

**SHINING A LIGHT ON THE.....
Aberdeen Emerging Markets Investment Trust**

AT A GLANCE

Investment Objective	
To achieve consistent returns in excess of the MSCI Emerging Markets Net Total Return Index through investing in a portfolio of funds and products which give a diversified exposure to developing and emerging market economies.	

Inception Date	22 June 1998
Fund Factsheet Link	http://tools.morningstar.co.uk/t92wz0sj7c/cefr/report/default.aspx?SecurityToken=FOGBR051WT%5D21%5D0%5DCEEXG%24XLON

Management	
Manager Name	Start Date
Andrew Lister and Bernard Moody	1 July 2014

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	44.82%
Large	24.72%
Medium	17.86%
Small	10.96%
Micro	1.63%

Top 10 Holdings		
Total number of holdings	-	
Assets in Top 10 Holdings	55.40%	
Name	Sector	% of Assets
Neuberger Berman China Eq USD I Acc	-	8.74%
Schroder Asia Pacific Ord	-	6.21%
Weiss Korea Opportunity Ord	-	5.82%
Schroder ISF Taiwanese Equity Z Acc USD	-	5.70%
Fidelity China Special Ord	-	5.34%
AS SICAV I Frntr Mkts Bd Z Acc USD	-	5.29%
AS SICAV I China A Share Eq Z Acc USD	-	5.01%
Brown Advisory Latin American B USD Inc	-	4.64%
DGC QIC GCC Equity B USD Acc	-	4.35%
SC Fondul Proprietatea SA ADR	-	4.31%

Volatility Measurements	
3-Yr Std Dev (volatility)	15.16%
3-Yr Mean Return (average)	4.70%

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FUND PERFORMANCE

Performance from 1st January 2014 to 29th February 2020:

	2014	2015	2016	2017	2018	2019	2020
Aberdeen Emerging Markets IT	0.83%	-5.54%	28.01%	22.93%	-13.43%	19.97%	-6.62%
iShares MSCI EM ETF	2.62%	-11.15%	33.56%	24.43%	-9.25%	12.62%	-8.23%

Performance over 12 months, 3 years, 5 years and since new fund managers:

	1 year	3 years	5 years	Since new Fund Managers
Aberdeen Emerging Markets IT	4.52%	14.11%	39.24%	44.25%
iShares MSCI EM ETF	-0.01%	9.00%	31.95%	39.56%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This is the second time we have met the team. They took over the trust in 2014 and my concern when we first reviewed this was whether it added any value. The investment trust does not directly invest in shares but invests in other emerging market funds and investments trusts. Some of these might not be available in the UK.

The argument for selecting this is that rather than trying to find the best active managers this fund will do that for you. It aims to provide a diversified portfolio with access to the best in breed fund managers. Currently the trust is underweight Asia and overweight Russia and India. The fund has a value tilt, looking at markets which might be unloved but where there is a gap between perception and reality.

Some other areas they like include Romania, Frontier Bonds and Africa excluding South Africa. In terms of Russia they feel this is misunderstood by markets and offers a stable economy vs many western counterparts. In India they see opportunities in the mid and small cap arena.

They do not have to hold internal funds although the fund currently has around 15% in in-house funds. These will follow the same process as any fund and go through the process of seeking out the best managers. They may hold ETFs where they are looking for short term opportunities. An example of this would be investing in areas like Columbia and Turkey.

In terms of holding periods they tend to be long term holders between 3 to 5 years, but some investments have been held longer, and turnover is low at 25%.

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In summary, as we said in the last review, we like the management and since the last review they have slightly outperformed the index. The trust has a bias to value and small / mid-cap investments which have been areas out of favour. Where this falls for investors is for those looking for active management in emerging markets and not sure where to turn. Whether the current outperformance justifies the active management is one for debate but if the managers are right and value and small /mid-cap come back into play, then this fund is positioned to benefit from this.

The source of information in this note has been provided by Aberdeen and is correct as at March 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.