

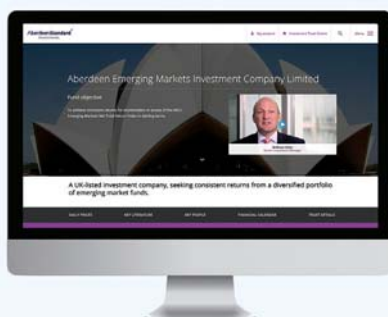
Aberdeen Emerging Markets Investment Company Limited

Looking for the best-of-breed emerging market funds



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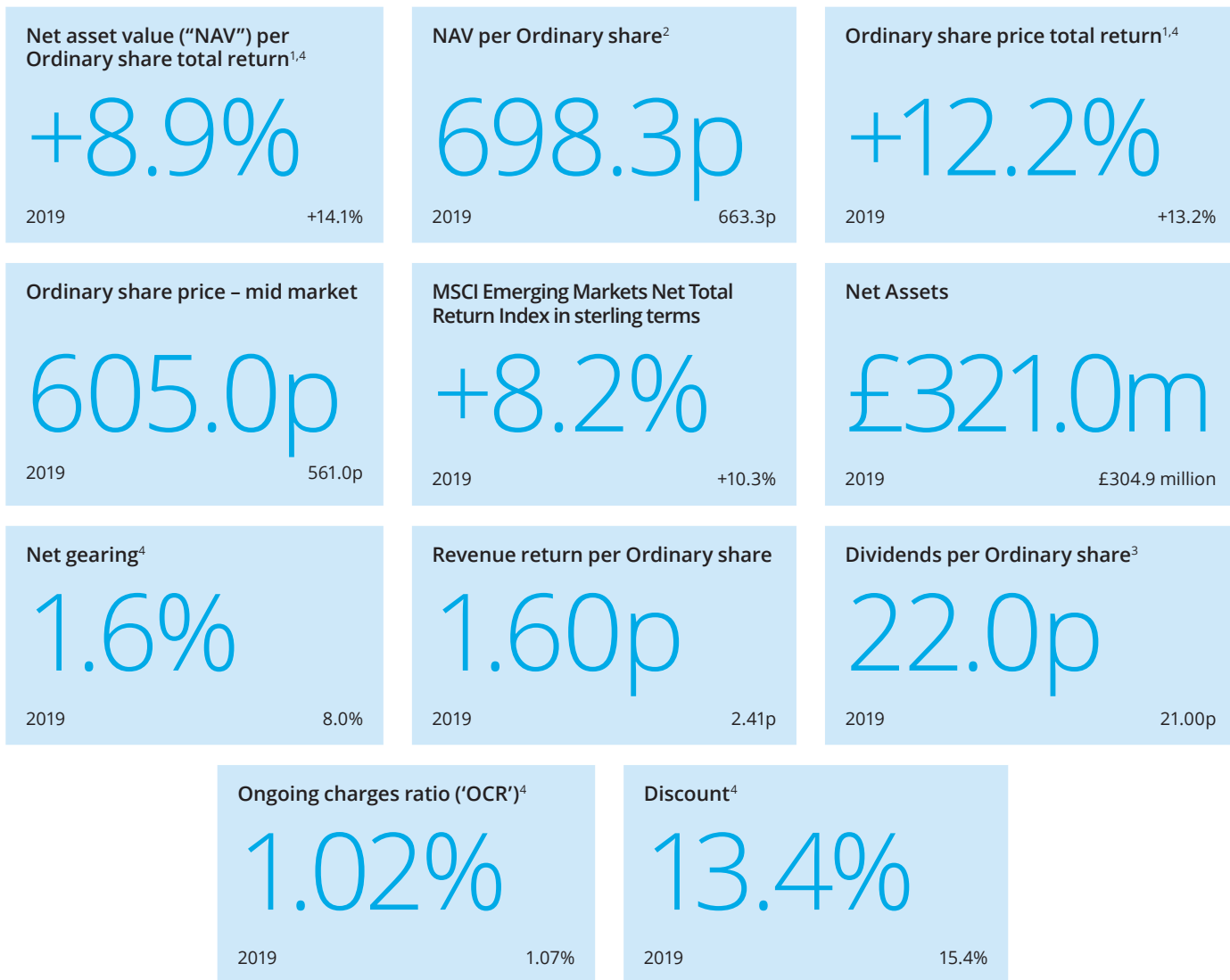
To find out more about Aberdeen Emerging Markets Investment Company Limited, please visit aberdeenemergingmarkets.co.uk

“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.”

Contents

Overview	
Financial Highlights	2
Financial Calendar	3
Chairman’s Statement	4
Strategic Report	
Investment Manager’s Report	8
Portfolio	
Investments	17
Asset Allocation	18
Governance	
Directors’ Report	21
Corporate Governance Statement	28
Promoting the Success of the Company	34
Report of the Audit Committee	37
Directors’ Remuneration Report	39
Statement of Directors’ Responsibilities	41
Depository Report	42
Financial Statements	
Independent Auditor’s Report	44
Statement of Comprehensive Income	47
Statement of Financial Position	48
Statement of Changes in Equity	49
Statement of Cash Flows	50
Notes to the Financial Statements	51
Corporate Information (unaudited)	
Alternative Performance Measures (“APMs”)	71
Information about the Investment Manager	73
Investor Information	74
AIFMD Disclosures	77
Glossary of Terms and Definitions	78
Notice of Annual General Meeting	80
Form of Proxy	83
Company Information	87

Financial Highlights



¹ Performance figures stated above include reinvestment of dividends on the ex-date

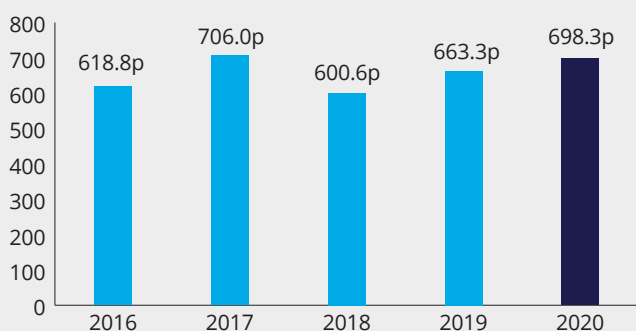
² See note 14 in the Notes to these Financial Statements for basis of calculation

³ Dividends declared for the year in which they were earned

⁴ Definitions of these Alternative Performance Measures ('APMs') together with how these have been calculated can be found on pages 71 and 72

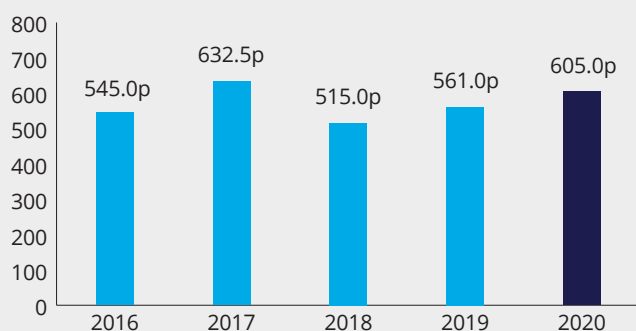
NAV per Ordinary share

At 31 October – pence



Ordinary share price – mid market

At 31 October – pence



Financial Calendar

"I am pleased to report that over the year to 31 October 2020 the Company's net asset value total return per Ordinary share was 8.9%. This compares favourably with a total return of 8.2% from the Company's benchmark, the MSCI Emerging Markets Net Total Return Index (in sterling terms). The Ordinary share price total return for the year was 12.2%."

Mark Hadsley-Chaplin, Chairman

Financial Calendar

Expected payment dates of quarterly dividends	26 March 2021 25 June 2021 24 September 2021 24 December 2021
Annual General Meeting (Guernsey)	20 April 2021
Half year end	30 April 2021
Announcement of Half-Yearly Financial Report for the six months ending 30 April 2021	June 2021
Financial year end	31 October 2021
Announcement of Annual Report and Accounts for the year ending 31 October 2021	February 2022

Chairman's Statement

Overview

I am pleased to report that over the year to 31 October 2020 the Company's net asset value ("NAV") total return per Ordinary share was 8.9%. This compares favourably with a total return of 8.2% from the Company's benchmark, the MSCI Emerging Markets Net Total Return Index (in sterling terms), and reflects a significant recovery following the fall in the NAV of more than 11% for the first half of the financial year.

The Ordinary share price total return for the year was 12.2%, as the discount to NAV at which the Company's shares trade narrowed slightly, to 13.4%, from 15.4% at the start of the financial year. At the time of writing, the discount to NAV stands at 13.0%.

The year under review was dominated by the global impact of the COVID-19 pandemic which caused significant volatility in equity markets. The Company's benchmark index suffered a peak to trough decline of just over 25% between late January and March 2020 as the global spread of the virus led most countries to introduce social and economic restrictions which severely impacted economic activity, leading to a deep global recession. In a number of emerging markets, the weak performance was compounded by commodity price declines and the associated impact of these on currencies.

In response to the crisis, governments and central banks around the world, including those in virtually all emerging markets, implemented unprecedented fiscal and monetary stimulus measures to support their economies. This helped rebuild investor confidence; during the period from late March 2020 until the end of the financial year, the benchmark index rose by more than 31%.

Within emerging markets, Asia, and in particular China, continued to outperform as aggressive measures were introduced to control the spread of the virus, enabling an earlier easing of the lockdown and resumption of economic activity than in many other parts of the world. Latin America, however, was the worst performing emerging market region during the year, declining by more than 33% as the spread of the virus accentuated the economic challenges for the region.

Fund selection contributed strongly to the outperformance during the year, with notable contributions from certain funds invested in China and South Korea. The same was also true in Eastern Europe. However, within these regions, the portfolio's underweight exposure to China and Taiwan, and overweight

exposure to Russia and Columbia, detracted from an asset allocation point of view. Whilst the portfolio remains less exposed to China than the benchmark, we would emphasise that it still constitutes over a third of the portfolio in absolute terms.

The Company's performance also benefited from discount narrowing within the closed end fund sector during the latter part of the year, as investor sentiment improved compared to the earlier part of the year.

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

Dividends

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

Three interim dividends, each of 5.5p per share, were paid on 27 March, 26 June and 25 September 2020 and, since the year end, a fourth and final interim dividend in respect of the year of 5.5p per share was paid on 18 December 2020. This brings the total dividends for the year to 22.0p per share.

For future years, the Board intends to continue to pay interim dividends on a quarterly basis and it is anticipated that the total dividends for the year ending 31 October 2021 will be no less than 23.0p per share, a 4.5% increase on the level of dividends paid last year, representing a yield of 3% based on the share price of 752.5p as at 16 February 2021. Accordingly, the Board declares a first interim dividend for the current financial year of 5.75p per share, which will be paid on 26 March 2021 to shareholders on the register on 26 February 2021.

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

Loan Facility and Gearing

The Company has a £25 million multi-currency revolving loan facility which is due to mature on 26 March 2021. The Board believes that the use of gearing, which is one of the advantages of a closed ended structure, within pre-determined ranges and at times when the Investment Manager sees attractive investment opportunities, is beneficial to the longer term performance of the Company.

The loan was fully drawn for part of the year, but in light of the Investment's Manager's cautious view of markets, half of the facility was repaid leaving £12.5 million drawn down at the year end. Gearing, net of cash, at the year end was 1.6% compared to 8.0% at the start of the year. Since the end of the year the loan has been drawn down in full.

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

Share Buy Backs

The Company did not buy back any shares during the year.

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

Shares in Public Hands

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 ("free float") 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 25%. 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 pandemic 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 approximately 16%, keep the FCA informed of any relevant developments and work towards restoring the number of shares in public hands.

Compliance with US Executive Order 13959

Following the US Presidential Executive Order 13959 dated 12 November 2020, which prohibits US Persons from purchasing "publicly traded securities" of certain 35 Chinese companies identified as Communist Chinese Military Companies, the Company can confirm that it has no direct investments in any of these 35 companies. It does, however, have indirect exposure via a number of its holdings. Following analysis of the Company's holdings by the Manager, this indirect exposure only amounts to approximately 0.6% of the Company's net asset value. The Company does not expect to have any exposure (direct or indirect) to these 35 companies by 11 November 2021.

Updates on this matter will be provided through the Company's website.

Annual General Meeting ("AGM")

The AGM will be held at 12 noon on 20 April 2021 at 11 New Street, St Peter Port, Guernsey, GY1 2PF. We would encourage all shareholders to complete and return the proxy form enclosed with the Annual Report so as to ensure that your votes are represented at the meeting. If you hold your shares in the Company via a share plan or a platform and would like to attend and/or vote at the AGM, then you will need to make arrangements with the administrator of your share plan or platform. For this purpose, investors who hold their shares in

Chairman's Statement Continued

the Company via the Aberdeen Standard Investments Plan for Children, Share Plan or ISA will find a Letter of Direction enclosed. Shareholders are encouraged to complete and return the Letter of Direction in accordance with the instructions printed thereon.

The Board has been considering how best to deal with the potential impact of the COVID-19 pandemic on arrangements for the Company's AGM. The Company is required by law to hold an AGM and the Board has been working on the basis that the Company's AGM would be held on 20 April 2021 as previously scheduled. However, given the possibility that some measure of restriction on public gatherings and maintaining social distancing may remain in place in April, the Board will give further consideration to the format of the AGM for this year. If the guidance on public gatherings remains in place in April, shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if the law and/or Government guidance so requires. In such circumstances, arrangements will be made by the Company to ensure that the minimum number of shareholders required to form a quorum will attend the meeting in order that the meeting may proceed and the business concluded.

In light of the developing situation, shareholders are encouraged to raise any questions in advance of the AGM with the Manager at aberdeen.emerging@aberdeenstandard.com (please include 'AEMC AGM' in the subject heading). Questions must be received by 12 noon on 16 April 2021. Any questions received will be replied to by either the Manager or Board via the Company Secretary.

Further information will be included on the Company's website (www.aberdeenemergingmarkets.co.uk) in advance of the AGM.

The Notice of the Meeting is contained on pages 80 to 82.

Board Composition

As previously announced, having served as a Director since the Company's Reconstruction in 2009, John Hawkins will retire at the AGM on 20 April 2021. On behalf of the Board I would like to thank John for his significant contribution to the Company during his time as a Director. He shall be much missed and I wish him well for the future.

Outlook

On the whole, emerging markets have been less impacted by the COVID-19 pandemic than most commentators feared at the outset, and there is evidence to suggest that emerging market economies will recover faster than developed markets and emerge less indebted. The recent weakening of the US Dollar provides a welcome tailwind for emerging market currencies, which should result in more interest from investors in emerging markets in the years ahead than they have received in the recent past.

The Board continues to believe that the Company's approach of investing through a portfolio of specialist funds, often at a discount to NAV, provides an attractive means for investors to benefit from these positive short term developments as well as capturing the longer term opportunities presented by this diverse asset class.

Mark Hadsley-Chaplin

Chairman

18 February 2021

Strategic Report

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

Investment Manager's Report

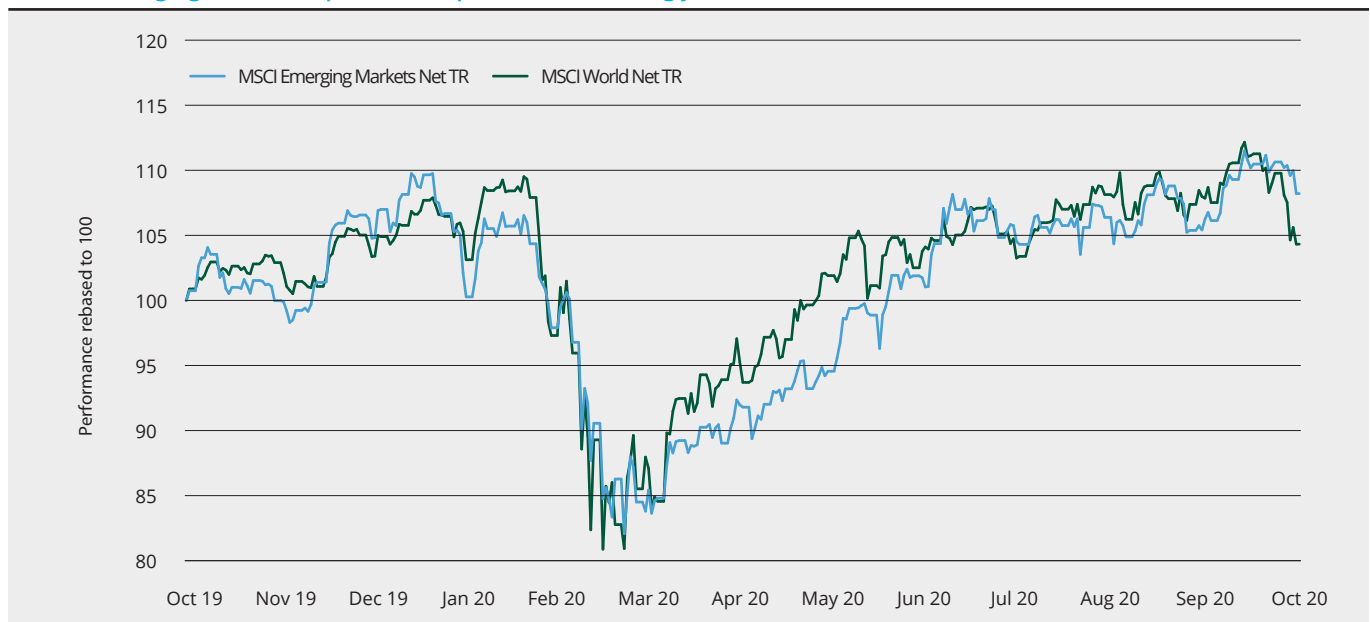
Market Environment and the Impact of COVID-19

While the global impact of the COVID-19 pandemic dominated the year under review and caused significant volatility, emerging market equities recorded a gain of 8.2% for the year, a remarkable outcome under the circumstances.

After a benign start to the year, by late March 2020 global economies and markets found themselves in the depths of the COVID-19 induced panic. The emerging markets index suffered a peak to trough decline of just over 25% between late January 2020 and its March 2020 low as the global spread of COVID-19 led most countries to introduce social and economic restrictions which severely impacted economic activity,

prompting the deepest global recession since World War II. In a number of emerging markets, the weak performance was compounded by commodity price declines and the associated impact of this on currencies. 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 worst of the economic impact. These measures spurred a rebound in investor sentiment and over the remainder of the period the emerging markets index rallied sharply, gaining 31.9% between late March and the end of October.

Chart 1. Emerging and developed market performance during year to 31 October 2020



Source: Bloomberg. GBP returns for the year from 31 October 2019 to 31 October 2020.

In general, the impact of the pandemic has been to accelerate pre-existing trends in emerging markets, as in other asset classes. Thus, the underperformers of recent years saw their margin of underperformance expand, while the relative "winners" continued to deliver impressive returns. This was evident in the "melt-up" of growth companies compared to those in traditional value / cyclical sectors, with the former outperforming the latter by almost 35% over the year (MSCI Emerging Markets Growth Index +25.9%, MSCI Emerging Markets Value Index -8.5%). This represents the largest

deviance between the two measures over a twelve month period since their inception in 2000. Asia continued to outperform the rest of emerging markets and larger companies continued to outperform smaller ones. The benchmark saw further concentration at a country and a company level, with the top three largest constituent countries now comprising 67.8% (compared with 56.0% a year ago) and the 10 largest companies comprising 32.5% (compared with 23.2% a year ago).

Emerging Asia gained 20.1% in aggregate, 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 the coronavirus quickly and effectively, enabling a gradual resumption of economic activity as the lockdown was eased earlier than in many other parts of the world. Corporate earnings data was robust and allowed the market to shrug off concerns over ongoing friction with the US, while local sentiment was buoyed by state media reports early in July that suggested local equities were ready for a “healthy bull market”. Within China, as elsewhere, the market was led by those stocks seen as beneficiaries of the pandemic. Many of these are largely “online” businesses and thus those companies active in e-commerce, social media and electronic gaming were amongst the biggest gainers. Such stocks included Alibaba Group and Tencent Holdings, the two largest stocks in the Chinese index, which gained 72.4% and 86.7% respectively and were responsible for almost two thirds of that market’s gain. The other large North Asian markets of South Korea and Taiwan also benefitted from being “first in, first out” as well managed pandemic response plans helped both countries deal more efficiently with the crisis than was the case in many other parts of the world. Taiwan gained 26.4% over the year while South Korean equities rose by 14.1% with both markets also benefitting from the positive sentiment towards technology stocks. The impacts of the pandemic were felt more keenly in the rest of Asia and that was reflected in stock market performance. Despite a sharp rebound in the second half of the period, Indian equities declined 2.6% with performance in the earlier part of the period hampered by the perception of being behind the curve in its response to the coronavirus. As well as coping with a shutdown of its tourism sector, a major source of income and employment, Thailand ended the year in a State of Emergency, imposed against a backdrop of pro-democracy protests demanding the removal of the Prime Minister. The market was the weakest performer in the region,

falling 30.8%. Indonesia also fared poorly, losing 21.2%, although there was some good news late in the period as parliament approved the Omnibus Law - a broad based reform aimed at simplifying labour regulations, licensing procedures and improving the ease of doing business.

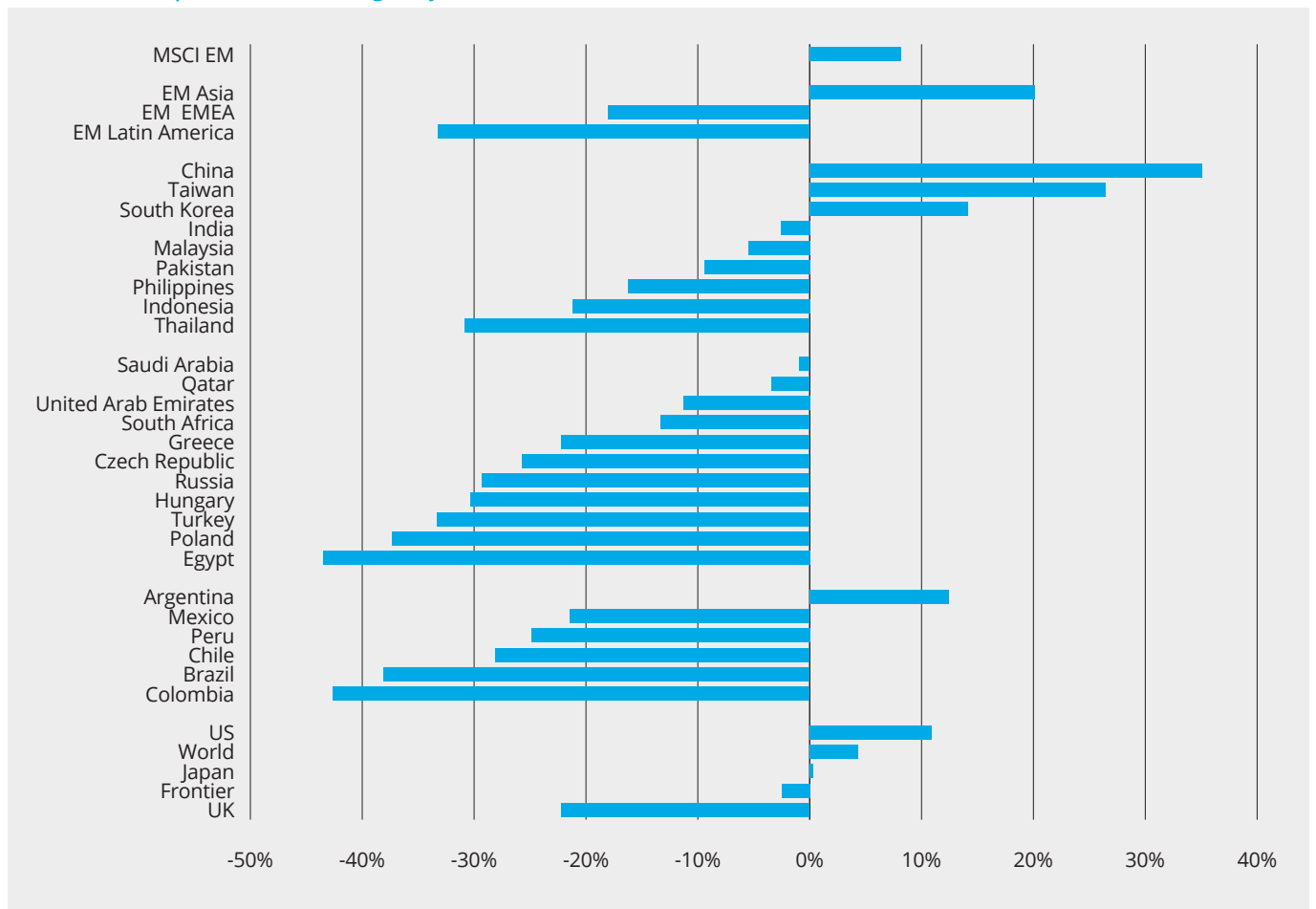
In Eastern Europe, the Middle East and Africa, the regional index fell by 18.0% and all constituent markets ended the period in negative territory. The Russian market fell by 29.3% which reflected a sharp decline in energy stocks over the period. The price of Brent crude fell by 37.2% in sterling terms as the pandemic depressed demand in a world where renewable energy continues to gain traction. Despite this, Saudi Arabia (-0.9%), Qatar (-3.4%) and the United Arab Emirates (-11.3%) all proved relatively defensive, with measures to contain the coronavirus within their populations proving effective and US dollar pegs serving to avoid the currency declines seen in oil producing countries with floating currencies. The South African market fell 13.3%, despite a 36.4% gain from index heavyweight Naspers, which derives the majority of its value from its holding in Tencent Holdings. In Eastern Europe, equity markets in Hungary (-30.3%), the Czech Republic (-25.7%) and Poland (-37.3%) were all significantly impacted by the pandemic. Turkey was also amongst the weaker markets, declining by 33.3%, largely as a consequence of currency weakness.

Latin America was the worst performing emerging market region, declining 33.2% as the spread of COVID-19 accentuated the economic challenges for the region, notably through the weakness in commodity prices¹ and the resulting impact on currencies. Brazil, the largest market in the region, lost 38.1% as the real depreciated by over 30% against sterling. Chilean equities fell 28.1% against a backdrop of macro and political headwinds while Mexican stocks lost 21.4%.

¹ The S&P GSCI Index, a widely recognised measure of general commodity price movements, declined by 31.3%.

Investment Manager's Report Continued

Chart 2. Market performance during the year to 31 October 2020.



Source: Bloomberg. GBP returns for the year from 31 October 2019 to 31 October 2020

Fund Performance

During the financial year, the Company's net asset value ("NAV") per share total return was 8.9% while the MSCI Emerging Markets Net total return index (the "Benchmark") returned 8.2%. The ordinary share price total return was 12.2%, as the discount to NAV at which the Company's ordinary shares trade narrowed to 13.4% from 15.4% at the start of the financial year.

The Company's NAV total return for the year was 0.7% ahead of the Benchmark. Attribution analysis follows in Table 1 below and shows that underlying holdings, in general, outperformed their benchmarks. Discount narrowing on closed end funds also made a positive contribution while asset allocation by country was detrimental to relative performance.

In Asia, the Company's investments in Korea performed strongly, with Weiss Korea Opportunity Fund (NAV +39.6%) and Korea Value Strategy Fund (+54.7%) both significantly outperforming the broader market (MSCI Korea +14.1%). The managers of both funds invest with a strong value bias, with Weiss expressing this through investments in deeply discounted preferred shares. In China, Fidelity China Special Situations performed exceptionally (NAV +61.3%), with strong stock selection combining with diligent use of gearing and selected exposure to private companies, as permitted by the fund's closed end structure. Elsewhere in Asia, Thai specialist, Ton Poh Fund (-1.6%) had a strong year in relative terms with its portfolio of small to mid-sized growth stocks faring well in a challenging environment where the local index fell by close to 31%, while Schroder AsiaPacific Fund also outperformed (NAV +24.1% compared with MSCI Asia Pacific Ex Japan +11.8%) through good stock selection within communication services and financials. In Eastern Europe, the long-standing investment in Baring Vostok (private equity in Russian and former CIS states) enjoyed a burst of portfolio activity towards the year end with top holding Kaspi (which operates the largest payments, marketplace and financial technology ecosystem in Kazakhstan) listing in London and delivering a significant uplift to performance. The fund's share price rose by 14.8% over the year (vs MSCI Russia -29.3%). Emerging Europe (ex Russia) specialist Avaron Emerging Europe Fund reinforced its long track record of low downside capture with NAV -21.4% compared to -34.8% for the MSCI Eastern Europe Ex Russia Index. Within the Company's frontier market allocation, Romanian holding Fondul Proprietatea delivered another period of good absolute and relative returns (NAV +7.6%).

Relative detractors included dividend focused strategies in Asia (Schroder Oriental Income Fund Limited NAV +1.3%, and Aberdeen Asian Income Fund NAV -0.8%) as dividend payments were cut in the underlying portfolio companies (we estimate by around 15% over the year) and dominant growth companies in the region (which tend not to feature in these portfolios given their tendency to not pay dividends) powered ahead. The holding in Neuberger Berman - China Equity Fund (+21.1%) detracted from relative performance as its focus on quality growth at reasonable valuations led it to be underexposed to some of the largest contributors to the market's gain. Schroder International Selection Taiwanese Equity Fund (+19.4%) failed to match its benchmark (MSCI Taiwan +26.4%) on account of a structural underweight in Taiwan Semiconductor Manufacturing Company, which rallied by close to 60% over the period and represented 45.1% of the Taiwanese Index at the end of the year.

Asset allocation detracted from relative performance. This was largely a consequence of the Company's underweight positioning in China and Taiwan, which outperformed the broad emerging markets index by 26.9% and 18.2% respectively. 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 a combination of China and Taiwan now represents close to 56%. Elsewhere, overweight positions in Russia and Colombia detracted while major underweights in South Africa, Brazil, Mexico, India and Malaysia contributed positively.

Closed End Fund discounts contributed to the Company's outperformance with discount narrowing in the latter stages of the year reflecting a general improvement in investor sentiment from the depths of the COVID-19 crisis. The largest contributors were Fidelity China Special Situations and Gulf Investment Fund; the former saw its discount narrow by over 10% over the year to trade at parity by the end of period while the latter saw its discount narrow to 4.5% ahead of the publication of details of a full exit opportunity. For the period as a whole, the weighted average discount to NAV of the Company's closed end holdings narrowed from 10.3% to 8.5%.

Investment Manager's Report continued

Table 1: NAV performance attribution for the year ended 31 October 2020

Fund Selection	6.7%
Asia	2.9%
EMEA	3.6%
Latin America	0.2%
Global Emerging Markets	0.0%
Asset Allocation	(5.8%)
Asia	(2.5%)
EMEA	(2.5%)
Latin America	(0.2%)
Cash/Gearing (direct and underlying)	(0.6%)
Closed End Fund Discounts	0.8%
Fees and Expenses	(1.0%)
NAV excess return*	0.7%

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

Portfolio Positioning

The composition of the portfolio by vehicle type is shown below. The most significant change over the period was that the Company moved from being 107.8% invested at the start of the year to just 101.2% of net assets by the end of the financial year. Gearing was reduced towards the end of April 2020 following discussions with the Company's Directors and an agreement that it was prudent to adopt a slightly more cautious stance given the wide range of possible pandemic outcomes at that time. The allocation of net assets to open ended funds declined by around 5% during the year, while closed end fund exposure fell by just over 1%.

	October 2020	October 2019
Closed ended investment funds	49.1%	50.1%
Open ended investment funds	51.3%	56.3%
Market access products	0.8%	1.4%
Cash and other net assets	-1.2%	-7.8%
Net assets	100.0%	100.0%

The Company's geographic allocation is shown on page 18. On a regional basis the most notable change was an 8.2% increase in exposure to Asia which resulted from a combination of

market performance and investment activity. Active changes reflected the belief that the pandemic likely delayed the recovery in economic performance and thus sentiment towards non-Asian markets for which the Company had been positioned coming into 2020.

China's weight increased to 38.2%, reflecting the country's resilient performance during the period and the initiation of a 5.0% position in the Neuberger Berman China Bond Fund at the end of June 2020. From a top down perspective, we view China favourably but are mindful of the risks associated with having such a large proportion of the Company's portfolio invested in a single country. We believe that the China Bond Fund allows us to add to the long term opportunity presented by China's capital markets but in a more risk-aware manner than adding to the fund's already substantial equity exposure. In the second half of the year, we trimmed sizeable positions in the Aberdeen Standard China A Share Equity Fund and Fidelity China Special Situations, both of which had performed admirably since the market lows in March 2020.

Exposure to South Korea increased to 13.7%, reflecting strong market returns and significant outperformance from the Company's dedicated investments in that market. Taiwan's weighting declined to 8.1% despite the market's outperformance as a result of an exit from a small holding in Taiwan Fund in late 2019 and a scaling back of the position in Schroder's Taiwanese Equity Fund. India saw a reduction in its allocation to 4.8%, reflecting a tender offer and subsequent exit from JPMorgan Indian Investment Trust. Indonesia fell to just 0.8% as redemption proceeds were received from Komodo Fund, which decided to liquidate during the year.

The increase in Asia's allocation was, in large part, at the expense of Latin America, where the Company moved from an overweight to an underweight position over the year. Besides market performance, the decline was driven by the redemption of the Company's position in Brown Advisory Latin American Fund which was completed in August 2020. This was driven by a combination of asset allocation and manager selection considerations, with Latin American markets remaining challenged on a number of fronts (currency weakness, unsettling politics, relatively poor response to COVID-19) while the underlying strategy (which has a focus on consumer companies) had failed to deliver on a relative basis for several years.

The allocation to the Europe, Middle East and Africa region also fell over the year. Partial redemptions from a number of regional vehicles (Avaron Emerging Europe Fund, QIC GCC Equity Fund and Laurium Limpopo in Africa) were utilised to pay down gearing in April 2020, while we also trimmed exposure to Russia through exiting a small holding in JP Morgan Russian Securities and via a tender offer from Baring Vostok. We took profits on Fondul Proprietatea while the company also continued to distribute capital back to shareholders by way of dividends and tender offers. In the latter months of the year, Turkey began to screen attractively, justifying increased exposure through an exchange traded fund. South Africa remained a very significant underweight throughout the period with an already challenging macroeconomic backdrop being compounded by the impact of COVID-19.

We continue to believe that many frontier markets, whilst increasingly marginalised and thus overlooked by most investors, are attractively valued and likely to deliver attractive returns for patient allocators of capital. At the end of the year, 12.5% of the Company's portfolio was allocated to frontier markets equities and fixed income. Towards the end of the period, we initiated a holding in BlackRock Frontiers Investment Trust, acquiring shares at a discount to NAV in excess of 6%, an attractive entry point given the low valuation of the portfolio (including a dividend yield of over 5%) and the company's tendency to trade around net asset value. Investors are given the opportunity to exit all or part of their investment at NAV less cost every five years, with the next such opportunity in early 2021. Around a third of the Company's frontier allocation remains in the in-house managed Aberdeen Standard Frontier Markets Bond Fund, which offers the potential for good absolute returns from a portfolio of predominantly US dollar denominated sovereign bonds issued by a wide range of frontier countries. At the end of October 2020, this portfolio had a yield to maturity of 9.9%, representing a 5.0% spread over mainstream emerging market hard currency debt, a pricing differential that, in our view, is unjustified by fundamentals. Underlying exposure is to countries as diverse as Ukraine, Ivory Coast and Kenya, bringing further diversification to the Company's portfolio.

The Company participated in several accretive corporate actions during the year. JP Morgan Indian Investment Trust completed a tender offer for 25% of shares in issue in February 2020. 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 several modest tender offers in Romanian holding Fondul Proprietatea, selling stock at a premium to prevailing market levels each time. In late 2019, 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 Company retains exposure to a number of closed end funds with the potential for future corporate activity through full exit opportunities (Gulf Investment Fund, BlackRock Frontiers Investment Trust, Weiss Korea Opportunity Fund), ongoing regular tenders (Fondul Proprietatea) or conditional tenders (BlackRock Latin American Investment Trust, Genesis Emerging Markets Fund).

The allocation to funds managed by Aberdeen Standard Investments increased from 11.9% to 17.5% of net assets during the year. A significant element of that is accounted for by positions in open ended funds investing in China A Shares (5.2%) and Frontier Market Bonds (4.2%) with the remainder spread across several closed end funds focussed on Asian equities. The use of in-house managed funds, on which there is no double charging of fees, 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.

We have discussed in past reports our desire to invest in a focused list of actively managed holdings run by talented investment teams across emerging and frontier markets, thus offering investors an attractive "one stop shop" in a complex and sprawling asset class. In addition, the payment of quarterly dividends from a combination of capital and income and use of gearing, all capture the benefits of the closed end fund structure. To these collective points, at the end of the year the portfolio was invested in 30 funds, with 92.0% of net assets being exposed to equities, 9.2% to fixed income, cash and other net assets of -1.2% and the Company's dividend yield was 3.6% per annum. We believe this is an attractive profile in the circumstances and one that should hold broad appeal.

Outlook

Emerging markets have, over the last five years, quietly delivered strong returns for investors (MSCI Emerging Markets Index +74.4%), while at the same time remaining largely out of favour as an asset class. While 2020 has obviously presented many challenges, we believe it has also provided reasons to believe this spell of performance can continue, if not accelerate.

Investment Manager's Report continued

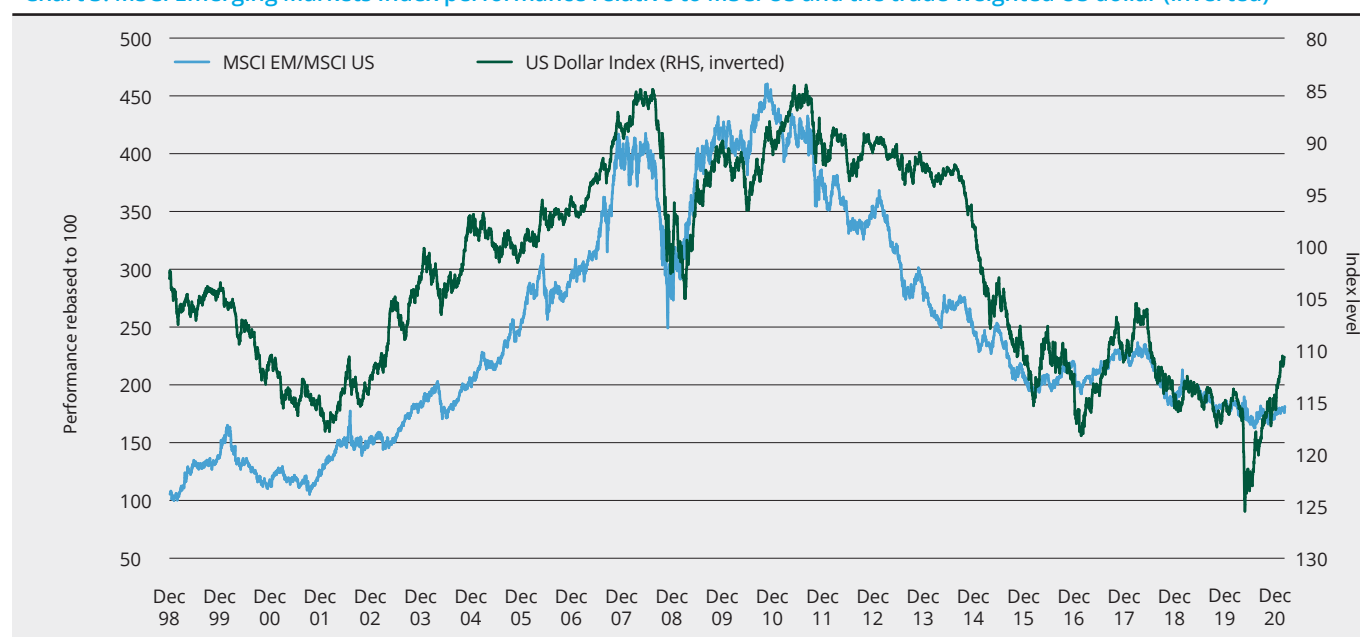
In aggregate, emerging markets have been less impacted by COVID-19 than most commentators feared at the outset of the pandemic. China, South Korea and Taiwan (collectively 60.0% of the Company's portfolio) obviously stand out in a global context as having benefitted from early and decisive measures to quell the spread of the coronavirus, whilst also having a healthy representation of growth companies on their exchanges (technology platforms in the case of China, and hardware in the case of Taiwan and South Korea). For China in particular, we believe 2020 will prove a year in which asset allocators finally overcame many of their fears (trade wars, growth concerns, sovereign and corporate governance) and began taking steps to more adequately reflect the importance of this market in their portfolios - the pandemic, perversely, having served as a positive catalyst for this.

Outside of these three markets, the COVID-19 experience has been more mixed, but one unifying factor is the more muted policy response employed by emerging market central banks. There is much evidence to suggest that emerging market

economies will shrink less in 2020, bounce back faster in 2021 and emerge less indebted than developed markets. The likelihood of vaccines being rolled out in 2021 has already been reflected in improved performance in the likes of Brazil, South Africa and India.

The combination of the US congress coming under the control of the Democratic Party, the roll out of vaccines, the accommodative stance of the Federal Reserve (with record levels of debt and low interest rates likely to prevail in the coming years) all suggest the US dollar will continue to weaken. At the same time, emerging equity and debt markets are amongst the few to still offer positive real yields, which are likely to attract capital back into the asset class to the benefit of emerging market currencies. The importance of this should not be underestimated, as can be seen in Chart 3 below, which shows quite clearly how long and painful the current cycle has been, whilst also reminding one of how lucrative the prior cycle was.

Chart 3. MSCI Emerging Markets Index performance relative to MSCI US and the trade weighted US dollar (inverted)



Source: Bloomberg. MSCI indices used are net total return in USD. For period from 31 December 1998 to 31 December 2020.

Many of the major beneficiaries of a decline in the US dollar are outside of the major North Asian economies, and thus we would caution against investors limiting their emerging market exposure to the obvious Asian economies at the expense of Eastern Europe, Latin America and frontier markets, all of which would benefit materially from the trends discussed above. In addition, a weaker US dollar has tended to favour smaller companies and “value” investments. We retain exposure to these unappreciated regions and themes based on fundamentals and future prospects, not recent past performance. Trying to time exactly when any rotation in leadership (by country, market capitalisation or sector) will take place is extremely challenging, as the dash to value following the announcement of the first vaccine highlights.

Risks to this “goldilocks” scenario for emerging markets include geopolitics (in China and Iran, for example), a disappointment in 2021 earnings (currently forecast to grow by 25-30% across emerging markets) and the interplay of this with valuations (a 15x aggregate emerging market forward price to earnings ratio

offers less value than has been present in much of the recent past). The major risk we perceive in markets more generally is an earlier than expected withdrawal of the easing measures put in place to deal with the pandemic (higher US rates being the most obvious barometer of this). On this latter point, it is interesting to note that China has already begun tightening, making it the first country globally to do so.

Overall, we maintain a positive outlook. Since the end of the financial year, we have fully drawn the Company’s revolving credit facility, taking the portfolio 4.7% geared as at 16 February 2021, with 96.9% of net assets being exposed to funds invested in equities, 7.8% in funds investing in fixed income and -4.7% in cash and other net assets. We believe this positioning differentiates the Company from many of its peers and leaves it well placed to reap rewards. We believe the current uptick in sentiment towards, and strong performance of, the asset class is justified and likely to continue.

Aberdeen Asset Managers Limited
18 February 2021

Portfolio

The Company's NAV total return for the year was 0.7% ahead of the Benchmark. Underlying holdings, in general, outperformed their benchmarks. Discount narrowing on closed end funds also made a positive contribution while asset allocation by country was detrimental to relative performance.

Investments

As at 31 October 2020

Security investment name	Country of establishment	Value (£'000)	Percentage of net assets (%)
Neuberger Berman - China Equity Fund	Ireland	35,730	11.1
Weiss Korea Opportunity Fund Limited	Guernsey	23,966	7.5
Schroder AsiaPacific Fund PLC	United Kingdom	23,494	7.3
Fidelity China Special Situations PLC	United Kingdom	21,494	6.7
Aberdeen Standard SICAV I – China A Share Equity Fund	Luxembourg	16,688	5.2
Schroder International Selection Taiwanese Equity Fund	Luxembourg	15,993	5.0
Neuberger Berman - China Bond Fund	Ireland	15,949	5.0
Aberdeen Standard SICAV I - Frontier Markets Bond Fund	Luxembourg	13,457	4.2
Korea Value Strategy Fund Ltd	British Virgin Islands	13,281	4.1
Genesis Emerging Markets Fund Limited	Guernsey	11,995	3.7
Top ten investments		192,047	59.8
Aberdeen Asian Income Fund Limited	United Kingdom	11,414	3.6
Fondul Proprietatea	Romania	11,337	3.5
Schroder Oriental Income Fund Limited	Guernsey	11,213	3.5
Lazard Emerging World Fund	Ireland	9,780	3.0
Diversified Growth Company QIC GCC Equity Fund	Luxembourg	9,450	2.9
Aberdeen New India Investment Trust PLC	United Kingdom	9,061	2.8
Ton Poh Fund	Cayman Islands	8,356	2.6
Avaron Emerging Europe Fund	Estonia	8,335	2.6
Verno Capital Growth Fund Limited	Cayman Islands	8,098	2.5
BlackRock Latin American Investment Trust PLC	United Kingdom	8,052	2.5
Next ten investments		95,096	29.5
Top twenty investments		287,143	89.3
Laurium Limpopo Africa Fund	Cayman Islands	7,761	2.4
JPMorgan Emerging Markets Investment Trust PLC	United Kingdom	7,289	2.3
Asia Dragon Trust PLC	United Kingdom	5,282	1.7
Baring Vostok Investments PCC Limited	Guernsey	4,673	1.5
Gulf Investment Fund PLC	Isle of Man	3,151	1.0
iShares MSCI Turkey ETF	United States	2,519	0.8
BlackRock Frontiers Investment Trust PLC	United Kingdom	2,516	0.8
JPMorgan Global Emerging Markets Income Trust PLC	United Kingdom	2,512	0.8
Tarpon All Equities Cayman	Cayman Islands	1,070	0.3
Komodo Fund	Cayman Islands	1,059	0.3
Total investments		324,975	101.2
Cash plus other net current assets and liabilities		(4,005)	(1.2)
Net assets		320,970	100.0

Asset Allocation

As at 31 October 2020

Country split	Company (%)	Benchmark (%)
Asia	73.1	81.4
China	38.2	43.2
South Korea	13.7	11.9
Taiwan	8.1	12.7
India	4.8	8.1
Thailand	3.2	1.7
Singapore	1.7	-
Indonesia	0.8	1.3
Vietnam	0.3	-
Philippines	0.2	0.8
Malaysia	0.1	1.7
Pakistan	0.1	-
Other	1.9	-
EMEA	21.2	11.6
Russia	4.3	2.7
Romania	3.7	-
Saudi Arabia	1.9	2.7
Egypt	1.1	0.1
Turkey	1.1	0.3
Kuwait	0.7	-
Qatar	0.7	0.8
UAE	0.7	0.5
Poland	0.6	0.6
South Africa	0.5	3.5
Hungary	0.4	0.2
Greece	0.3	0.1
Czech Republic	0.2	0.1
Other	5.0	-

As at 31 October 2020

Country split	Company (%)	Benchmark (%)
Latin America	4.8	7.0
Brazil	2.4	4.4
Mexico	0.8	1.6
Argentina	0.4	0.1
Chile	0.2	0.5
Peru	0.1	0.2
Colombia	-	0.2
Other	0.9	-
Non-specified	1.5	-
Cash in underlying investments	0.7	-
Cash plus other net current assets	(1.3)	-
Total	100.0	100.0

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

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

Governance

The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance.

All Directors are considered by the Board to be independent of the Company and the Manager and free of any material relationship with the Manager.

Directors' Report

The Directors of Aberdeen Emerging Markets Investment Company Limited ("AEMC" or the "Company") present the report and financial statements for the year ended 31 October 2020.

Investment Policy

Objective

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

i) Asset Allocation

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

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

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

ii) Risk Diversification

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

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

iii) Gearing

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

Business Activities

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

Results and Dividends

The Company's total comprehensive income for the year was a profit of £26,090,000 (2019: profit of £38,447,000). The Company's revenue return for the year amounted to a profit of £734,000 (2019: profit of £1,109,000).

The Company declared four interim dividends; each at the rate of 5.50p per Ordinary share, in respect of the year ended 31 October 2020.

The Board has declared a first interim dividend of 5.75p per Ordinary share in respect of the year ending 31 October 2021, which will be paid on 26 March 2021 to shareholders on the register on 26 February 2021.

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

Investment Report and Outlook

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

Key Performance Indicators ("KPIs")

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

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

Performance

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

Directors' Report Continued

In sterling terms, the Benchmark Index total return increased by 8.2% (2019:10.3%) over the year against an increase of 8.9% (2019:14.1%) for the Company's NAV per Ordinary share.

Ongoing Charges

For the year ended 31 October 2020, the Company's ongoing charges figure, calculated using the Association of Investment Companies' ("AIC") methodology, was 1.02% (2019: 1.07%).

Principal Risks, Emerging Risks and Uncertainties

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

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

Changes in economic conditions, interest rates, foreign exchange rates and inflationary pressures, industry conditions, competition, political and diplomatic events, tax, environmental and other laws and other factors can substantially and either adversely or favourably affect the value of the securities in which the Company invests and, therefore, the Company's performance and prospects.

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

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

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

(ii) Emerging Markets

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

(iii) Other Portfolio Specific Risks

(a) Small cap stocks

The underlying investee funds selected by the Investment Manager may have significant investments in smaller to medium sized companies of a less seasoned nature whose securities are traded in an "over-the-counter" market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies, due to shorter operating histories, potentially lower credit ratings and, if they are not listed companies, a potential lack of liquidity in their securities. As a result of lower liquidity and greater share price volatility of these "secondary" securities, there may be a disproportionate effect on the value of the investee funds and, indirectly, on the value of the Company's portfolio.

(b) Liquidity of the portfolio

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

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

(c) Foreign exchange risks

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

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

Management or mitigation of the above risks

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

The investment management of the Company has been delegated to the Company's Investment Manager. The Investment Manager's investment process takes into account the material risks associated with the Company's portfolio and the markets and holdings in which the Company is invested. The Board monitors the portfolio and the performance of the Investment Manager at regular Board meetings.

(iv) Internal Risks

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

Management or mitigation of internal risks

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

The management or mitigation of internal risks is described in detail in the Corporate Governance Statement on pages 32 and 33.

(v) Emerging Risks

Emerging risks are slow moving trends, innovations and shifts with potential consequence to a specific industry or sector in the long term. They can include movements in: demographics, economics, society, technological innovations, national policy and governance. The most significant risk which emerged during the year was the COVID-19 pandemic. The first case of the virus was identified in Wuhan, China, in December 2019 and continued to spread worldwide during 2020. The consequence of the virus has dramatically impacted public health and mobility, with a cascading effect on consumerism, the global financial markets and the future economic outlook.

Management or mitigation of emerging risks

A risk management register and associated risk heat map, providing a visual reflection of the Company's identified and emerging risks have been established to monitor and mitigate risks to the Company, with both a risk pre mitigation and risk post mitigation score determined, depending on the impact of the risk combined with the probability of the risk occurring.

Directors' Report Continued

Borrowings

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

On 29 March 2018, the Company entered into an unsecured 12 month revolving credit facility with The Royal Bank of Scotland plc, under which loans with a maximum aggregate value of £25 million may be drawn. The facility was renewed with The Royal Bank of Scotland International Limited (London Branch) ("RBSI") on 26 March 2020 for a further 12 month period, with a termination date of 26 March 2021. As at 31 October 2020, £12.5 million (2019: £25 million) was drawn down at an all-in monthly rate of 0.76925% (2019: 1.26413%).

Gearing

At the year end, the Company's net gearing figure was 1.6% (2019: 8.0%). The Directors monitor the Company's gearing on a regular basis in accordance with the Company's investment policy and under advice from the Investment Manager.

Market Information

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

Discount Management Policy

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

Ordinary Shares in Issue

As at 31 October 2020 the Company had 45,965,159 (2019: 45,965,159) Ordinary shares in issue (excluding shares held in treasury). The Company also held 8,653,348 Ordinary shares in treasury (2019: 8,653,348).

Purchases of Own Shares

During the year ended 31 October 2020, the Company purchased none of its Ordinary shares (2019: 81,937 Ordinary shares all of which are held in treasury in accordance with its general share buyback authority).

The Company's discount management policy is described above.

The Company's present authority to make market purchases of its own Ordinary shares will expire at the conclusion of the AGM at which time a new authority to buy back shares will be sought. The timing of any purchase will be decided by the Board. Any shares bought back by the Company will either be cancelled, or if the Directors so determine, held in treasury (and may be re-sold). Purchases of own shares will only be made at a price representing a discount to NAV per Ordinary share.

Allotment of Shares and Disapplication of Pre-Emption Rights

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

A further resolution will be proposed as a special resolution to provide the Directors with the authority to disapply pre-emption rights in respect of issuing shares and/or selling shares from treasury under the general authority granted as described above. Any future issues of Ordinary shares, or sales of shares from treasury, will only be undertaken at a premium to the prevailing NAV per Ordinary share.

These authorities will expire at the conclusion of the AGM in 2022. The Directors consider that the authorities proposed to be granted at the AGM are necessary to retain flexibility, although they do not, at the present time, have any intention of exercising such authorities.

Significant Shareholders

As at 31 October 2020, the Company had been notified of the following significant shareholdings of the issued Ordinary shares (excluding treasury shares).

	Holding	%
City of London Investment Management Company Limited	13,260,724	28.8
Lazard Asset Management LLC	10,331,685	22.5
Wells Capital Management Inc	9,024,498	19.6
1607 Capital Partners, LLC	5,589,128	12.2

Since the end of the year, the Company has been notified that Wells Capital Management Inc's holding has changed to 9,274,498 Ordinary shares (20.2%) and 1607 Capital Partners, LLC's holding has changed to 5,480,870 Ordinary shares (11.9%). There have been no other changes notified to the Company as at the date of this Report.

Non-Mainstream Pooled Investments ("NMPs")

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

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

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

Continuation Vote

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

Automatic Exchange of Information

Foreign Account Tax Compliance Act ("FATCA")

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

The Common Reporting Standard ("CRS")

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

Depository and Custody Services

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

Management

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

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

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

Alternative Investment Fund Managers Directive ("AIFMD")

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

An AIFM must ensure that an Annual Report for the Company is made available to investors for each financial year, provide the Annual Report to investors on request and make the Annual

Directors' Report Continued

Report available to the FCA. The investment funds sourcebook of the FCA details the requirements of the Annual Report.

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

Management Engagement

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

Company Secretary and Administrators

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

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

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

Payment of Suppliers

It is the Company's payment policy to obtain the best terms for all business and therefore there is no consistent policy as to the terms used. The Company contracts with its suppliers setting out the terms on which business will take place and abides by such terms. A high proportion of expenses, including management and administration fees, are paid within the month when invoiced. There were no overdue amounts owing to trade creditors at 31 October 2020.

Settlement of Share Transactions

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

Donations

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

Going Concern

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

At the AGM held in April 2018, a resolution was approved by shareholders that the Company will continue in existence in its current form until the AGM to be held in 2023, at which time a further continuation vote will be put to shareholders.

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

As at 31 October 2020, the Company held £8.3 million in cash and £325.0 million in investments. It is estimated that approximately 68% of the investments held at the year end could be realised in one month. The total operating expenses for the year ended 31 October 2020 were £3.1 million, which on an annualised basis represented approximately 1.02% of average net assets during the year. 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's net assets at 16 February 2021 were £397.6 million.

The Company has a £25 million revolving loan facility with RBSI, maturing on 26 March 2021. The Company has commenced discussions with RBSI and the Board expects to renew the facility on similar terms when it matures. As at 31 October 2020, £12.5 million was drawn down from the RBSI facility. The liquidity of the Company's portfolio, as mentioned above, sufficiently supports the Company's ability to repay its borrowings at short notice.

In light of the COVID-19 pandemic, the Directors have fully considered and assessed the Company's portfolio of investments. A prolonged and deep market decline could lead to falling values of the investments or interruptions to cashflow. However, the Company currently has more than sufficient liquidity available to meet any future obligations.

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

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 to do so for an unknown period of time. During the year, stock markets have seen unprecedented movements in prices and in some cases, uncorrelated with underlying valuations. 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.

The market and operational risks associated with the COVID-19 pandemic, and the ongoing economic impact of measures introduced to combat its spread were discussed and are continually monitored by the Directors. The Investment Manager, Administrator and other key service providers are providing regular updates on operational resilience. The Directors are satisfied that the key service providers have the ability to continue to operate efficiently in a remote or virtual working environment.

Viability Statement

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

The Directors have assessed the prospects of the Company over the period from the date of this report up until 31 October 2023 (the "Period"). The Directors believe that the Period, being approximately three years, is an appropriate time horizon over which to assess the viability of the Company, particularly when taking into account the long-term nature of the Company's investment strategy.

In their evaluation of the prospects of the Company, the Directors have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, as set out on pages 22 and 23 of this report. Developments in emerging markets and portfolio changes are discussed at quarterly Board meetings and the internal control framework of the Company is subject to formal review on at least an annual basis. The Company's portfolio consists of a range of funds and other products which provide exposure to emerging markets. Under normal market conditions, the majority of the investments held by the Company could be sold

within one month. However, there are circumstances which could lead to a reduction in market liquidity and, therefore, the ability of the Company to realise its investments.

The Directors do not expect there to be any material increase in the annual ongoing charges of the Company over the Period. The Company's income from investments and cash realisable from the sale of its investments provide substantial cover to the Company's operating expenses, and any other costs likely to be faced by the Company over the Period.

Taking the above into account, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the Period.

Auditor

KPMG Channel Islands Limited ("KPMG") was re-appointed as auditor of the Company at the AGM held in April 2020. A resolution for the re-appointment of KPMG Channel Islands Limited as auditor of the Company is to be proposed at the forthcoming AGM.

Annual General Meeting ("AGM")

The AGM will be held on 20 April 2021. Due to the uncertainties caused by the COVID-19 pandemic and, in particular, the restrictions on public gatherings and requirements to socially distance, it is likely that the Annual General Meeting will be held on a functional only basis, satisfying the minimum legal requirements. Further details are provided in the Chairman's Statement. The notice of AGM is included in this document.

Corporate Governance

The Corporate Governance Statement on pages 28 to 33 forms part of this report.

Statement of Directors' Responsibilities

The Statement of Directors' Responsibilities on page 41 forms part of this report.

Helen Green
Director

William Collins
Director
18 February 2021

Corporate Governance Statement

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

The Board of Aberdeen Emerging Markets Investment Company Limited (the "Company") has considered the principles and recommendations of the Association of Investment Companies' ("AIC") Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide") as issued in February 2019 and available on the AIC's website (theaic.co.uk). The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in the UK Corporate Governance Code, issued in July 2018 and available on the FRC's website (frc.org.uk), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Guernsey Financial Services Commission revised its Code of Corporate Governance (the "Guernsey Code") in February 2016. Companies which report under the AIC Code are deemed to meet the requirements of the Guernsey Code.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The Board

The Board aims to provide effective leadership so the Company has the platform from which it can achieve its investment

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

Composition

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

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

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

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

Board Diversity

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

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

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

Mr Hadsley-Chaplin holds no other public company directorships.

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

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

Mr Collins holds no other public company directorship.

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

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

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

Ms de Rochechouart holds no other public company directorships.

Board's Policy on Tenure

In normal circumstances, it is the Board's expectation that

Directors will not serve beyond the Annual General Meeting following the ninth anniversary of their appointment. However, the Board takes the view that independence of individual Directors is not necessarily compromised by length of tenure on the Board and that continuity and experience can add significantly to the Board's strength. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned, but also taking into account the need for regular refreshment and diversity.

It is the Board's policy that the Chairman of the Board will not normally serve as a Director beyond the Annual General Meeting following the ninth anniversary of his or her appointment to the Board. However, this may be extended in certain circumstances or to facilitate effective succession planning and the development of a diverse Board. In such a situation the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chairman clearly set out.

The Role of the Chairman and Senior Independent Director

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution and encourages active engagement by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman acts upon the results of the Board evaluation process by recognising strengths and addressing any weaknesses and also ensures that the Board engages with major shareholders and that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chairman and acts as an intermediary for other Directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Directors' Shareholdings

At 31 October 2020 and at the date of this report, the Directors had the following shareholdings in the Company.

Corporate Governance Statement Continued

	Ordinary shares at the date of this report	Ordinary shares At 31 October 2020	Ordinary shares At 31 October 2019
M Hadsley-Chaplin	30,000	30,000	30,000
W Collins	15,000	15,000	15,000
J Hawkins	30,000	20,000	10,000
H Green	1,800	1,800	1,800
E de Rochechouart	-	-	-

A procedure has been adopted for the Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. Directors are

encouraged to attend industry and other seminars, including courses run by the AIC, covering issues and developments relevant to investment companies.

Board Meetings

The actual number of meetings of the Board and Committees for the year under review is given below, together with individual Directors' attendance at those meetings. The first number in the table is the meetings attended by the individual Director and the second number is the number of meetings that Director was eligible to attend.

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

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

Re-election of Directors

The services of each of the Directors are provided under the terms of letters of appointment between each of them and the Company. Each Director's appointment is for an initial three year period subject to renewal and termination upon three months' notice.

In line with corporate governance best practice, all of the Directors, apart from those stepping down, will retire and offer themselves for election at the Annual General Meeting of the Company to be held on 20 April 2021. The Board recommends all the Directors stand for election for the reasons highlighted in the performance evaluation section of this report and as stated above.

Mr John Hawkins has been a Director of the Company since 2009 and has given notice to the Board of his intention to step down at the upcoming Annual General Meeting.

Conflicts of Interest

As required by law, a Director must avoid a situation where he or she has an interest that conflicts with the Company's interests. The Company's Articles of Incorporation provide the Directors authority to authorise potential conflicts of interest. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate. The procedure observed by the Board in considering dealing with conflicted matters is as follows:

- Any Board member so conflicted must recuse themselves from the discussion involving the relevant conflict;
- Only Directors who have no interest in the matter being considered are able to debate the matter and take the relevant decision; and
- In taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success.

The Directors have declared any potential conflicts of interest to the Company. These are entered into the Company's register of potential conflicts, which is reviewed regularly by the Board. The Directors are obliged to advise the Company Secretary as soon as they become aware of any potential conflicts of interest.

Board Committees

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

Audit Committee

A report on pages 37 and 38 provides details of the role, composition and meetings of the Audit Committee together with a description of the work of the Committee in discharging its responsibilities.

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

Management Engagement Committee

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

consider the appointment and remuneration of the Manager. The Committee also considers the appointment and remuneration of other suppliers of services to the Company.

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

Nomination Committee

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

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

Remuneration Committee

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

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

Performance Evaluation

A formal annual performance appraisal process is performed on the Board, the committees, and the individual Directors. The appraisal is performed internally and the Board considers that this is appropriate given the nature and size of the Company. A programme consisting of open and closed end questions is used as the basis for the appraisals. The results are reviewed

Corporate Governance Statement Continued

by the Chairman and are then discussed with the Board so that any necessary action can be considered and undertaken. A separate appraisal of the Chairman is carried out under the supervision of the Senior Independent Director and the results are reviewed and reported back to the Chairman. The results of the performance appraisal carried out in the financial year ended 31 October 2020 demonstrated that the structure of the Board and the diverse experience of the Directors are appropriate to meet the Company's requirements.

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

Internal Controls

The AIC Code requires the Board to review the effectiveness of the Company's system of internal controls. The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness and has applied the Financial Reporting Council's ("FRC") guidance on internal controls. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can provide only reasonable assurance against material misstatement or loss. The Board has undertaken a review of the aspects covered by the guidance and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as being matters of particular importance upon which it requires reports. The Board believes that the existing arrangements, set out below, represent an appropriate framework to meet the internal control requirements. Through these procedures the Directors have kept under review the effectiveness of the internal control system throughout the year and up to the date of this report.

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

The Board has contractually delegated to external agencies, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the accounting and company secretarial requirements. Each of these contracts was entered into after full and proper

consideration of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company.

Financial Aspects of Internal Control

The Directors are responsible for the internal financial control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication and that the assets of the Company are safeguarded. As stated above, the Board has contractually delegated to external agencies the services the Company requires, but it is fully informed of the internal control framework established by the Manager, the Administrator and the UK Administration Agent to provide reasonable assurance on the effectiveness of internal financial controls.

The key procedures include monthly production of management accounts and NAV calculations, monitoring of performance monthly and at regular Board meetings, review by the Directors of the valuation of securities, segregation of the administrative function from that of securities and cash custody and of both from investment management, maintenance of appropriate insurance and adherence to physical and computer security procedures. In addition, the Board keeps under its own direct control all material payments out of the Company other than for investment purposes.

The Statement of Directors' Responsibilities in respect of the financial statements is on page 41 and a statement of going concern is on page 26. The Independent Auditor's Report is on pages 44 to 46.

Other Aspects of Internal Control

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

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

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

Directors receive and consider monthly reports from the UK Administration Agent, giving full details of all holdings in the portfolio and of all transactions and of all aspects of the financial position of the Company. The Administrator and UK Administration Agent report separately in writing to the Board concerning risks and internal control matters within the scope of their services, including internal financial control procedures and secretarial matters. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

This contact with the Manager, Administrator, UK Administration Agent and the external Auditor enables the Board to monitor the Company's progress towards its objectives and encompasses an analysis of the risks involved. These matters are assessed on an ongoing basis through the year.

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

Principal Risks

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

Shareholder Relations

The Board encourages all shareholders to attend the AGM and seeks to provide at least 20 working days' notice of that meeting. The Notice of Meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the Directors' Report. Separate resolutions are proposed for each substantive issue.

The Board welcomes feedback from the Company's shareholders. The Board receives shareholder feedback directly and via the Company's Manager and Broker through their programme of meetings with shareholders.

All Directors are available to shareholders if they have concerns over issues they feel have not been dealt with through the normal mode of communication with the Chairman.

Exercise of Voting Powers

The Company is committed to exercise diligently its rights as a shareholder and usually votes on relevant decisions of its holdings. In making a voting decision all relevant factors are taken into account, including the performance of the investee company, its corporate governance where this bears meaningfully upon the responsiveness of its management to shareholders' needs and the readiness of its management to address any areas where improvements might be expected to strengthen its share price or otherwise create real benefit for shareholders. Further information regarding the activities of the Company in pursuing these issues may be found in the Investment Manager's report.

UK Stewardship Code and Proxy Voting as an Institutional Shareholder

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

Further information on stewardship and ESG matters may be found on the Company's website.

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

The Company is a closed-ended investment company and therefore has no staff, premises, manufacturing or other operations. However, ESG factors are taken into consideration by the Investment Manager in its research process in order to assess the risks and opportunities presented by any investment. This includes the way in which any third-party fund manager incorporates ESG issues into its decision-making and the rigour with which it is applied, as well as the degree to which ESG issues are formally embedded in the process before and after investment and the approach to reporting on these aspects to investors. Once invested, the Investment Manager continues to engage on a regular basis with the underlying fund managers on these issues and encourage the adoption of current best ESG practices.

With respect to closed end fund investments, additional consideration is given to a range of factors specific to that structure. This is done with the intention of encouraging closed end funds to be managed responsibly to the long term benefit of clients. The Investment Manager pursues a constructive approach to encourage improvements to the benefit of all shareholders. To reinforce its messages, the team votes actively at all shareholder meetings.

Promoting the Success of the Company

This section of the Annual Report covers the Board's considerations and activities in discharging their duties in promoting the success of the Company for the benefit of its members as a whole.

This statement includes consideration of the likely consequences of the decisions of the Board in the longer term, how the Board has taken wider stakeholders' needs into account and the impact of the Company's operations on the environment.

The Board, together with the Investment Manager, sets an overall investment strategy and reviews this on an ongoing basis. In order to ensure good governance of the Company, the Board has set various limits on the investments in the portfolio, including the size of individual holdings, investments in exchange traded funds, and the level of gearing. These limits and guidelines are regularly monitored.

The Board is ultimately responsible for all stakeholder engagement. As an externally managed investment company, the Company does not have any employees; rather it employs external suppliers to fulfil a range of functions, including investment management, secretarial, administration, promotional activities, corporate brokering, depositary and banking services, etc. All these service providers who are stakeholders in the Company themselves help the Board to fulfil its responsibility to engage with the shareholders and other stakeholders.

The Board has identified the major stakeholders in the Company's business. On an ongoing basis the Board monitors both potential and actual impacts of the decisions it makes in respect of the Company upon those major stakeholders identified.

Shareholders: The Board's principal concern is the interests of the Company's shareholders and potential investors. As a public company listed on the London Stock Exchange, the Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The Listing Rules include a listing principle that a listed company must ensure that it treats all shareholders of the same class of shares that are in the same position equally in respect of the rights attaching to such shares. With the assistance of regular discussions with and the formal advice of the Company's legal counsel, secretary and corporate broker; the Board abides by the Listing Rules at all times.

The Company's investment objective is to achieve consistent returns for shareholders in excess of the Benchmark. The majority of the Company's investments are in quoted securities. A high percentage of securities are listed on the London or New York Stock Exchanges. The Company also holds unquoted investments, which are predominantly in open-ended funds. The payment of quarterly dividends from a combination of capital and income and use of gearing, all capture the benefits of the closed end fund structure. To these collective points, at the end of the year the portfolio was invested in 30 funds, with 92.0% exposure to equities, 9.2% to fixed income, cash and other net assets of -1.2% and the Company's dividend yield was 3.6% per annum. The Manager believes this is an attractive profile in the circumstances and one that should hold broad appeal.

The Board maintains open dialogue between shareholders, the Investment Manager and other service providers. The Investment Manager along with the Company's corporate broker regularly meets with the Company's shareholders to provide Company updates and to foster regular dialogue. Feedback from meetings between the Investment Manager and shareholders is communicated with the Board. The Chairman and other members of the Board are available to support these meetings and to address shareholder questions and consult major shareholders at least on an annual basis.

The Board encourages shareholders to attend and participate in the Company's Annual General Meeting ("AGM") in normal circumstances and the Investment Manager attends, providing a presentation on the Company's performance during the year, challenges and outlook for the future. The Company values any feedback and questions it may receive from Shareholders ahead of and during the AGM.

The Company's Annual and Interim Report are made available on the Company's website and also circulated to shareholders, providing an in depth understanding of the Company's financial position and portfolio. This information is supplemented by the daily calculation and publication of the NAV per share and a monthly factsheet and portfolio data, which are announced via a Regulatory Information Service feed and are also available on the Company's website.

In addition, the Board oversees the maintenance and integrity of the corporate and financial information included on the Company's website. The Company has engaged Aberdeen Standard Fund Managers Limited ("ASFML") for the provision of

promotional activities to ensure that information and news about the company is regularly available for existing and potential shareholders.

For more information on shareholder engagement please see the Corporate Governance section of this report which contains further information on shareholder engagement.

At the AGM held by the Company on 21 April 2020, shareholder proxies representing 37.84% and 37.37% of the issued capital voted against the re-election of Mrs Green and Mr Hawkins respectively. The vast majority of these shares were voted by one institution. The Board notes the reasons why the shares were voted in this way, but supports the democratic process which saw substantial support from shareholders with proxies representing 62.16% and 62.63% voting in favour of each of Mrs Green and Mr Hawkins' re-elections to the Board respectively.

Manager: The most significant service provider for the Company's long-term success is ASFML, which has been engaged as the Company's Manager. The Manager is responsible for the management of the Company's portfolio in accordance with the Company's investment policy and the terms of the Management Agreement. The Manager has also been appointed as the Company's AIFM in accordance with the Alternative Investment Fund Managers Directive (AIFMD), for the purpose of providing investment advisory services to the Company. The portfolio is managed by Aberdeen Standard Investments' Closed End Fund Strategies ("CEFS") team, which is amongst the most experienced of any operating globally with a similar strategy. The team's members have in excess of 40 years' experience of investing in emerging markets with a focus on conducting in depth manager research and the analysis of discounts on closed end funds. While the team is based in London, its members travel frequently to emerging markets to meet with existing managers and identify new prospects. Being part of a global asset management business, the team has the ability to draw on the expertise of the wider Aberdeen Standard Investments group. The Investment Manager has placed trust in the investee companies to respond appropriately to operational challenges and to ensure that high standards of corporate governance and regard for shareholders are at the forefront of managerial decision making.

The Board monitors the Company's investment performance in relation to its objectives, investment policy and strategy. The Board regularly assesses the experience and resources of the investment management team and the commitment of the Manager; to promote the Company and foster shareholder relations and to ensure that the Company's objective is met. The Board receives and reviews regular reports and presentations from the Manager. An open and active relationship is maintained with the Investment Manager at Board meetings and additional meetings when needed. During the volatile market environment caused by the global pandemic this financial year, the Board held additional meetings with the Investment Manager.

Suppliers: As an externally managed investment company, the Company conducts all its business through its key service providers. On an annual basis, the Board reviews the continuing appointment of each service provider to ensure re-appointment is in the best interests of the Company's shareholders. The Board has strong working relationships with the Manager, Broker, Company Secretary, Administrator and Depositary and receives reports on the performance of the key service providers by the Manager and Company Secretary. Separately, the Auditor is invited to attend the Audit Committee meeting at least twice per year. The Audit Committee Chair maintains regular contact with the Audit partner to ensure the audit process is undertaken effectively. During the year under review, the Board sought and received reassurance that all key service providers had appropriate business continuity plans in place. All key service providers have maintained a high standard of service and demonstrated operational resilience whilst working remotely during the restrictions caused by the COVID-19 pandemic. Further detail of the Company's key service providers can be found on page 58 and 59 of this Report.

Regulators: The Company and its appointed professional suppliers keep abreast of the rules, regulations and guidance affecting the investment company sector. The Board, Company Secretary and AIFM are responsible for ensuring that various regulatory and statutory obligations are met. During the year under review, the Board considered emergency legislation brought in to help companies engage effectively with shareholders during periods of COVID-19 enforced social distancing. These include the ability to conduct virtual AGM's and extend publication of accounts where necessary.

Promoting the Success of the Company Continued

Wider community and the Environment: The Manager, as steward of the Company's assets, engages with the investee companies to ensure high standards of governance. The investment strategy of the Company is predicated upon improving standards of shareholder governance in emerging market funds and the commitment of investee companies to act in the interests of all stakeholders. In making investment decisions, ASFML takes into account the ESG policies of potential investee funds as part of its investment process.

In summary, the Directors are cognisant of their duties to make decisions taking into account the long term consequences of all the Company's key stakeholders and reflect the Board's belief that the long term sustainable success of the Company is linked directly to its key stakeholders.

For and on behalf of the Board

William Collins
Director
18 February 2021

Report of the Audit Committee

Role, Composition and Meetings

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

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

During the year ended 31 October 2020, there were three meetings of the Audit Committee. The Company's external auditor also attends the meetings at the Committee's request and reports on its work procedures and its findings in relation to the Company's statutory audit. The Company's external auditor attended all of the Audit Committee meetings during the year ended 31 October 2020.

Financial Statements and Significant Accounting Matters

The Audit Committee considered the following significant accounting issues in relation to the Company's financial statements for the year ended 31 October 2020.

Valuation of Investments

The Company, as an investment company, invests virtually all of its assets into funds invested in developing and emerging markets. As at 31 October 2020, investments represented approximately 101.2% of its net assets. The valuation of investments is therefore the most significant factor in relation to the accuracy of the financial statements. The portfolio

consists of investments in either quoted investment companies or open ended funds with observable independent values. The estimates, assumptions and judgements required to be made by management in determining the valuation of investments and method of accounting are described in more detail in notes 3(a) and 18 to the financial statements.

The Audit Committee reviewed the portfolio valuation as at 31 October 2020. The Audit Committee obtained confirmation from the Administrator, UK Administration Agent and the Manager that the Company's accounting policies on valuation of investments had been followed. The Audit Committee made enquiries of the Administrator, UK Administration Agent and the Manager with regards to the procedures that are in place to ensure that the portfolio is valued correctly.

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

Effectiveness of External Audit

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

Audit Tenure

KPMG Channel Islands Limited ("KPMG") has been the Company's external auditor since 2009 and the audit of the Company's accounts for the year ended 31 October 2020 will be the eleventh year that KPMG has acted as auditor. Following professional guidelines, the audit partner rotates after five years. The current audit partner is in his fifth year of appointment and a suitable successor has been appointed. The Company is committed to the highest standards of corporate governance and, in accordance with best practice for

Report of the Audit Committee Continued

premium-segment listed companies, in 2019 the Audit Committee decided to put the audit out to tender during the year. The Audit Committee identified three suitably experienced audit firms, including KPMG. The three firms were asked to provide detailed written proposals to the Audit Committee and two of the firms were then interviewed by the Committee. Following the interviews, and having given full consideration to the proposed fees, auditor independence and quality of the audit teams, the Audit Committee concluded that it would be in the best interests of the Company for KPMG to be re-appointed as auditor.

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

Provision of Non-Audit Services

The Audit Committee has put a policy in place for the supply of any non-audit services provided by the external auditor. Such services are considered on a case-by-case basis and may only be provided to the Company if the provision of such services is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest which would prevent the auditor from remaining objective and independent. During the year ended 31 October 2020 there were no non-audit services provided, other than interim review and reporting on the Company's half year financial statements. The fee payable to the Auditor for this additional service amounted to £16,000 (2019: £15,000).

Helen Green

Audit Committee Chairman

18 February 2021

Directors' Remuneration Report

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

1. a Remuneration Policy which the Board has decided will be subject to a binding shareholder vote every three years (or sooner if varied during this interval). At the AGM held on 21 April 2020, a resolution to approve the Directors' Remuneration Policy covering the three year period to 31 October 2022 was passed.
2. an Implementation Report which is subject to an advisory vote on the level of remuneration paid during the year; and
3. an Annual Statement.

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

Remuneration Policy

The Board's policy is that the remuneration of non-executive Directors should be fair and should reflect the experience, work involved, responsibilities and potential liabilities of the Board as a whole. The non-executive Directors' fees are determined within the limits set out in the Company's Articles of Incorporation and Directors are not eligible for bonuses, pension benefits, share benefits, share options, long-term incentive schemes or other benefits.

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

No services have been provided by, or fees paid to, advisers in respect of remuneration policy during the year ended 31 October 2020.

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

Directors' Service Contracts

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

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

Implementation Report

Directors' Emoluments for the Year

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

During the year ended 31 October 2020, there were no additional fees paid to the Directors. All fees are at a fixed rate and there is no variable remuneration.

The following emoluments in the form of fees were payable in the year ended 31 October 2020 to the Directors who served during the year:

	Fees 2020 £'000	Fees 2019 £'000	% Change
M Hadsley-Chaplin (Chairman)	38.0	38.0	-
H Green	33.0	33.0	-
J Hawkins	28.0	28.0	-
W Collins	28.0	28.0	-
E de Rochechouart (appointed 16 April 2019)	28.0	15.2	-*
	155.0	142.2	-

*Directorship for part of 2019. No change in fee.

Statement of Voting at the AGM

At the Company's last AGM, held on 21 April 2020, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 October 2019. 99.99% of proxy votes were in favour of the resolution and 0.01% of proxy votes were against. At the Company's AGM held on 21 April 2020, shareholders approved the Directors' Remuneration Policy in respect of the three years ending 31 October 2022. 99.9% of proxy votes were in favour of the resolution and 0.1% of proxy votes were against.

Directors' Remuneration Report Continued

A resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 31 October 2020 will be proposed at the AGM.

[Spend on Pay](#)

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

[Annual Statement](#)

The Board confirms that the above Directors' Remuneration Report summarises, as applicable, for the year ended 31 October 2020:

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

William Collins

Remuneration Committee Chairman

18 February 2021

Statement of Directors' Responsibilities

In Respect of the Annual Report and Accounts

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

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

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

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

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

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

Disclosure of Information to the Auditor

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

Responsibility Statement of the Directors in Respect of the Annual Report

We confirm that to the best of our knowledge:

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

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

Helen Green
Director

William Collins
Director

18 February 2021

Depository Report

Northern Trust (Guernsey) Limited (the "Depository") has been appointed to provide depository services to Aberdeen Emerging Markets Investment Company Limited (the "Company") with effect from 1 August 2014 in accordance with the requirements of Article 36 and Articles 21(7), (8) and (9) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (the "AIFM Directive").

We have enquired into the conduct of Aberdeen Standard Fund Managers Limited (the "AIFM"), for the year ended 31 October 2020, in our capacity as Depository to the Company.

This report including the review provided below has been prepared for and solely for the Shareholders in the Company. We do not, in giving this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Our obligations as Depository are stipulated in the relevant provisions of the AIFM Directive and the relevant sections of Commission Delegated Regulation (EU) No 231/2013 collectively (the "AIFMD legislation").

Amongst these obligations is the requirement to enquire into the conduct of the AIFM and the Company and their delegates in each annual accounting period.

Our report shall state whether, in our view, the Company has been managed in that period in accordance with the constitutional documents, the scheme particulars and the AIFMD legislation. It is the overall responsibility of the AIFM to comply with these provisions. If the AIFM or their delegates have not so complied, we as the Depository will state why this is the case and outline the steps which we have taken to rectify the situation.

The Depository and its affiliates are or may be involved in other financial and professional activities which may on occasion cause a conflict of interest with its roles with respect to the Company. The Depository will take reasonable care to ensure that the performance of its duties will not be impaired by any such involvement and that any conflicts which may arise will be resolved fairly and any transactions between the Depository and its affiliates and the Company shall be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

Basis of Depository review

The Depository conducts such reviews as it, in its reasonable discretion, considers necessary in order to comply with its obligations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the constitutional documentation and the appropriate regulations. Such reviews vary based on the type of Company, the assets in which a Company invests and the processes used, or experts required, in order to value such assets.

Review

In our view, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional document; and by the AIFMD legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the AIFMD legislation.

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

Financial Statements

During the financial year, the Company's net asset value ("NAV") per share total return was 8.9% while the MSCI Emerging Markets Net Total Return Index in sterling terms (the "Benchmark") returned 8.2%. The Ordinary share price total return was 12.2%, as the discount to NAV at which the Company's ordinary shares trade narrowed to 13.4% from 15.4% at the start of the financial year.

Independent Auditor's Report

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

Our Opinion is Unmodified

We have audited the financial statements of Aberdeen Emerging Markets Investment Company Limited (the "Company"), which comprise the Statement of Financial Position as at 31 October 2020, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 October 2020, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards, as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2019):

	The risk	Our response
<p><i>Valuation of Investments</i> <i>(Investments at fair value through profit or loss) £324,975,000; (2019: £328,713,000)</i></p> <p><i>Refer to the Report of the Audit Committee on page 37, notes 2(g), 3(a) accounting policies and note 18 disclosures</i></p>	<p>Basis: <i>As at 31 October 2020 the Company had invested in closed and open-ended investment funds (together, the "Investments") which represented the majority of net assets.</i></p> <p><i>The Company's listed or quoted Investments, which represents 88% of Investments, are valued based on prices obtained from third party pricing providers.</i></p> <p><i>The Company's holdings in unlisted funds, which represents 12% of Investments and are not quoted or traded on a recognised stock exchange or other trading facility are valued at the net asset values provided by the underlying funds' administrators.</i></p> <p>Risk: <i>The valuation of the Company's Investments, given that it represents the majority of the Company's net assets, is a significant area of our audit, with those which are unlisted being subject to estimation risk.</i></p>	<p><i>Our audit procedures included:</i></p> <p>Internal Controls: <i>Assessing the design and implementation of the control over the valuation of Investments.</i></p> <p>Challenging managements' assumptions and inputs including use of KPMG Specialists: <i>Our valuation specialist independently priced Investments with a value of £285,350,000 to a third party pricing source.</i></p> <p><i>For holdings in unlisted funds with a value of £39,625,000, we:</i></p> <ul style="list-style-type: none"> · <i>reviewed the valuation technique applied for appropriateness</i> · <i>confirmed the net asset value directly with the underlying funds' administrators or investment manager</i> · <i>obtained the latest audited financial statements of the underlying funds in order to consider: the nature of the Investments held by the underlying funds; the financial reporting standards applied in the preparation of the underlying funds' financial statements; any modifications to audit reports; and any other disclosures that may be relevant to their valuation</i> <p>Assessing disclosures: <i>We also considered the Company's disclosures (see note 2(g)) in relation to the use of estimates and judgments regarding the valuation of Investments and the Company's investment valuation policies adopted in note 3(a) and fair value disclosures in note 18 in compliance with IFRS.</i></p>

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

Materiality for the financial statements as a whole was set at £6,141,000, determined with reference to a benchmark of net assets of £320,970,000, of which it represents approximately 2% (2019: 2%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £307,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

We Have Nothing to Report on Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's activities including where relevant the impact of the COVID-19 pandemic and the requirements of the applicable financial reporting framework. We analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of Emerging and Principal Risks and Longer Term Viability

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

- the directors' confirmation within the Viability Statement (page 27) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (page 27) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Corporate Governance Disclosures

We are required to report to you if:

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

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

We have nothing to report to you in these respects.

Independent Auditor's Report Continued

We have nothing to report on other matters on which we are required to report by exception

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

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

Respective Responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 41, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008 and, in respect of any further matters on which we have agreed to report, on terms we have agreed with the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Barry Ryan

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

18 February 2021

Statement of Comprehensive Income

	Note	Year ended 31 October 2020			Year ended 31 October 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments at fair value through profit or loss	4	-	25,522	25,522	-	37,730	37,730
Losses on currency movements		-	(166)	(166)	-	(392)	(392)
Net investment gains		-	25,356	25,356	-	37,338	37,338
Investment income	5	4,187	-	4,187	4,861	-	4,861
		4,187	25,356	29,543	4,861	37,338	42,199
Investment management fees	6	(2,216)	-	(2,216)	(2,331)	-	(2,331)
Other expenses	6	(842)	-	(842)	(883)	-	(883)
Operating profit before finance costs and taxation		1,129	25,356	26,485	1,647	37,338	38,985
Finance costs	9	(212)	-	(212)	(315)	-	(315)
Operating profit before taxation		917	25,356	26,273	1,332	37,338	38,670
Withholding tax expense		(183)	-	(183)	(223)	-	(223)
Total profit and comprehensive income for the year		734	25,356	26,090	1,109	37,338	38,447
Earnings per Ordinary share	10	1.60p	55.16p	56.76p	2.41p	81.17p	83.58p

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

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

The notes on pages 51 to 69 form part of these financial statements.

Statement of Financial Position

	Note	As at 31 October 2020 £'000	As at 31 October 2019 £'000
Non-current assets			
Investments at fair value through profit or loss	4	324,975	328,713
Current assets			
Cash and cash equivalents		8,315	1,190
Sales for future settlement		924	72
Other receivables		367	350
		9,606	1,612
Total assets		334,581	330,325
Current liabilities			
Purchases for future settlement		-	(104)
Other payables		(1,111)	(344)
Bank loan payable	9	(12,500)	(25,000)
Total liabilities		(13,611)	(25,448)
Net assets		320,970	304,877
Equity			
Share capital	12	149,616	149,616
Capital reserve	13	176,563	161,204
Revenue reserve		(5,209)	(5,943)
Total equity		320,970	304,877
Net assets per Ordinary share	14	698.29p	663.28p

Approved by the Board of Directors and authorised for issue on 18 February 2021 and signed on its behalf by:

Helen Green
Director

William Collins
Director

The notes on pages 51 to 69 form part of these financial statements.

Incorporated in Guernsey: Company registration number 50900

Statement of Changes in Equity

For the year ended 31 October 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
Profit for the year		-	25,356	734	26,090
Dividends paid	11	-	(9,997)	-	(9,997)
Balance at 31 October 2020		149,616	176,563	(5,209)	320,970

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	11	-	(8,680)	(980)	(9,660)
Purchase of own Ordinary shares	12	(466)	-	-	(466)
Balance at 31 October 2019		149,616	161,204	(5,943)	304,877

The capital reserve at 31 October 2020 is split between realised gains of £85,726,000 and unrealised gains of £90,837,000 (2019: realised gains of £91,515,000 and unrealised gains of £69,689,000).

The revenue reserve and realised element of the capital reserve represents the amount of the Company's retained reserves.

The notes on pages 51 to 69 form part of these financial statements.

Statement of Cash Flows

	Note	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Operating activities			
Cash inflow from investment income		4,184	4,830
Cash outflow from management expenses		(2,305)	(3,243)
Cash inflow from disposal of investments*		93,513	110,609
Cash outflow from purchase of investments*		(65,209)	(105,959)
Cash outflow from withholding tax		(183)	(223)
Net cash flow from operating activities	15	30,000	6,014
Financing activities			
(Repayment of)/drawdown from bank borrowings	9	(12,500)	5,000
Borrowing commitment fee and interest charges		(212)	(343)
Dividend paid	11	(9,997)	(9,660)
Share buybacks	12	-	(466)
Net cash flow used in financing activities		(22,709)	(5,469)
Net increase in cash and cash equivalents		7,291	545
Effect of foreign exchange		(166)	(392)
Cash and cash equivalents at start of the year		1,190	1,037
Cash and cash equivalents at end of the year		8,315	1,190

*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 on pages 51 to 69 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 October 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 Company changed its name to Aberdeen Emerging Markets Investment Company Limited on 14 April 2016. The financial statements of the Company are presented for the year ended 31 October 2020.

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

Manager

The investment activities of the Company were managed by Aberdeen Standard Fund Managers Limited ("ASFML") during the year ended 31 October 2020.

Non-mainstream pooled investments ("NMPs")

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

2. Basis of preparation

(a) Statement of compliance

The financial statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and are in compliance with the Companies (Guernsey) Law, 2008. There were no significant changes in the accounting policies of the Company in the year to 31 October 2020.

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 prepared the financial statements on a basis compliant with the recommendations of the SORP.

The "Total" column of the Statement of Comprehensive Income is the profit or loss account of the Company. The "Capital" and "Revenue" columns provide supplementary information prepared under guidance published by the AIC.

The financial statements were approved and authorised for issue by the Board on 18 February 2021.

This report will be sent to shareholders and copies will be made available to the public at the Company's registered office. It will also be made available on the Company's website: aberdeenemergingmarkets.co.uk.

(b) Going concern

The Directors have adopted the going concern basis in preparing the financial statements. The Board formally considered the Company's going concern status and the impact of the COVID-19 pandemic at the time of the publication of these financial statements and a summary of the assessment is provided below.

At the AGM held in April 2018, a resolution was approved by shareholders that the Company will continue in existence in its current form until the AGM to be held in 2023, at which time a further continuation vote will be put to shareholders.

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

As at 31 October 2020, the Company held £8.3 million in cash and £325.0 million in investments. It is estimated that approximately 68% of the investments held at the year end could be realised in one month. The total operating expenses for the year ended 31 October 2020 were £3.1 million, which on an annualised basis represented

Notes to the Financial Statements Continued

approximately 1.02% of average net assets during the year. 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 revolving loan facility with RBSI, maturing on 26 March 2021. The Company has commenced discussions with RBSI and the Board expects to renew the facility on similar terms when it matures. As at 31 October 2020, £12.5 million was drawn down from the RBSI facility. The liquidity of the Company's portfolio, as mentioned above, sufficiently supports the Company's ability to repay its borrowings at short notice.

In light of the COVID-19 pandemic, the Directors have fully considered and assessed the Company's portfolio of investments. A prolonged and deep market decline could lead to falling values of the investments or interruptions to cashflow. However, the Company currently has more than sufficient liquidity available to meet any future obligations.

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

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. The operational requirements of the Company have been stress tested during the COVID-19 pandemic. The continued operational success of the Company and its key service providers have been enabled by the increased use of online communication and remote working.

Share prices respond to assessments of future economic activity as well as their own forecast performance, and the COVID-19 pandemic has had a material impact on the economy and may continue to do so for an unknown period of time. During the year, stock markets have seen unprecedented movements in prices and in some cases, uncorrelated with underlying valuations. The Board and 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.

The market and operational risks associated with the COVID-19 pandemic, and the ongoing economic impact of measures introduced to combat its spread were discussed and are continually monitored by the Directors. The Manager, Administrator and other key service providers provide regular updates on operational resilience. The Directors are satisfied that the key service providers have the ability to continue to operate efficiently in a remote or virtual working environment.

(c) Basis of measurement

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

(d) Functional and presentation currency

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

(e) Capital reserve

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

(f) Revenue reserve

The balance of all items allocated to the revenue column of the Statement of Comprehensive Income in each year is transferred to the Company's revenue reserve. The revenue reserve is also used to fund dividend distributions.

(g) Use of estimates, assumptions and judgements

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

Use of estimates and assumptions

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

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

Classification and valuation of investments

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

Allocation of investments to fair value hierarchy

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

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

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Use of judgements

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

3. Significant accounting policies**(a) Investments**

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as fair value through profit or loss on initial recognition. These investments are recognised on the trade date of their acquisition at which the Company becomes a party to the contractual provisions of the instrument. At this time, the best evidence of the fair value of the financial assets is the transaction price. Transaction costs that are directly attributable to the acquisition or issue of the financial assets are charged to profit or loss in the Statement of Comprehensive Income as a capital item. Subsequent to initial recognition, investments designated as fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss in the Statement of Comprehensive Income and determined by reference to:

Notes to the Financial Statements Continued

i) investments quoted or dealt on recognised stock exchanges in an active market are valued by reference to their market bid prices;

ii) investments other than those in i) above which are dealt on a trading facility in an active market are valued by reference to broker bid price quotations, if available, for those investments;

iii) investments in underlying funds, which are not quoted or dealt on a recognised stock exchange or other trading facility or in an active market, are valued at the net asset values provided by such entities or their administrators. These values may be unaudited or may themselves be estimates and may not be produced in a timely manner. If such information is not provided, or is insufficiently timely, the Investment Manager uses appropriate valuation techniques to estimate the value of investments. In determining fair value of such investments, the Investment Manager takes into consideration the relevant issues, which may include the impact of suspension, redemptions, liquidation proceedings and other significant factors. Any such valuations are assessed and approved by the Directors. The estimates may differ from actual realisable values;

iv) investments which are in liquidation are valued at the estimate of their remaining realisable value; and

v) any other investments are valued at the directors' best estimate of fair value.

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

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

(b) Foreign currency

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

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

(c) Income from investments

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

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

(d) Treasury shares

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

(e) Cash and cash equivalents

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

(f) Investment management fees and finance costs

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

(g) Financial liabilities

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

(h) Taxation

The Company has exempt status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charged an annual exemption fee of £1,200 (2019: £1,200).

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

(i) Operating segments

IFRS 8, 'Operating segments' requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The Board has considered the requirements of the standard and is of the view that the Company is engaged in a single segment of business, which is investing in a portfolio of funds and products which give exposure to developing and emerging market economies. The key measure of performance used by the Board is the NAV of the Company (which is calculated under IFRS). Therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

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

(j) Offsetting

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

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

(k) Structured entities

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

Notes to the Financial Statements Continued

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

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

(l) Dividend payable

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

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

There are a number of new standards, interpretations or amendments, which became effective during the year for financial periods beginning 1 January 2019 that had no material impact on the Company.

At the date of approval of these financial statements, the following interpretations became effective during the year:

- IFRS 16 – Leases (effective 1 January 2019) specifies accounting for leases and removes the distinction between operating and finance leases. This standard is not applicable to the Company as it has no leases.
- 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.

The Board have assessed new but not yet effective standards applicable to the Company and have concluded that they will not have a material impact to the Company.

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

	2020 £'000	2019 £'000
Quoted and listed closed end fund investments	159,968	157,004
Open ended fund and limited liability partnership investments	165,007	171,709
Total fair value investments at 31 October	324,975	328,713
Investments held at fair value through profit or loss		
Opening book cost	259,025	246,718
Opening investment holding gains	69,688	48,883
Opening fair value	328,713	295,601
Analysis of transactions made during the year		
Purchases at cost	65,105	106,064
Sales proceeds received	(94,365)	(110,682)
Gains on investments	25,522	37,730
Closing fair value	324,975	328,713
Closing book cost	234,136	259,025
Closing investment holding gains	90,839	69,688
Closing fair value	324,975	328,713

The company received £94,365,000 (2019: £110,682,000) from investments sold during the year. The book cost of these investments when they were purchased was £89,994,000 (2019: £93,757,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

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

Financial instruments as at 31 October 2020

	Held at fair value £'000	Loans and receivables £'000	Other financial liabilities £'000	Total £'000
Investments at fair value through profit or loss	324,975	-	-	324,975
Cash and cash equivalents	-	8,315	-	8,315
Sales for future settlement and other receivables	-	1,291	-	1,291
Purchases for future settlement and other payables	-	-	(1,111)	(1,111)
Bank loan payable	-	-	(12,500)	(12,500)
Total	324,975	9,606	(13,611)	320,970

Financial instruments as at 31 October 2019

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

5. Investment income

	2020 £'000	2019 £'000
Dividends from UK Investments	3,168	2,585
Dividends from Overseas Investments	1,018	2,270
Other income	1	6
Total Investment income	4,187	4,861

Notes to the Financial Statements Continued

6. Investment Management fee and other expenses

	2020 £'000	2019 £'000
Management fee	2,216	2,331
Administration fees	200	200
Depositary and custody service fees	157	150
Registration fees	36	33
Directors' fees	155	142
Auditor's fees:		
Audit services	40	39
Non-audit services	16	15
Promotional fees	94	158
Broker fees	52	57
Miscellaneous expenses	92	89
Total other expenses	842	883
Total Investment Management fee and other expenses	3,058	3,214

Management fee

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

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

Promotional fee

The Company has agreed to pay a fee to ASFML for the provision of promotional activities at an annual rate of £123,400 with effect from 1 July 2020 (2019: £104,000 with effect from 1 July 2019).

Company Secretary and Administrator fees

Vistra Fund Services (Guernsey) Limited ("Vistra") is appointed as Administrator and Secretary to the Company. Vistra is appointed under a contract subject to ninety days' written notice and receives a fee at a rate of £40,000 per annum plus certain additional fees (during the year ended 31 October 2020, Vistra's fee for ad hoc meetings held amounted to £8,250 (2019: £11,000)). Vistra also receives the fees payable to the UK Administration Agent.

UK Administration agent fees

PraxisIFM Fund Services (UK) Limited ("PraxisIFM") is appointed by Vistra to act as administration agent in the United Kingdom. PraxisIFM is appointed under a contract subject to not less than ninety days' notice. The UK Administration Agent receives from the Administrator a monthly fee equal to one twelfth of 0.1% of NAV subject to a maximum fee for the year ended 31 October 2020 of £151,736 (2019: £148,653) per annum. The maximum fee is increased annually, in November, by the change in the UK Retail Price Index (all items) over the preceding 12 months.

Depository services and custodian fees

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

7. Directors' fees

The Director's fees payable for the year were £155,000 (2019: £142,200). There were no other emoluments.

8. Transaction charges

	2020 £'000	2019 £'000
Transaction costs on purchases of investments	106	58
Transaction costs on sales of investments	56	29
Total transaction costs included in gains on investments	162	87

9. Bank loan payable and finance costs

On 29 March 2018, the Company entered into an unsecured 12 month revolving credit facility with The Royal Bank of Scotland plc, under which loans with a maximum aggregate value of £25 million may be drawn. The facility was renewed with The Royal Bank of Scotland International Limited (London Branch) ("RBSI") on 26 March 2020 for a further 12 month period, with a termination date of 26 March 2021. As at 31 October 2020, £12.5 million (2019: £25 million) was drawn down at an all-in monthly rate of 0.76925% (2019: 1.26413%).

	2020 £'000	2019 £'000
Interest payable	184	303
Facility arrangement fees and other charges	28	12
Total finance costs	212	315

At 31 October 2020, interest payable of £nil (2019: £nil) was accrued in the Statement of Financial Position.

10. Earnings per Ordinary share

Earnings per Ordinary share is based on the total comprehensive income for the year ended 31 October 2020, being a profit of £26,090,000 (2019: profit of £38,447,000) attributable to the weighted average of 45,965,159 (2019: 46,000,304) Ordinary shares in issue (excluding shares held in treasury) during the year ended 31 October 2020.

Supplementary information is provided as follows: revenue per share is based on the net revenue profit of £734,000 (2019: profit of £1,109,000) and capital earnings per share is based on the net capital profit of £25,356,000 (2019: profit of £37,338,000) attributable to the above Ordinary shares.

Notes to the Financial Statements Continued

11. Dividends paid

Dividends paid during the year ended 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	-
Second interim (2020) - paid 26 June 2020	5.50	2,528	-
Third interim (2020) - paid 25 September 2020	5.50	2,528	-
Total dividends	21.75	9,997	-

On 1 October 2020, the Board declared a fourth interim dividend in respect of the year of 5.50p per Ordinary share, payable on 18 December 2020 to those shareholders on the register on 27 November 2020.

The Board declares a first interim dividend for the financial year ending 31 October 2021, of 5.75p per Ordinary share, which will be paid on 26 March 2021 to shareholders on the register on 26 February 2021.

Dividends paid during the year ended 31 October 2019

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

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

12. Share capital

For the year ended 31 October 2020	Authorised	Ordinary shares of 1 p 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 year ended 31 October 2019	Authorised	Ordinary shares of 1 p 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

Purchases of own shares

There were no Ordinary shares purchased during the year (2019: 81,937 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 as at 31 October 2020 was £149,616,000 (2019: £149,616,000).

Ordinary shares**Voting rights**

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

At its financial year end, the Company had 202 registered shareholders. At 31 October 2020, the Company was notified of 4 shareholders who each held more than 10% of the issued share capital and their holdings were 28.8% (2019: 29.8%), 22.5% (2019: 16.1%), 19.6% (2019: 14.3%) and 12.2% (2019: 11.7%) respectively.

Dividends

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

Capital entitlement

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

13. Capital reserve

	2020 £'000	2019 £'000
Realised gains on investments and other capital reserve movements		
Opening balance	91,515	83,663
Dividends paid from capital reserves	(9,997)	(8,680)
Gains from disposal of investments*	15,107	19,216
Losses from disposal of investments*	(10,733)	(2,292)
Foreign exchange losses	(166)	(392)
Balance at 31 October	85,726	91,515
Investments held		
Opening balance	69,689	48,883
Movement in unrealised gain on revaluation of investments held*	38,149	31,218
Movement in unrealised loss on revaluation of investments held*	(17,001)	(10,412)
Balance at 31 October	90,837	69,689
Capital reserve balance at 31 October	176,563	161,204

* Net gains on investments held at fair value through profit or loss figure for the year ended 31 October 2020 totalled £25,522,000 (2019: £37,730,000).

Notes to the Financial Statements Continued

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

The NAV per Ordinary share is based on net assets of £320,970,000 (2019: £304,877,000) divided by 45,965,159 (2019: 45,965,159) Ordinary shares in issue (excluding shares held in treasury) at the year end.

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

	As at 31 October 2020		As at 31 October 2019	
	Net assets (£'millions)	NAV per Ordinary share (p)	Net assets (£'millions)	NAV per Ordinary share (p)
NAV as published on 2 November 2020 and 1 November 2019 respectively	321.2	698.72	304.5	662.42
Revaluation adjustments – delayed prices	(0.2)	(0.43)	0.4	0.86
NAV as disclosed in these Financial Statements	321.0	698.29	304.9	663.28

15. Reconciliation of operating profit to net cash flow from operating activities

	2020 £'000	2019 £'000
Operating profit before finance costs and taxation	26,485	38,985
Less: Tax deducted at source on income from investments	(183)	(223)
Add: Realisation of investments at book cost	89,994	93,757
Less: Purchase of investments	(65,105)	(106,063)
Less: Adjustment for unrealised gains	(21,151)	(20,806)
Effect of foreign exchange	166	392
Increase in trade receivables	(869)	(125)
Increase in trade payables	663	97
Net cash flow from operating activities	30,000	6,014

16. Related party disclosures

Manager

Management fees payable are shown in the Statement of Comprehensive Income and note 6. As at 31 October 2020, management fees of £951,000 (2019: £199,000) were accrued in the Statement of Financial Position. Total management fees for the year were £2,216,000 (2019: £2,331,000).

Details of promotional fees payable can be found in note 6. The balance outstanding at the financial year end was £61,000 (2019: £51,000).

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

As at 31 October 2020, the Company held the following investments managed by the Standard Life Aberdeen Group;

	As at 31 October 2020 £'000	As at 31 October 2019 £'000
Aberdeen Standard SICAV I – China A Share Equity Fund	16,688	14,929
Aberdeen Standard SICAV I - Frontier Markets Bond Fund	13,457	7,571
Aberdeen Asian Income Fund Limited	11,414	6,187
Aberdeen New India Investment Trust PLC	9,061	3,592
Asia Dragon Trust PLC	5,282	4,099
Total	55,902	36,378

Directors

Total fees for the Directors in the year ended 31 October 2020 were £155,000 (2019: £142,200). There were no outstanding fees due to the Directors at the year end (2019: £nil). Details of Directors' share holdings in the Company can be found on page 39.

17. Financial instruments – risk profile

Risk Management Framework

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

Market risk

i) Risks associated with emerging markets

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

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

Notes to the Financial Statements Continued

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

ii) Currency risk

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

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

Currency price risk sensitivity

The effect of a 1% appreciation/depreciation in the exchange rate of the US dollar over sterling would have resulted in an increase/decrease of £1,526,000 (2019: £1,780,000) in the Company's investments held at fair value through profit or loss at the Statement of Financial Position date. This analysis assumes that all other variables remain constant.

iii) Interest rate risk

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

On 29 March 2018, the Company entered into an unsecured 12 month revolving credit facility with The Royal Bank of Scotland plc, under which loans with a maximum aggregate value of £25 million may be drawn. The facility was renewed with The Royal Bank of Scotland International Limited (London Branch) ("RBSI") on 26 March 2020 for a further 12 month period, with a termination date of 26 March 2021. As at 31 October 2020, £12.5 million (2019: £25 million) was drawn down at an all-in monthly variable rate of 0.76925% (2019: 1.26413%).

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

Interest rate risk sensitivity

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

Quantitative analysis

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

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

	As at 31 October 2020				As at 31 October 2019			
	Cash flow Interest rate risk £'000	Non interest rate risk £'000	Total £'000	% of net assets	Cash flow Interest rate risk £'000	No interest rate risk £'000	Total £'000	% of net assets
Non-current asset investments at fair value:								
EUR denominated	-	8,335	8,335	2.6	-	13,958	13,958	4.6
GBP denominated	-	164,017	164,017	51.1	-	136,738	136,738	44.8
USD denominated	-	152,623	152,623	47.5	-	178,017	178,017	58.4
Cash and cash equivalents								
Floating rate - GBP	6,697	-	6,697	2.1	873	-	873	0.3
Floating rate - USD	1,618	-	1,618	0.5	317	-	317	0.1
Short term receivables	-	1,291	1,291	0.4	-	422	422	0.1
Short term payables	(12,500)	(1,111)	(13,611)	(4.2)	(25,000)	(448)	(25,448)	(8.3)
	(4,185)	325,155	320,970	100.0	(23,810)	328,687	304,877	100.0

iv) Other price risks

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

Market price risk sensitivity

The effect on the portfolio of a 10% increase or decrease in market prices would have resulted in an increase or decrease of £32,497,000 (2019: £32,871,000) in the investments designated as fair value through profit or loss at the Statement of Financial Position date, equivalent to 10.1% (2019: 11%) of the net assets attributable to equity holders. This analysis assumes that all other variables remain constant.

Market concentration

At 31 October 2020, the largest five country concentrations on a look through basis were as follows:

Country	2020 % of net assets	2019 % of net assets
China	38.2	29.6
Korea	13.7	10.7
Taiwan	8.1	8.8
India	4.8	7.4
Russia	4.3	6.5

Notes to the Financial Statements Continued

Liquidity risks

A large portion of the Company's investments are in closed ended, quoted securities. A high percentage of securities are listed on the London or New York Stock Exchanges and are considered to be readily realisable by comparison with most emerging market securities. The Company also holds unquoted investments, which are predominantly in open-ended funds. Some delay may be encountered in obtaining liquidity in respect of these securities; the Company may utilise its borrowing powers on a short-term basis to avoid delays in reinvestment of the proceeds of redemptions. As at 31 October 2020, the Company held shares in Tarpon All Equities Cayman (Series B) L.P. ("Tarpon"). Tarpon holds side pockets within private equity structures which were valued at £1.1 million at 31 October 2020 (2019: £1.8 million).

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

Liquidation Period	2020 (%)	2019 (%)
One month	68	75
Three months	84	88
One year	91	92

The analysis above supports the Company's ability to repay borrowings, considering the Company is permitted to borrow, at the point of borrowing, up to 15% of its net assets compared to the Company's ability to realise an estimated 68% of its portfolio within one month.

The Company had £nil (2019: £104,000) purchase transactions and £924,000 (2019: £72,000) sales transactions awaiting settlement at the year end.

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

Credit risks

The Company's principal direct credit risk is the risk of default on cash held at the custodian. Cash at bank at 31 October 2020 included £8,315,000 (2019: £1,190,000) held by the custodian, Northern Trust (Guernsey) Limited. The Company monitors the credit quality of the custodian. Interest is based on the prevailing money market rates.

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

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

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

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

Capital management

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

The Company's authorised share capital consists of an unlimited number of Ordinary shares of £0.01 par value. At 31 October 2020, there were 45,965,159 (2019: 45,965,159) Ordinary shares in issue (excluding shares held in treasury).

The Manager and the Company's broker monitor the demand for the Company's shares and the Directors review the position at Board meetings. Details on the Company's policies for issuing further shares and buying back shares can be found in the Directors' Report.

The Company entered into an unsecured revolving credit facility with RBSI on 29 March 2018, under which loans with a maximum aggregate value of £25 million may be drawn. On 30 March 2020, the Board announced the renewal of the loan facility for a further year to 26 March 2021. As at 31 October 2020, £12.5 million was drawn down from RBSI (2019: £25 million).

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

- Consolidated net tangible assets are not less than £175 million.
- Consolidated gross borrowings expressed as a percentage of the investment portfolio value shall not exceed 15%.
- Consolidated gross borrowings expressed as a percentage of the adjusted investment portfolio value shall not exceed 22.5%.
- The Borrower's portfolio must contain a minimum of 20 eligible Investments of which a minimum of 5 shall be of a closed-ended structure.

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

Operational risk

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

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

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

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

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

Notes to the Financial Statements Continued

18. Valuation of financial instruments

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

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

	31 October 2020 £'000	31 October 2019 £'000
Level 1	277,526	275,888
Level 2	45,320	51,046
Level 3	2,129	1,779
Total	324,975	328,713

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

There were three investments transferred between levels during the year (2019: no investments were transferred between levels). Weiss Korea Opportunity Fund Limited moved from level 2 to level 1 and Gulf Investment Fund PLC moved from level 1 to level 2. Komodo Fund entered into liquidation and was therefore transferred from level 2 to level 3.

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 and an investment in Komodo Fund. Tarpon is stated at fair value which is estimated in good faith by the directors following consultation with the Investment Manager with a view to establishing the probable realisable value of this investment. The fair value of Tarpon and its side pocket has been based on an unadjusted net asset value provided by the administrator of that fund. Komodo Fund is valued at the unadjusted net asset values provided by the administrator of that fund.

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

	2020 £'000	2019 £'000
Opening balance	1,779	999
Additions during the year	-	-
Disposals during the year	(5,592)	-
Profit or loss on disposals during the year	1,837	-
Transfer of investment from level 2 to level 3	6,852	-
Valuation adjustments*	(2,747)	780
Closing balance at 31 October	2,129	1,779

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

Level 3 classified investments sensitivity analysis

If the fair value of level 3 classified investments changed by 5%, the impact on the Company's net assets attributable to equity holders would be 0.02% (2019: 0.03%). As at 31 October 2020, the Company's net assets attributable to equity holders would be adversely affected by a maximum of 0.3% (2019: 0.6%) if level 3 classified investments were written off to £nil.

Structured entities

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

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

The investments in structured entities are financial assets which are designated as fair value through profit or loss in the Company's financial statements. During the year ended 31 December 2020, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

The Fund did not hold interests in unconsolidated structured entities at 31 December 2020.

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

2020

Strategy	Number of investee funds	Fair value range £'000	Weighted average fair value £'000	Investment at fair value £'000	% of total net assets of underlying funds
Equity long-only	9	1,059 – 35,730	19,088	100,754	31.0%

2019

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

Equity long-only

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

19. Operating segments

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

The Company has a diversified portfolio of investments and no single investment accounted for more than 11.1% (2019: 9.7%) of the Company's net assets at the Company's year end. The Investment Manager aims to identify funds which it considers are likely to deliver consistent capital growth over the longer term. The largest income from an individual investment is a Romanian investment (Fondul Proprietatea) which accounted for 15% (2019: 14%) of the total investment income receivable in the year.

20. Post balance sheet events

On 18 December 2020, the Company paid a fourth interim dividend in respect of the year ended 31 October 2020 of 5.50p per Ordinary share, to shareholders on the register on 27 November 2020. The total payment amounted to £2,528,000 and will be accounted for in the financial year ending 31 October 2021.

Corporate Information

Aberdeen Standard Investments' Closed End Fund Strategies ("CEFS") team is amongst the most experienced of any operating globally with a similar strategy. The team's members have in excess of 40 years' experience of investing in emerging markets with a focus on conducting in depth manager research and the analysis of discounts on closed end funds.

Alternative Performance Measures (“APMs”) (unaudited)

Discount

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

		Page	As at 31 October 2020	As at 31 October 2019
NAV per Ordinary share (pence)	a	48	698.29	663.28
Ordinary share price (pence)	b	2	605.00	561.00
Discount	1-(b÷a)		13.4%	15.4%

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.

		Page	As at 31 October 2020	As at 31 October 2019
Total assets less cash/cash equivalents (£'000)	a	n/a	326,266	329,135
Net assets (£'000)	b	48	320,970	304,877
Gearing (net)	(a÷b)-1		1.6%	8.0%

Leverage

Under the Alternative Investment Fund Managers Directive (“AIFMD”), leverage is any method by which the exposure of an Alternative Investment Fund (“AIF”) is increased through borrowing of cash or securities or leverage embedded in derivative positions. Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company’s positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Further details on the Company’s leverage is provided on page 77.

Alternative Performance Measures ("APMs") (unaudited) Continued

Ongoing charges

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

		Page	As at 31 October 2020	As at 31 October 2019
Average NAV	a	n/a	299,662,000	300,880,000
Annualised expenses*	b	n/a	3,058,000	3,214,000
Ongoing charges	b÷a	2	1.02%	1.07%

*100% of the Company's portfolio is held in other funds. The Company's ongoing charges figure does not reflect any costs of the underlying funds as the underlying information is not readily available.

Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary shares on the ex-dividend date.

Year ended 31 October 2020		Page	Ordinary share price	NAV
Opening at 1 November 2019 (pence)	a	2	561.00	663.28
Closing at 31 October 2020 (pence)	b	2	605.00	698.29
Share price/NAV movement (b ÷ a) - 1	c	n/a	7.8%	5.3%
Dividend reinvestment	d	n/a	4.4%	3.6%
Total return (c+d)			12.2%	8.9%

n/a = not applicable

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

Information about the Investment Manager

Aberdeen Asset Managers Limited

The Company's Investment Manager is Aberdeen Asset Managers Limited, a wholly-owned subsidiary of Standard Life Aberdeen plc. Assets under the management of the group's investment division, Aberdeen Standard Investments, were £511.8 billion as at 30 June 2020, managed for a range of clients including 23 UK-listed closed end investment companies.

Investment Team

Aberdeen Standard Investments' Closed End Fund Strategies ("CEFS") team is amongst the most experienced of any

operating globally with a similar strategy. The team's members have in excess of 40 years' experience of investing in emerging markets with a focus on conducting in depth manager research and the analysis of discounts on closed end funds. Average tenure on the team is in excess of 10 years. While the team is based in London, its members travel frequently to emerging markets to meet with existing managers and identify new prospects. Being part of a global asset management business, the team has the ability to draw on the expertise of the wider Aberdeen Standard Investments group.



Andrew Lister
Senior Investment Manager
Years in team: 20
Years' experience in emerging markets: 20



Bernard Moody
Senior Investment Manager
Years in team: 14
Years' experience in emerging markets: 21



Omar Ene
Investment Analyst
Years in team: 1
Years' experience in emerging markets: 1

Investment Strategy and Process

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

The team's investment process includes three pillars:



Investor Information

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

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

The AIFMD requires Aberdeen Standard Fund Managers Limited, as the Company’s AIFM, to make available to investors certain information prior to such investors’ investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under the AIFMD are published in the Company’s PIDD which can be found on its website: aberdeenmergingmarkets.co.uk.

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

Aberdeen Standard Investments has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Standard Investments or for third party firms. Aberdeen Standard Investments has also been notified of emails claiming that certain investment companies under our management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be ‘boiler room’ scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for Aberdeen Standard Investments and any third party making such offers/claims has no link with Aberdeen Standard Investments.

Aberdeen Standard Investments does not ‘cold-call’ investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at: fca.org.uk/consumers/scams.

Shareholder Enquiries

For queries regarding shareholdings, lost certificates, dividend payments, registered details and related matters, shareholders holding their shares directly in the Company are advised to contact the Registrars (see Company Information). Changes of address must be notified to the Registrars in writing.

Any general queries about the Company should be directed to the Company Secretary in writing (see Company Information) or by email to: CEF.CoSec@aberdeenstandard.com.

For questions about an investment held through the Aberdeen Standard Investments Children’s Plan, Investment Trust Share Plan or Investment Trust Individual Savings Account (“ISA”), please telephone the Manager’s Customer Services Department on **0808 500 0040**, email inv.trusts@aberdeenstandard.com or write to:

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

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income for UK investors is £2,000 for the 2020/21 tax year. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of dividends paid and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder’s responsibility to include all dividend income when calculating any tax liability.

How to Invest

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through the Aberdeen Standard Investments Children’s Plan, Investment Trust Share Plan or Investment Trust Individual Savings Account (“ISA”) or through the many broker platforms which offer the opportunity to acquire shares in investment companies.

Aberdeen Standard Investments Children’s Plan

Aberdeen Standard Investments operates an Investment Plan for Children (the “Children’s Plan”) which covers a number of investment companies under its management, including the Company. Anyone can invest in the Children’s Plan (subject to the eligibility criteria as stated within the terms and conditions), including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per company, while regular savers may invest from £30 per month. Investors only pay Government Stamp Duty (currently 0.5%) on entry where applicable. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children’s Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

Aberdeen Standard Investments Share Plan

Aberdeen Standard Investments operates an Investment Trust Share Plan (the “Plan”) through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors only pay Government Stamp Duty (currently 0.5%) on entry where applicable. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

Aberdeen Standard Investments ISA

Aberdeen Standard Investments operates an Investment Trust ISA (“ISA”) through which an investment may be made of up to £20,000 in the 2020/21 tax year.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases where applicable. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the ISA prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the ISA, from the sale of investments held in the ISA. Under current legislation, investments in ISAs can grow free of Capital Gains Tax.

ISA Transfer

Investors can choose to transfer previous tax year investments to Aberdeen Standard Investments, which can be invested in the Company while retaining their ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per company of £250.

Nominee Accounts and Voting Rights

All investments in the Aberdeen Standard Investments Children’s Plan, Investment Trust Share Plan and Investment Trust ISA are held in nominee accounts and investors are provided with the equivalent of full voting and other rights of share ownership.

Keeping You Informed

Further information about the Company may be found on its dedicated website: aberdeenemergingmarkets.co.uk. This provides access to information on the Company’s share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

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

Twitter:
twitter.com/AberdeenTrusts

LinkedIn:
linkedin.com/company/aberdeen-standard-investment-trusts

Details are also available at: invtrusts.co.uk.

Key Information Document (“KID”)

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

Literature Request Service

For literature and application forms for Aberdeen Standard Investments’ investment trust products, please contact us through invtrusts.co.uk.

Or telephone: **0808 500 4000**

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

Terms and Conditions

Terms and conditions for Aberdeen Standard Investments managed savings products can also be found under the Literature section of the Manager’s website at: invtrusts.co.uk.

Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms.

Investor Information Continued

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management & Financial Advice Association at: pimfa.co.uk.

Financial Advisers

To find an adviser who recommends on investment companies, visit: unbiased.co.uk.

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768

Website: fca.org.uk/firms/financial-services-register

Email: consumer.queries@fca.org.uk

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment companies purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

The information on pages 73 to 76 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

AIFMD Disclosures (unaudited)

Aberdeen Standard Fund Managers Limited (“ASFML”) and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive (“AIFMD”). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document (“PIDD”) which may be found on the Company’s website. There have been no material changes to the disclosures contained within the PIDD since its most recent update in February 2020.

The periodic disclosures as required under the AIFMD to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Investment Manager’s Report on pages 8 to 15;
- none of the Company’s assets are subject to special arrangements arising from their illiquid nature;
- the Investment Manager’s Report on pages 8 to 15, note 17 to the financial statements and the PIDD, together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML;
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM’s remuneration policy is available from the Company’s Manager, Aberdeen Standard Fund Managers Limited, on request and the remuneration disclosures in respect of the AIFM’s relevant reporting period for the year ended 31 December 2020 will be made available on the Company’s website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	1.15:1	1.15:1
Actual level at 31 October 2020	1.02:1	1.02:1

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There have been no changes to the circumstances in which the Company may be required to post assets as collateral and no guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place; the maximum level of leverage which ASFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Glossary of Terms and Definitions

Aberdeen Standard Investments or "ASI"	Aberdeen Standard Investments is the brand of Standard Life Aberdeen plc.
AIC	The Association of Investment Companies
Alternative Investment Fund or "AIF"	An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF.
Alternative Investment Fund Managers Directive or "AIFMD"	The Alternative Investment Fund Managers Directive. The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' ("AIFs"). It is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF.
Annual General Meeting or "AGM"	A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the company in which they are invested.
Benchmark Index	A basket of stocks which is considered to replicate a particular stock market or sector.
Discount	The amount, expressed as a percentage, by which the share price is less than the net asset value per share.
Depository	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depository's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the Depository is appointed under a strict liability regime. Northern Trust (Guernsey) Limited has been appointed to provide depository services to the Company.
Dividend	Income receivable from an investment in shares.
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders.
Financial Conduct Authority or "FCA"	The independent body that regulates the financial services industry in the UK.
Gearing	A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.
Investment company	A company formed to invest in a diversified portfolio of assets.
Investment Manager or "AAML"	Aberdeen Asset Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Company's investment manager. It is authorised and regulated by the FCA.
Key Information Document or "KID"	The Packaged Retail and Insurance-based Investment Products ("PRIIPS") Regulation requires the Manager, as the Company's PRIIP 'manufacturer', to prepare a Key Information Document in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.
Leverage	<p>An alternative word for "Gearing".</p> <p>Under AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions.</p> <p>Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.</p>

Liquidity	The extent to which investments can be sold at short notice.
Manager, "AIFM" or "ASFML"	Aberdeen Standard Fund Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Alternative Investment Fund Manager for the Company. It is authorised and regulated by the FCA.
Net assets	An investment company's assets less its liabilities
Net asset value ("NAV") per Ordinary share	Net assets divided by the number of Ordinary shares in issue (excluding any shares held in treasury)
Ongoing charges	A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.
Ordinary shares	The Company's ordinary shares in issue.
Portfolio	A collection of different investments held in order to deliver returns to shareholders and to spread risk.
Premium	The amount, expressed as a percentage, by which the share price is more than the net asset value per share.
Share buyback	A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.
Share price	The price of a share as determined by a relevant stock market.
Standard Life Aberdeen Group	The Standard Life Aberdeen plc group of companies.
Total return	A measure of performance that takes into account both income and capital returns.
Tracking error	A measure, expressed as a percentage, of how closely a portfolio follows an index over a period of time.
Treasury shares	A company's own shares which are available to be sold by it to raise funds.
Value at risk	A statistical technique used to measure and quantify the level of financial risk within a portfolio over a specific time frame.
Volatility	A measure of how much a share moves up and down in price over a period of time.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 11 New Street, St Peter Port, Guernsey, GY1 2PF at 12 noon on 20 April 2021 for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary Resolutions

1. To receive and adopt the financial statements for the year ended 31 October 2020, with the reports of the Directors and auditor thereon.
2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) included in the Annual Report for the year ended 31 October 2020.
3. To approve a dividend policy to declare four interim dividends each year and to authorise the Directors to declare such dividends subject to compliance with applicable law.
4. To re-elect Mr Hadsley-Chaplin as a Director of the Company.
5. To re-elect Mr Collins as a Director of the Company.
6. To re-elect Mrs Green as a Director of the Company.
7. To re-elect Ms de Rochechouart as a Director of the Company.
8. To re-appoint KPMG Channel Islands Limited as auditor of the Company to hold office until the conclusion of the next AGM of the Company at which audited accounts are laid before the Company.
9. To authorise the Directors to determine the remuneration of the auditor for the year ended 31 October 2021.
10. THAT the Company be and is hereby authorised in accordance with section 315 of the Companies (Guernsey) Law, 2008 to make market purchases (within the meaning of section 316 of the Companies (Guernsey) Law, 2008 of its shares, provided that:
 - a) the maximum number of Ordinary shares hereby authorised to be acquired is 14.99% of the issued Ordinary share capital of the Company (excluding treasury shares) as at the date of this AGM;
 - b) the minimum price (exclusive of expenses) which may be paid for a share is £0.01;
 - c) the maximum price to be paid per share shall be the higher of: (a) 105% of the average of the closing market value of the shares for the five business days immediately preceding the date of the relevant purchase; (b) the price of the last independent trade; and (c) the highest current independent bid on the trading venues where the purchase is carried out;
 - d) the authority hereby conferred shall expire at the earlier of the conclusion of the AGM of the Company to be held in 2022 and the date being 18 months from the date of this resolution, unless previously renewed, varied or revoked by the Company in general meeting; and
 - e) the Company may make a contract to purchase its shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its shares in pursuance of any such contract
11. THAT the Directors be and are hereby generally and unconditionally authorised pursuant to Article 5 of the Articles of Incorporation of the Company to allot and issue up to 2,298,257 shares or, if less, the number of shares representing 5% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution. This authority shall expire at the conclusion of the AGM of the Company to be held in 2022 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or issued after such expiry and the Directors may allot and issue shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

Special Resolution

12. THAT the shareholders hereby waive, with respect to any allotment and issue of shares pursuant to the authority granted by Resolution 11, any and all rights of pre-emption or similar rights which they may have, whether under the Articles of Incorporation of the Company (including, without limitation, Article 6.2(a)) or otherwise. This waiver will expire at the conclusion of the AGM in 2022.

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

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

18 February 2021

This year, due to the uncertainties caused by the COVID-19 pandemic and, in particular, the restrictions on public gatherings and requirements to socially distance, it is likely that the Annual General Meeting will be held on a functional only basis, satisfying the minimum legal requirements. Further details are provided in the Chairman's Statement.

Notice of Annual General Meeting Continued

Notes:

1. A shareholder entitled to attend and vote may appoint a proxy to attend, speak and vote instead of him/her. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder. A proxy need not be a shareholder of the Company.
2. To appoint more than one proxy to vote in relation to different shares within your holding you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope.
3. Forms of Proxy duly completed, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's registrar, Link Asset Services at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, not later than 12 noon on 15 April 2021 or not less than 48 hours (excluding non-working days) before the time appointed for the holding of any adjourned AGM or, in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of a poll, or in the case of a poll taken not more than 48 hours after it was demanded, the time at which the poll was demanded.
4. A Form of Proxy is included for use by shareholders to complete, sign and return. Completion and return of the Form of Proxy will not prevent a shareholder from subsequently attending the AGM or any adjournments and voting in person if he/she so wishes.
5. Entitlement to attend and vote at the AGM (or any adjournment thereof) and the number of votes which may be cast thereat will be determined by reference to the Company's register of shareholders as at close of business on 15 April 2021.
6. To allow effective continuation of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, the Chairman may appoint a substitute to act as proxy in his stead for any shareholder provided that such substitute proxy shall vote on the same basis as the Chairman.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (CREST ID is RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is liable to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take, (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor's or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST systems and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Form of Proxy

Aberdeen Emerging Markets Investment Company Limited

I/We _____ of _____ (BLOCK CAPITALS PLEASE)
being (a) member(s) of Aberdeen Emerging Markets Investment Company Limited (the "Company") appoint the Chairman of the meeting or (see note 1)

_____ of _____
as my/our proxy to attend and vote for me/us and on my/our behalf at the AGM of the Company to be held at 11 New Street, St Peter Port, Guernsey, GY1 2PF on 20 April 2021 at 12 noon and at any adjournment thereof.

Please indicate with an "X" in the spaces provided how you wish your votes to be cast on the resolutions specified.

Resolution	For	Against	Withheld
1. To receive and adopt the financial statements for the year ended 31 October 2020, with the reports of the Directors and auditor thereon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 31 October 2020.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve a dividend policy to declare four interim dividends each year and to authorise the Directors to declare such dividends.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr Hadsley-Chaplin as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr Collins as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mrs Green as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-elect Ms de Rochechouart as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-appoint KPMG Channel Islands Limited as auditor to the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To authorise the Directors to determine the remuneration of the auditor for the forthcoming financial year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To give the Company the authority to purchase its own shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. To give the Company the authority to allot new shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. To waive shareholders' rights of pre-emption or similar rights which they may have under the Company's Articles of Incorporation or otherwise.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Subject to any voting instructions so given the proxy will vote, or may abstain from voting, on any resolution as he may think fit.

Signature _____ Dated this _____ day of _____ 2021

Form of Proxy Continued

Notes

1. If you so desire you may delete the words “Chairman of the meeting” and insert the name of your own choice of proxy, who need not be a member of the Company. Please initial such alteration.
2. The Form of Proxy must be lodged at the Company’s Registrars, Link Asset Services, not less than 48 hours (excluding non-working days) before the time fixed for the meeting. In default the proxy cannot be treated as valid.
3. Alternatively, in the case of CREST members, voting may be effected by using the CREST electronic proxy appointment service. CREST members who wish to utilise the CREST service may do so by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company’s agent, Link Asset Services (whose CREST ID is RA10) by the specified latest time for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed.
4. A corporation must execute the proxy under its common seal or under the hand of an officer or attorney duly authorised.
5. If this Form of Proxy is executed under a power of attorney or other authority, such power of attorney or other authority or a notarially certified copy thereof must be lodged with the Registrars with the Form of Proxy.
6. In the case of joint holders the vote of the senior shall be accepted to the exclusion of the other joint holders, seniority being determined by the order in which the names stand in the register in respect of the joint holding.

Your completed and signed Form of Proxy should be posted, in the enclosed reply paid envelope, to the Company’s Registrars, Link Asset Services, PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to arrive before 12 noon on 15 April 2021.

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Company Information

Directors

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

Registered Office

11 New Street
St Peter Port
Guernsey GY1 2PF

Company Secretary and Administrator

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

Alternative Investment Fund Manager

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

Investment Manager

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

Customer Services Department, Children's Plan, Share Plan and ISA Enquiries

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

Freephone: 0808 500 0040

(open Monday to Friday, 9.00 a.m. – 5.00 p.m., excluding public holidays in England and Wales)

Email: inv.trusts@aberdeenstandard.com

Company Registration Number

Incorporated in Guernsey Number 50900

Website

aberdeenemergingmarkets.co.uk

UK Administration Agent

PraxisIFM Fund Services (UK) Limited
1st Floor, Senator House
85 Queen Victoria Street
London EC4V 4AB

Registrars

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

Depository Services and Custodian

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

Financial Adviser and Stockbroker

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

Advisers as to Guernsey law

Mourant
Royal Chambers
St Julian's Avenue
St Peter Port, GY1 4HP

Independent Auditor

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

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

WLL8YJ.99999.SL.831

Legal Entity Identifier ("LEI")

213800RIA1NX8DP4P938

