

Fund guide abrdn Emerging Markets Income Equity Fund

October 2024



Matt Williams

Senior Investment Director

Key features

£689.7m

Fund size

Source: abrdn, 30 September 2024.

85

Holdings

30 September 2024

3.7%

Gross Forward Yield

30 September 2024

A

MSCI ESG Rating

Why consider the Fund?

| | |
|----|---|
| 01 | Our Investable Universe – We analyse cash flow and prioritise companies on their ability to pay a dividend, in the context of where they are within their investment cycle. We believe this leads us to healthier businesses and profitable growth. |
| 02 | Research led – Significant depth and breadth of fundamental research including rigorous ESG analysis, enhanced with local knowledge – our boots on the ground in crucial EM countries help support the Fund's all cap approach, exploiting additional income opportunities in EM small cap and Frontier markets. |
| 03 | Stock Selection – We follow the cash flow, using this fundamental approach to meaningfully interpret company health. This disciplined process helps us to identify transparent businesses with strong governance and sustainable profitability. We will invest where we believe there are under-appreciated cash flow prospects. |

Why invest now?



Constructing the right outcome – Our balanced two pillar approach (50% in high dividend, 50% in dividend growth) aims to deliver a premium and growing income stream – a powerful combination driving total return. Within our framework we aim to drive excess returns through stock selection.



Focus on risk management – Our portfolio risk objectives are to prioritise risk towards the team's stock specific insights and to provide diversification of income ideas. The Fund is not dependent on a concentrated group of high yielding stocks to deliver performance, and aims to dampen country and sector risks.



Fundamentals driving attractive upside and downside capture –

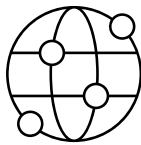
The balance of high dividend yield stocks and dividend growth stocks, combined with a style agnostic approach to stock picking across the breadth of the EM universe, has resulted in delivery of a consistent performance profile over various types of market environments and attractive upside and downside capture characteristics since inception.



Why choose us?



Experienced team: abrdn have a 36 year track record of investing within EM equities. Led by Fund Manager Matt Williams, the 4 strong EM Equity Income portfolio construction group draw their insights from a highly experienced and well-resourced EM equities team (c.50 strong).



Long and successful track record of delivery: Our Fund has a successful track record delivering outperformance through the cycle on a benchmark, peer relative, and risk adjusted basis (elevated Information Ratio) since inception. The most consistent source of Alpha has been our bottom-up stock selection.



Follow the cash flow: We follow the cash flow and prioritise companies on their ability to pay a dividend which is an underappreciated component of total shareholder returns. Budgeting for dividends often drives companies to better capital allocation decisions, offers tangible returns, and demonstrates alignment across key business stakeholders.

Product overview

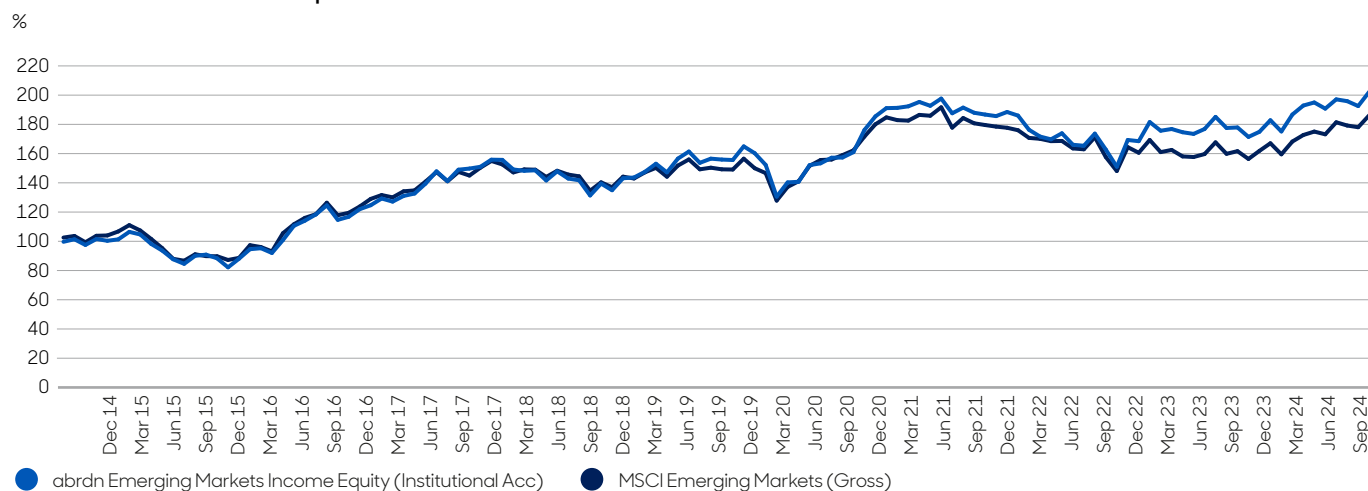
| | |
|-------------------------|---|
| Objective | To generate income and some growth over the long term (5 years or more) by investing in emerging markets equities (company shares). |
| Performance target | To deliver a yield greater than that of and achieve a return in excess of the MSCI Emerging Markets Index over a rolling five year period (before charges). There is no certainty or promise that the Performance Target will be achieved. |
| Key mandate constraints | <ul style="list-style-type: none">• The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in emerging market countries, or companies that derive a significant proportion of their revenues or profits from emerging market operations or have a significant proportion of their assets there.• Emerging markets include Asian, Eastern European, Middle Eastern, African or Latin American countries.• The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash. |
| Structure | FCA-registered, UK-authorised OEIC |



abrdn Emerging Markets Income Equity Fund

How has the Fund performed?

Cumulative and annualised performance



Source: abrdn, Institutional Acc share class, net of fees, cumulative performance, 13 December 2012 to 30 September 2024, GBP.

Cumulative and annualised performance

| | 1 mth | 6 mths | YTD | 1 yr | 3 yr p.a. | 5 yr p.a. | 7 yr p.a. | 10 yr p.a. | Since launch p.a. |
|-------------------------------|-------|--------|-------|-------|-----------|-----------|-----------|------------|-------------------|
| Fund (net) (%) | 5.04 | 4.85 | 10.61 | 13.68 | 2.47 | 5.25 | 5.26 | 7.30 | 7.28 |
| Performance comparator (%) | 4.56 | 7.78 | 11.42 | 15.14 | 0.99 | 4.36 | 4.05 | 6.41 | 5.51 |
| Geometric relative (%) | 0.45 | -2.73 | -0.73 | -1.27 | 1.47 | 0.85 | 1.17 | 0.83 | 1.68 |

Discrete annual returns - year to 30 September 2024

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------|--------------|
| Fund (net) (%) | 13.68 | 9.31 | -13.41 | 19.47 | 0.50 | 10.45 | 0.36 | 19.32 | 39.94 | -15.43 |
| Performance comparator (%) | 15.14 | 2.59 | -12.79 | 13.70 | 5.72 | 4.09 | 2.43 | 19.00 | 36.67 | -13.29 |
| Geometric relative (%) | -1.27 | 6.55 | -0.70 | 5.07 | -4.94 | 6.11 | -2.02 | 0.27 | 2.39 | -2.46 |

Performance Data: Share Class Institutional Acc GBP.

Source: as from launch date, 13 December 2012.

Benchmark history: Performance comparator - MSCI Emerging Markets.

Source: abrdn (Fund & Benchmark). Basis: Total Return, net of fees.

"Fund (Net)" refers to the actual unit price performance of the shareclass shown.

Past performance is not a guide to future returns and future returns are not guaranteed.

Risk factors you should consider before investing

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- More details of the risks applicable to this fund can be found in the Key Investor Information Document (KIID) and Prospectus, both of which are available on request or at our website **abrdn.com**.



Want to discuss more?
Contact your local
abrdn representative
by clicking **here**.

For more
information
visit our **website**.

Important Information

The fund is a sub-fund of abrdrn OEIC II, an authorised open-ended investment company (OEIC).

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