indian stocks gained, bolstered by the rupee's strength and expectations of policy continuity should Prime Minister Narendra Modi win the general election. Receding tensions with Pakistan boosted the incumbent government's chances of retaining its power, while the improving inflation outlook suggested a potential rate cut.

In Southeast Asia, political uncertainty weighed on Thailand, which held its first general election since the 2014 military coup. Voters were concerned over the integrity of the results and a fractious coalition that could hinder the legislative process.

Renewed currency weakness pressured Turkey and Brazil. The Turkish lira sold off sharply in the lead up to critical local elections that saw the ruling coalition's popularity slump in two important cities, Ankara and Istanbul. Elsewhere, President Bolsonaro's friction with President of the Lower House Rodrigo Maia and the lack of coordination from the government in forming a coalition in congress cast doubts on his ability to overhaul the pension system. The pushback from civil servants and a separate proposal to restructure the armed forces could dent the intended savings.

Outlook

Emerging markets appeared to regain their poise after a bruising 2018, as several risks that plagued investors last year moderated. The temporary trade truce between Washington and Beijing, with a fresh willingness to resolve key issues, should provide some cause for optimism. The Federal Reserve's accommodative policy stance could improve monetary conditions in emerging markets, reviving economic expansion. Meanwhile, the political outlook in Brazil and Mexico may prove encouraging. In addition, China's shift from deleveraging to consumption-led stimulus should cushion global growth. Against this backdrop, corporate earnings should recover, albeit modestly. Following last year's sell-off, the asset class remains attractively-priced relative to both its historical average and developed peers.

That said, a sharper-than-expected global downturn could catch investors off guard, while the US-China tensions could flare up again. Political developments will occupy the spotlight ahead of elections in key markets, such as Indonesia, India and South Africa. Beyond the near-term volatility, we will continue to focus on quality companies with healthy fundamentals and experienced management. That should yield sustainable returns to investors in the longer term.

Key information

ASX mFund Code	AFZ03
APIR Code	ETL0032AU
Benchmark	MSCI Emerging Markets Index (AUD unhedged)
Date of launch	June 2004
Income payable	30 June
Management costs	1.55% pa comprising: Management Fee 1.50% pa of the gross asset value of the Fund Indirect costs 0.05% pa of the net asset value of the Fund
Buy/Sell spread	+0.25%/-0.25%
Fund size	A\$915.26m
Redemption unit price	\$2.4395

Prior to 1 July 2006 the Fund was fully invested into the UK registered Aberdeen Standard Emerging Markets Fund.

Client Services: 1800 636 888
aberdeenstandard.com.au

Aberdeen Standard Emerging Opportunities Fund

Monthly factsheet - performance data and analytics to 31 March 2019

Important information

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis, should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI" Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

Issued by Aberdeen Standard Investments Australia Limited ABN 59 002 123 364 AFSL No. 240263. Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments. This document has been prepared with care, is based on sources believed to be reliable and opinions expressed are honestly held as at the applicable date. However it is of a general nature only and we accept no liability for any errors or omissions. This is not an offer of securities. A Product Disclosure Statement (PDS) and application form is available for each Fund by calling Aberdeen Standard Investments Client Services on 1800 636 888, at www.aberdeenstandard.com.au, or from your financial adviser. This document has been prepared without taking into account the particular objectives, financial situation or needs of any investor. Investments are subject to investment risk, including possible delays in payment and loss of income and principal invested. It is important that before deciding whether to acquire, hold or redeem an investment in a Fund that investors consider the Fund's PDS, the Fund's appropriateness to their own circumstances, objectives and financial situation and consult financial and tax advisers. Past performance is not a reliable indicator of future results. All dollars are Australian dollars unless otherwise specified. Indices are copyrighted by and proprietary to the issuer.

ABDNFSEO_0319

Contact us

Telephone:
1800 636 888 or +61 2 9950 2853
if calling from outside Australia
Email:
client.service.aust@aberdeenstandard.com
Website:
aberdeenstandard.com.au