# abrdn Emerging Markets Income Equity Fund

Platform 1 Acc GBP

**29 February 2024**

## Objective

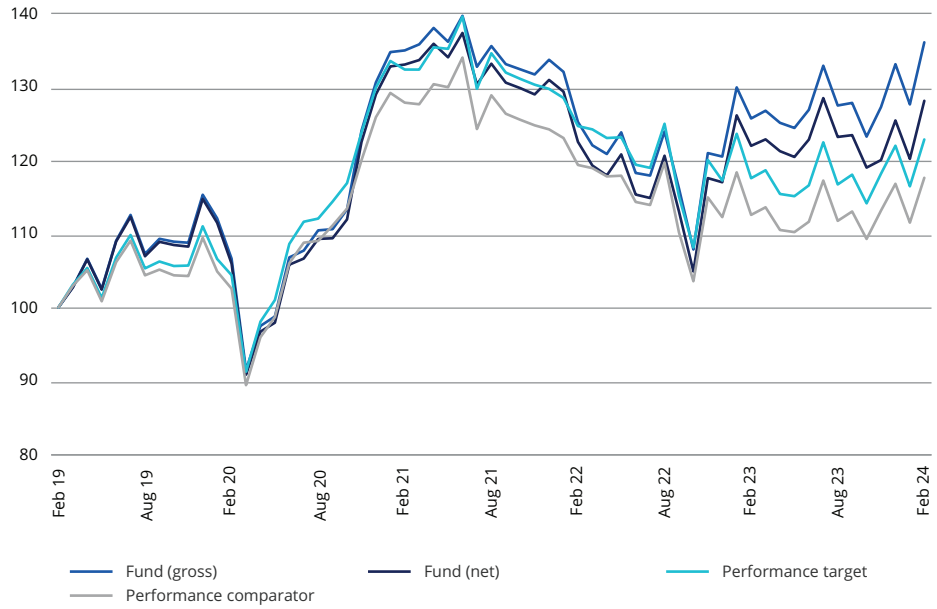
To generate income and some growth over the long term (5 years or more) by investing in emerging markets equities (company shares).

**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.
The MSCI Emerging Markets Index (the "Index") is a representative index of the collective stock markets across Emerging Markets.

## Portfolio securities

- The fund will invest at least 70% in emerging market equities.
- Emerging markets include Asian, Eastern European, Middle Eastern, African or Latin American countries.
- The fund may also invest up to 10% in bonds (which are like loans to companies or governments that pay interest).
- The fund may also invest in other funds (including those managed by abrdn), cash and assets that can be turned into cash quickly.

## Performance




## Cumulative and annualised performance

| | 1 month | 6 months | Year to date | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|---|---|---|---|---|---|
| Fund (gross) (%) | 6.63 | 5.55 | 2.24 | 7.03 | -0.11 | 6.13 |
| Fund (net) (%) | 6.59 | 5.20 | 2.14 | 6.23 | -0.87 | 5.32 |
| Performance target (%) | 5.48 | 5.25 | 0.70 | 4.49 | -2.46 | 4.21 |
| Performance comparator (%) | 5.48 | 5.25 | 0.70 | 4.49 | -2.74 | 3.31 |

## Discrete annual returns - year to 29/2

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Fund (gross) (%) | 7.03 | 0.61 | -7.45 | 26.18 | 7.11 |
| Fund (net) (%) | 6.23 | -0.42 | -7.92 | 25.60 | 5.96 |
| Performance target (%) | 4.49 | -5.70 | -5.82 | 26.85 | 4.40 |
| Performance comparator (%) | 4.49 | -5.70 | -6.64 | 24.72 | 2.56 |

Performance Data: Share Class Platform 1 Acc GBP.
Benchmark history: Performance comparator - MSCI Emerging Markets
Source: abrdn (Fund & Benchmark) and Morningstar (Sector). Basis: Total Return, NAV to NAV, UK Net/Gross Income Reinvested.
"Fund (Net)" refers to the actual unit price performance of the shareclass shown; "Fund(Gross)" adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. These figures do not include the initial charge; if this is paid it will reduce performance from that shown.

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

## Key facts

| | |
|---|---|
| Fund manager(s) | **Matt Williams** |
| Fund managers start date | **31 May 2018** |
| Fund launch date | **13 December 2012** |
| Share class launch date | **13 December 2012** |
| Authorised corporate director (ACD) | **abrdn Fund Managers Limited** |
| Fund size | **£673.3m** |
| Number of holdings | **78** |
| Performance target/ Performance comparator | **MSCI Emerging Markets** |
| Fund historic yield[1] | **3.41%** |
| Index historic yield | **2.70%** |
| Distribution frequency | **Quarterly** |
| Entry charge (up to)[2] | **0.00%** |
| Annual management charge | **0.75%** |
| Ongoing charge figure[3] | **0.91%** |
| Minimum initial investment | **GBP 1,000,000** |
| Fund type | **OEIC** |
| Valuation point | **12:00 (UK time)** |
| Base currency | **GBP** |
| Sedol | **B8B02G4** |
| ISIN | **GB00B8B02G41** |
| Bloomberg | **SLGEP1A LN** |
| Citicode | **GY0Y** |
| Domicile | **United Kingdom** |

## Risk and reward profile

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

1 2 3 4 5 **6** 7

This indicator reflects the volatility of the fund's share price. See the relevant UCITS Key Investor Information Document (KIID) or PRIIPs Key Information Document (KID) for details

## Key risks

(a) The value of investments and the income from them can fall and investors may get back less than the amount invested.
(b) Equity Risk - 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.
(c) Emerging Markets Risk - The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets.
(d) Credit Risk - The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.


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## Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and company level.
- Their primary focus is on selecting companies using research techniques to select individual holdings. Given the fund's income objective, the management team place particular emphasis on understanding how a company operates, the impact this has on how the company generates cash and how effectively they allocate their cash.
- Due to the income nature of the management process, the fund's performance profile may deviate significantly from that of the Index.

## Top Ten Holdings

| | |
|---|---|
| Taiwan Semiconductor Manufacturing Co Ltd | 9.9 |
| Samsung Electronics Co Ltd | 7.5 |
| Tencent Holdings Ltd | 3.8 |
| MediaTek Inc | 3.5 |
| HDFC Bank Ltd | 3.4 |
| Shinhan Financial Group Co Ltd | 3.3 |
| Grupo Mexico SAB de CV | 2.8 |
| Alibaba Group Holding Ltd | 2.8 |
| Power Grid Corp of India Ltd | 2.8 |
| Bajaj Holdings & Investment Ltd | 2.5 |
| **Assets in top ten holdings** | **42.3** |

## Sector (%)

| | |
|---|---|
| Financials | 25.1 |
| Information Technology | 23.9 |
| Consumer Discretionary | 11.9 |
| Communication Services | 10.9 |
| Industrials | 8.8 |
| Utilities | 4.7 |
| Consumer Staples | 4.4 |
| Materials | 3.3 |
| Other | 6.0 |
| Cash | 1.0 |

## Country (%)

| | |
|---|---|
| China | 24.3 |
| Taiwan, Republic of China | 15.4 |
| India | 13.3 |
| Korea (South) | 12.5 |
| Mexico | 7.2 |
| Brazil | 6.0 |
| Indonesia | 5.4 |
| Kazakhstan | 2.1 |
| Other | 12.8 |
| Cash | 1.0 |

Source : abrdn 29/02/2024

Figures may not always sum to 100 due to rounding.

(e) Interest Rate Risk - The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.

(f) Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

(g) 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.

(h) 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.

## Risk stats

| | |
|---|---|
| Alpha^ | **3.86** |
| Benchmark Volatility (SD)^ | **13.19** |
| Beta^ | **1.02** |
| Fund Volatility (SD)^ | **14.06** |
| Information Ratio^ | **0.85** |
| R-Squared^ | **0.92** |
| Sharpe Ratio^ | **-0.25** |
| Tracking Error^ | **4.04** |

Source : abrdn. ^ Three year annualised.

## Derivative usage

- Derivatives are linked to the value of other assets. In other words, they derive their price from one or more underlying asset.
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the Fund's existing allocations to equities.

**To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website www.abrdn.com The Prospectus also contains a glossary of key terms used in this document.**

[1]The Historic Yield as at 31/01/2024 reflects distributions declared over the past twelve months as a percentage of the mid-market share price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The fund charges 100% of the annual management charge to capital. This has the effect of increasing distributions for the year and constraining the fund's capital performance to an equivalent extent.
[2]These are the maximum charges that we might take out of your money before it is invested. In some cases, the charges may be less and you should speak to your financial advisor about this.
[3]The Ongoing Charge Figure (OCF), is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC) of 0.75% and other charges. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charges figure can help you compare the annual operating expenses of different funds.

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