

Aberdeen Frontier Markets Investment Company Limited

Investment Company

Performance Data and Analytics to 31 August 2019

Investment objective

To generate long-term capital growth primarily from investment in equity and equity related securities of companies listed in, or operating in, Frontier Markets.

Frontier Market countries may include constituents of the MSCI Frontier Markets Index or additional countries that the Investment Manager deems to be, or displays similar characteristics to, Frontier Market countries.

Benchmark

MSCI Frontier Markets Index.

Cumulative performance (%)

	as at 31/08/19	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	46.2p	(2.1)	(4.2)	(4.2)	(12.1)	(18.0)	(20.8)
NAV ^a	53.9p	(2.3)	1.2	0.4	(6.8)	(10.1)	(14.2)
MSCI Frontier Index TR		(1.1)	6.9	17.0	15.5	39.2	33.8

Discrete performance (%)

Year ending	31/08/19	31/08/18	31/08/17	31/08/16	31/08/15
Share Price	(12.1)	(16.0)	11.1	18.4	(18.3)
NAV ^a	(6.8)	(13.7)	11.7	15.5	(17.4)
MSCI Frontier Index TR	15.5	(6.4)	28.7	13.4	(15.3)

On 14 March 2017 the Company announced that shareholders had voted to approve a tender offer and a new investment objective and policy. The investment portfolio is now managed by Aberdeen's emerging markets equity team. Following this announcement the portfolio was substantially re-aligned. Therefore, any performance figures quoted to 14 March 2017 are based on the old fund of funds investment strategy and figures thereafter include the period of portfolio transition to an direct equity investment strategy completed on 30 June 2017.

Total return; NAV to NAV, gross income reinvested. Share price total return is on a mid-to-mid basis.

Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value.

ANAV Performance is adjusted for impact of subscription shares.

Source: Aberdeen Asset Managers Limited, Lipper and Morningstar.

Past performance is not a guide to future results.

In September 2018 the Company announced changes to its discount control policy. Shareholder approval was sought and a resolution passed such that shareholders will be given the opportunity to fully exit their investment in the Company for cash at the then prevailing NAV less applicable direct costs, including any realisation costs of underlying investments, in the event that the share price total return for the two year period from 1 July 2018 to 30 June 2020 fails to exceed the portfolio's reference benchmark, being the MSCI Frontier Markets Index (in sterling terms).

1 Year Premium/Discount Chart (%)



^a NAV Performance is adjusted for impact of subscription shares.

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Morningstar Rating™



^b Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

Ten largest holdings (%)

Mobile World Invest Corp	Vietnam	7.4
FPT Corporation	Vietnam	7.1
Square Pharmaceuticals	Bangladesh	4.0
Guaranty Trust Bank	Nigeria	2.9
Equity Group	Kenya	2.9
Zenith Bank	Nigeria	2.9
Humansoft	Kuwait	2.9
ASA International	UK	2.8
Masan	Vietnam	2.7
Purcari Wineries	Romania	2.7
Total		38.3

Country exposure (%)

	Fund	Benchmark
Vietnam	25.89	18.5
Egypt	8.70	0.0
Pakistan	6.71	0.0
Bangladesh	6.47	2.6
Nigeria	6.36	6.3
Romania	6.22	4.9
Kenya	5.02	5.8
Georgia	4.20	0.0
Sri Lanka	3.41	0.7
Kuwait	2.85	31.5
Other	2.84	22.8
Panama	2.48	0.0
Saudi Arabia	2.38	0.0
Argentina	2.09	0.0
Slovenia	2.01	1.8
Thailand	1.84	0.0
Croatia	1.27	1.4
Peru	1.17	0.0
South Africa	1.01	0.0
Ghana	0.86	0.0
Myanmar	0.69	0.0
Oman	0.55	1.5
Tanzania	0.51	0.0
Lebanon	0.49	2.2
Cash	3.98	
Total	100.0	100.0

Figures may not add up to 100 due to rounding.

Total number of investments 54

All sources (unless indicated):
Aberdeen Asset Managers Limited 31 August 2019.

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Fund managers' report

Frontier markets were lower in August with Argentina leading losses. The Argentinian market and peso slumped after left-wing presidential candidate Alberto Fernandez scored a resounding victory over business-friendly incumbent Mauricio Macri in the primary vote. Investors were also spooked after Fernandez said the country wants to renegotiate the terms to its International Monetary Fund loan as it could not be repaid. Subsequently, newly-appointed economy minister Hernan Lacunza said he would negotiate with the country's sovereign bond holders to extend maturities of its debt obligations. After his loss in the primary elections, President Macri announced a slew of tax cuts and welfare subsidies for lower-income workers in an attempt to garner voter support.

Pakistan retreated on heightened global risk aversion as well as the release of figures for last year's fiscal deficit, which rose to 8.9% of GDP, recovery from which will require additional austerity measures. However more positive news came from a material 29% year-on-year contraction of the trade deficit in July.

Romanian equities also declined amid a slew of disappointing economic indicators including slowing GDP growth, falling industrial production, and rising inflation. A narrower second-quarter trade deficit coupled with rising retail sales however, mitigated losses.

Sri Lankan equities continued to be weighed by tepid growth in the wake of the Easter terror attacks. As such, the central bank cut interest rates for the second time in three months to stimulate the struggling economy. Supporting sentiment was news that the government ended its four-month state of emergency.

Bucking the broader trend, the Egyptian market rose after the central bank lowered interest rates to jumpstart the economy in response to moderating inflation.

In fund-related corporate news, Bank of Georgia reported better first-half profits on robust lending at its retail banking business. The lender also inked a deal with Citi to provide a one-year US\$50 million trade finance facility for small and medium-sized firms in the country.

In Egypt, Juhayna Food Industries posted slightly disappointing results with revenue growth slowing to 4.6% and operating profits declining by 2.0% on higher promotional activity, however the economy is showing progress and we expect the second half of the year to show an acceleration in earnings momentum.

Mobile World's analyst day was well-received by the market, where management presented its store opening plan for 2019-2022 as well as various merchandising initiatives, which resulted in analyst upgrades.

In Romania, Purcari and Sphera both delivered encouraging results. Purcari achieved growth of 25% in revenues and 30% in adjusted-earnings before interest, taxes, depreciation and amortisation on robust domestic and international volumes and premiumisation. Sphera's second-quarter results showed a stabilisation in profitability, which has been depressed by minimum wage increases, and still robust top-line growth.

In Pakistan, Indus Motor Company's full-year net profits fell by 13% because of the slowing economy, higher interest rates, and more costly vehicles as the rupee dropped. However, recent government restrictions on used vehicle imports could help boost future sales.

Fund managers' report continues overleaf

Key information

Calendar

Year end	June
Accounts published	September
Annual General Meeting	December
Dividend paid	July, December
Launch date	15 June 2007
Fund manager	Emerging Market Equity Team
Annual management fee ^D	1.00%
Ongoing charges ^E	2.01%
Net assets	£38.75m
Premium/(Discount)	(14.2)%
Yield ^F	3.6%
Net gearing ^G	None

AIFMD Leverage Limits

Gross Notional	1.10x
Commitment	1.10x

Capital structure

Ordinary shares	71,910,117
Treasury shares	1,302,500

Allocation of management fees and finance costs

Capital	66.6%
Revenue	33.3%

Trading details

Reuters/Epic/Bloomberg code	AFMC
ISIN code	GG00B1W59J17
Sedol	B1W59J1
Stockbroker	Numis Securities

^D 1% per annum of the value of the Company's net assets.

^E Expressed as a percentage of average weekly net assets for the year ended 30 June 2018. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

^F Calculated using the Company's historic net dividends and month end share price.

^G Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

Receive the factsheet by email as soon as it is available by registering at
www.invtrusts.co.uk/ITemail
www.aberdeenfrontiermarkets.co.uk

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Fund managers' report – continued

Arabian Centres, the leading mall developer in Saudi Arabia, released solid second-quarter results and reaffirmed their intention to open about 300,000 square metres of new gross leasable area over the coming 12 months.

In portfolio activity, we exited Argentinian bank BBVA Frances in response to President Mauricio Macri's disappointing performance in August's primary vote. The result weighed on the local currency and raised concerns over the country's ability to repay debt.

We also exited Nestlé Nigeria to fund opportunities elsewhere given the uncertain macroeconomic backdrop in the country.

Against these, we initiated Fawry, Egypt's leading electronic-payments network, which facilitates more than 2 million transactions daily. Its platform includes point-of-sale terminals, payment gateways, e-wallets and back-end processing infrastructure, enabling banked and unbanked users to pay bills and transfer funds across various media. The firm is growing its transaction value by over 40% annually.

The MSCI FM Index captures large and mid-cap representation across 28 Frontier markets countries. The index now includes 96 constituents, covering approximately 85% of the free float-adjusted market capitalisation in each country.

Our definition of Frontier Markets diverges from that of the Index. Whilst we are benchmark aware, we are not benchmark driven and seek to minimise risk by in-depth company research. We do not view divergence from a benchmark as risk but rather view investment in poorly-run expensive companies that we do not understand as risk. The Company uses the Index as a Reference Benchmark for performance comparison. However, it is likely that performance will diverge at times, possibly quite significantly in either direction and for long periods of time, from this Index.

The risks outlined overleaf relating to gearing, exchange rate movements and frontier markets are particularly relevant to this investment company but should be read in conjunction with all warnings and comments given.
Important information overleaf

Receive the factsheet by email as soon as it is available by registering at
www.invtrusts.co.uk/ITemail
www.aberdeenfrontiermarkets.co.uk

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Important information

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

Risk factors you should consider prior to investing:

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Frontier market countries typically have smaller economies and even less developed capital markets or legal and political systems than traditional, more developed emerging market countries. As a result, the investment in frontier markets can be riskier than investing in emerging market countries.
- Investing globally can bring additional returns and diversify risk. However, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Company can use derivatives in order to meet its investment objectives or to protect from price and currency movements. This may result in gains or losses that are greater than the original amount invested.
- This Fund may invest through non-regulated markets which are subject to increased risk relating to ownership and custody of investments.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

Other important information:

The Company is a Closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission.

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