

Strategies for Global Diversification

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Alan Goodson
U.S. Head of Product Management and Development
Aberdeen Asset Management

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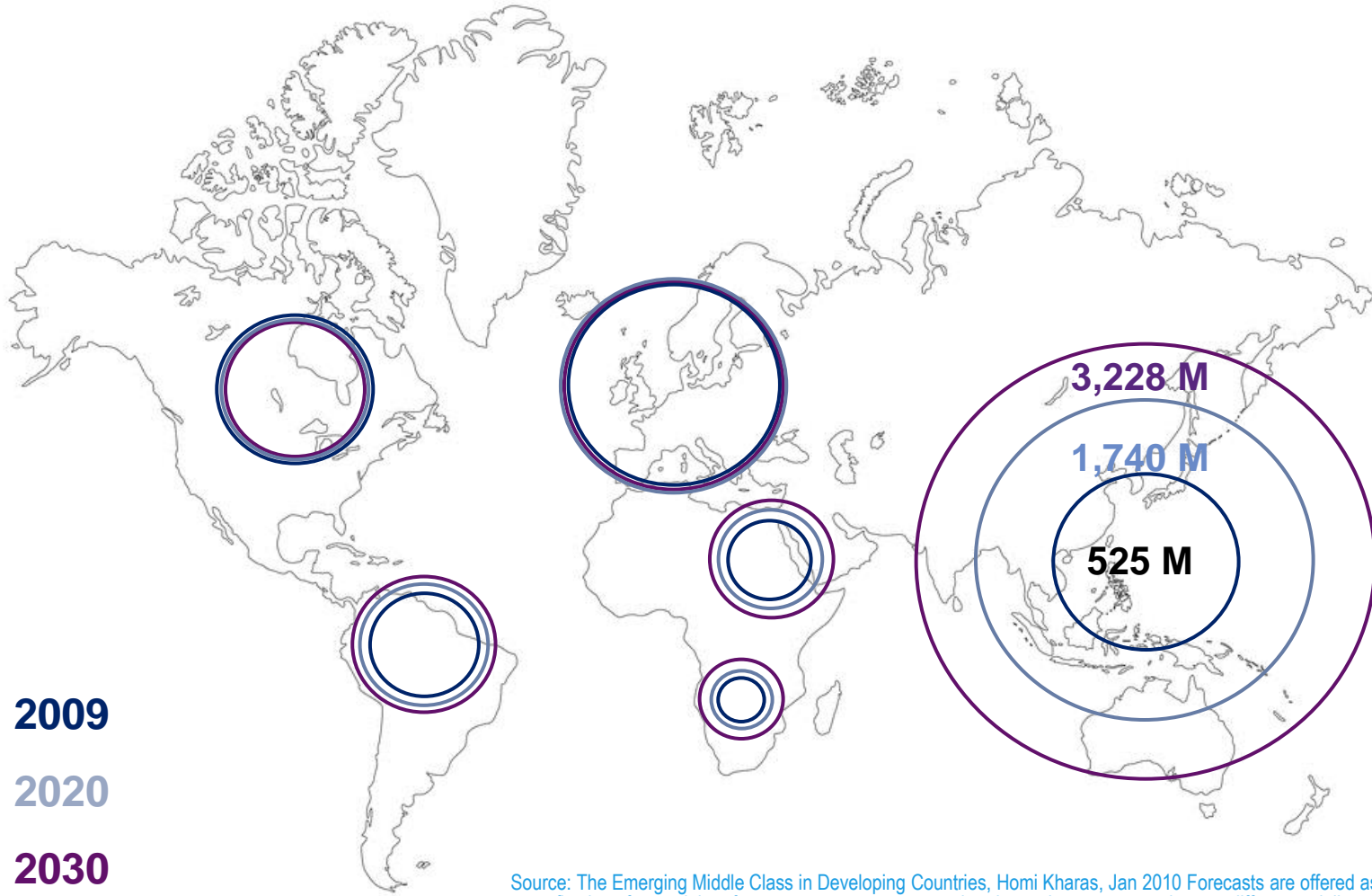
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Global Opportunity

Thanks to a growing middle class



2009

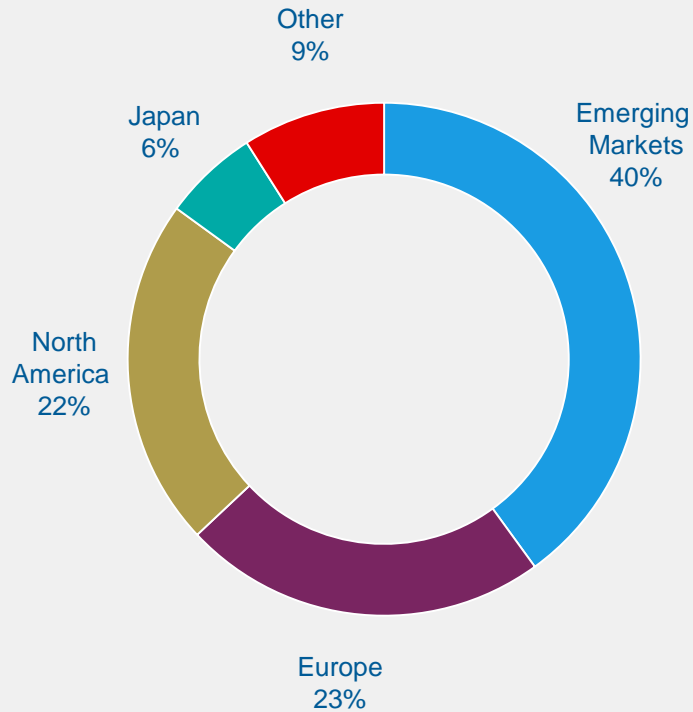
2020

2030

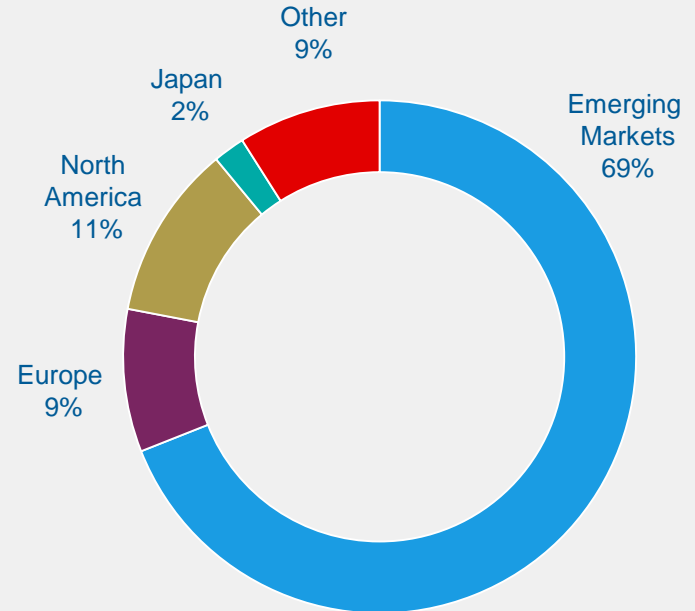
Source: The Emerging Middle Class in Developing Countries, Homi Kharas, Jan 2010 Forecasts are offered as opinion and are not reflective of potential performance, are not guaranteed and actual events or results may differ materially.

Global projected economic growth

2010



2050f



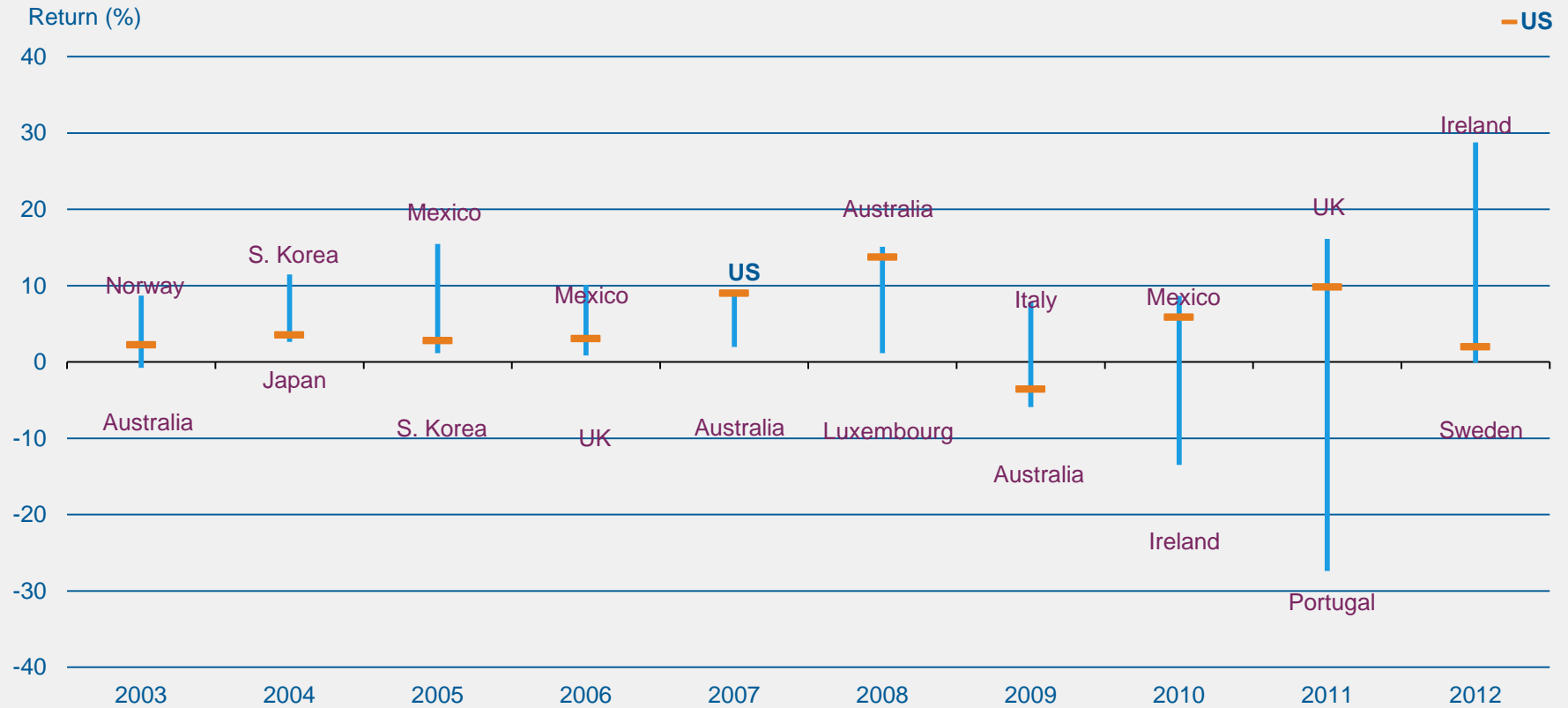
Source: Citi Mar 11; GDP measured in 2010 PPP USD

Forecasts are offered as opinion and are not reflective of potential performance, are not guaranteed and actual events or results may differ materially.

With a growing, financially independent, aspirational middle class

A global opportunity set makes sense

A global opportunity set may offer better potential returns



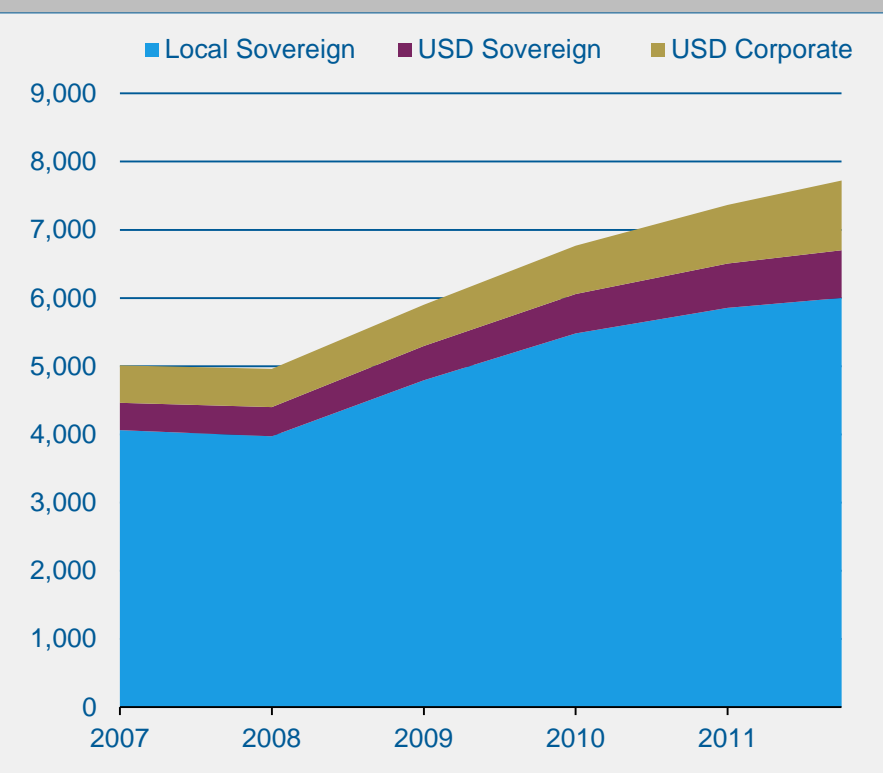
Source: Barclays Capital Global Aggregate Treasury Index USD hedged annual returns (top 25 markets by % index weight)

Past performance is not indicative of future results.

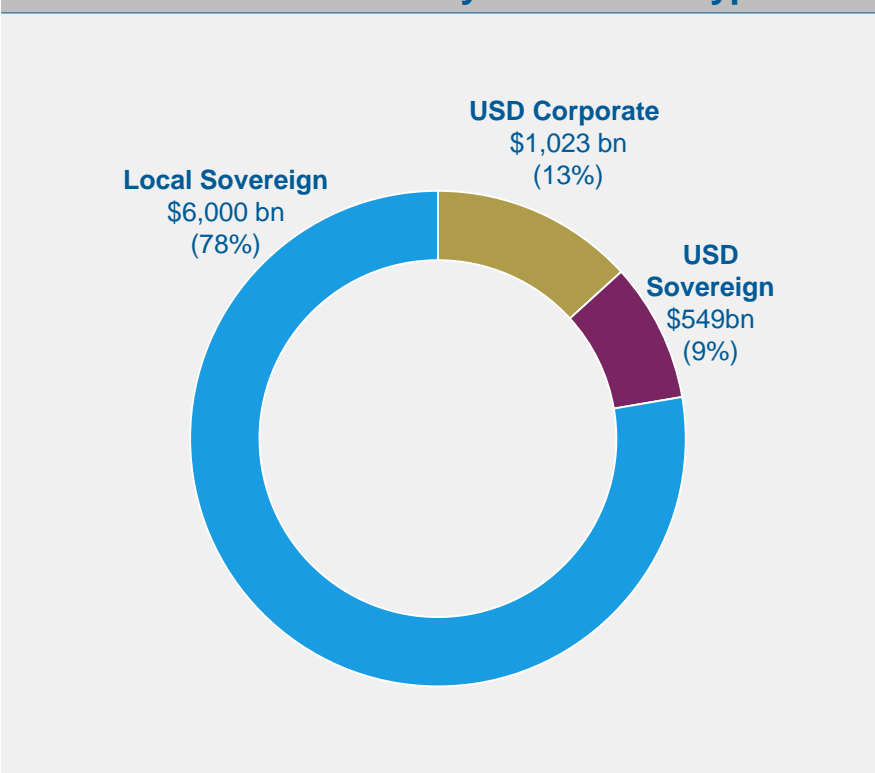
The U.S. rarely delivers the strongest market return

Emerging market debt universe has grown rapidly ...

Total EMD market: USD 7.7trn



Size of the EMD market by investment type

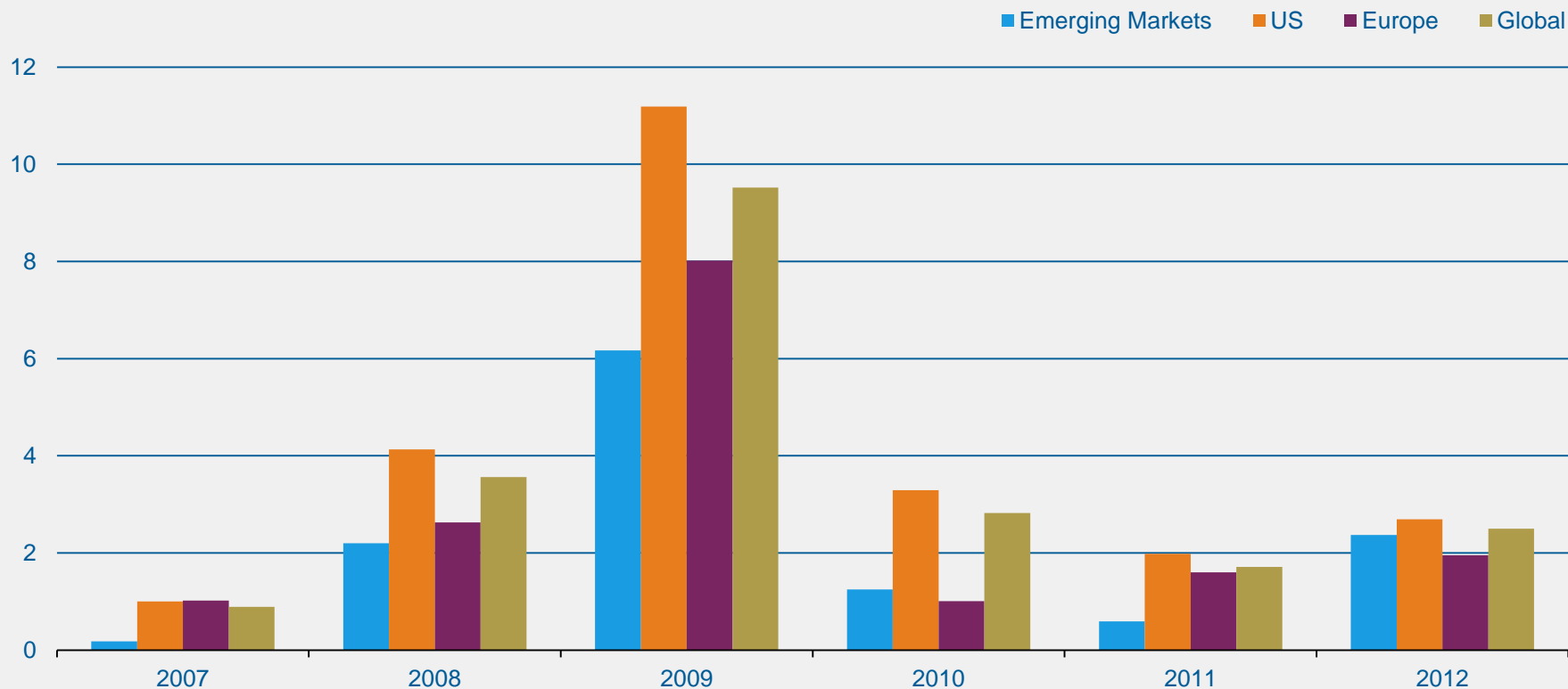


- EMD local debt is more than three times the value of external debt

Source: BIS, Bondradar, JP Morgan, Sep 12

... yet with consistently lower default rates ...

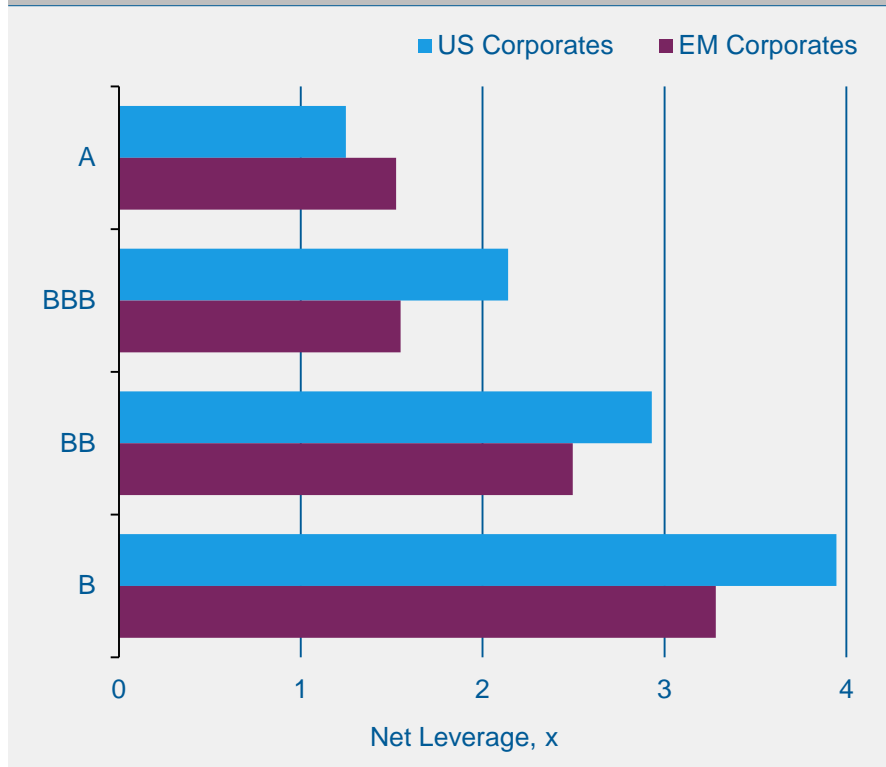
12 month rolling speculative grade default rates



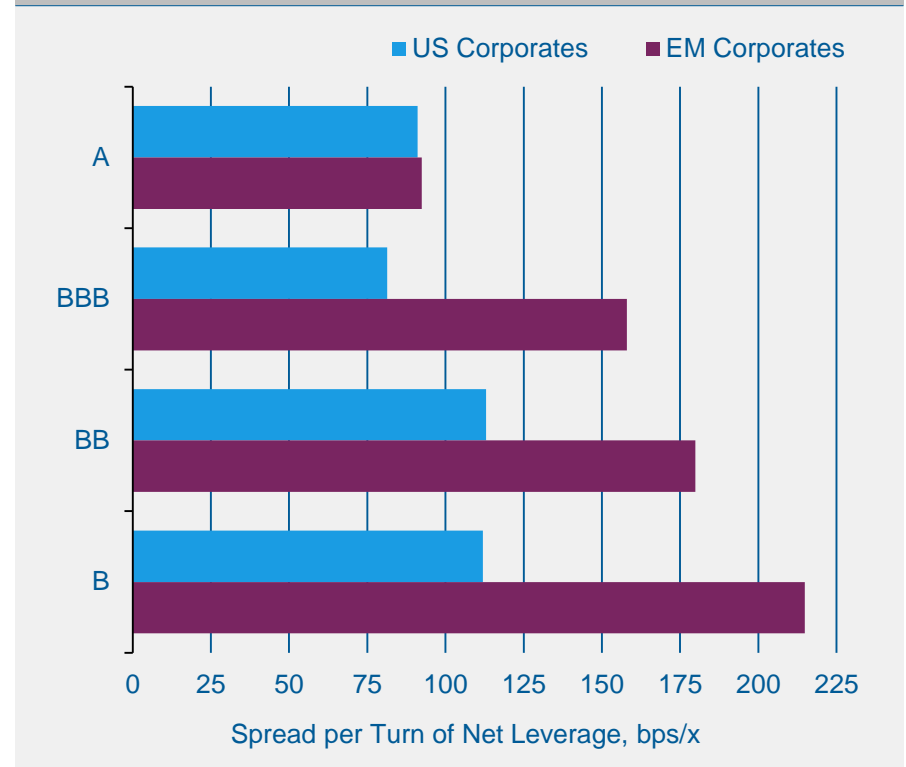
U.S. default rate includes issuers incorporated in U.S. tax havens (for example, Bermuda and Cayman Islands). Europe refers to Austria, Belgium, Bulgaria, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, and the U.K. Data through 30 Nov 12. Subject to revision. Source: Standard & Poor's CreditPro®, Jan 13

... but trade at wider spreads

EM corporates have lower leverage in the same ratings buckets ...



... and wider spreads despite lower leverage



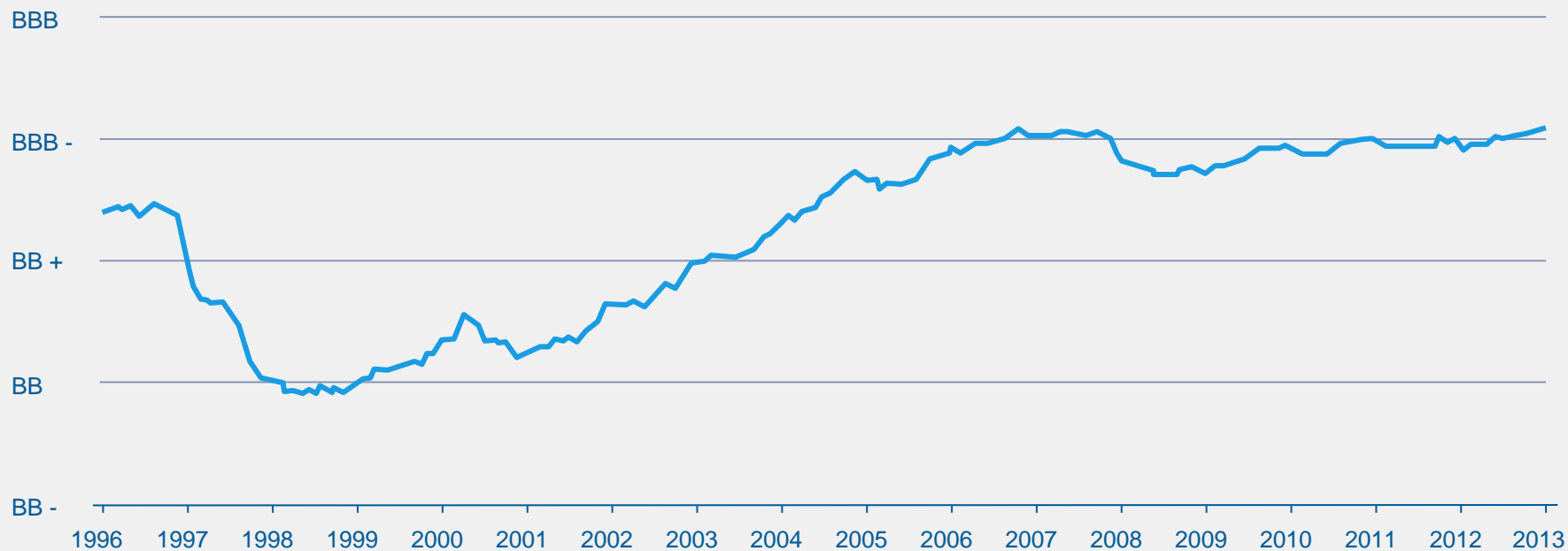
Source: BofA Merrill Lynch Global Research, Dec 12

In determining average credit rating, ratings from Moody's, Standard & Poor's, or Fitch will apply. The higher rating will apply for split rated securities.

Leverage potentially amplifies certain risks such as higher volatility of net asset value and share price, which increase the risk of loss under adverse market conditions.

...with continued rating improvements

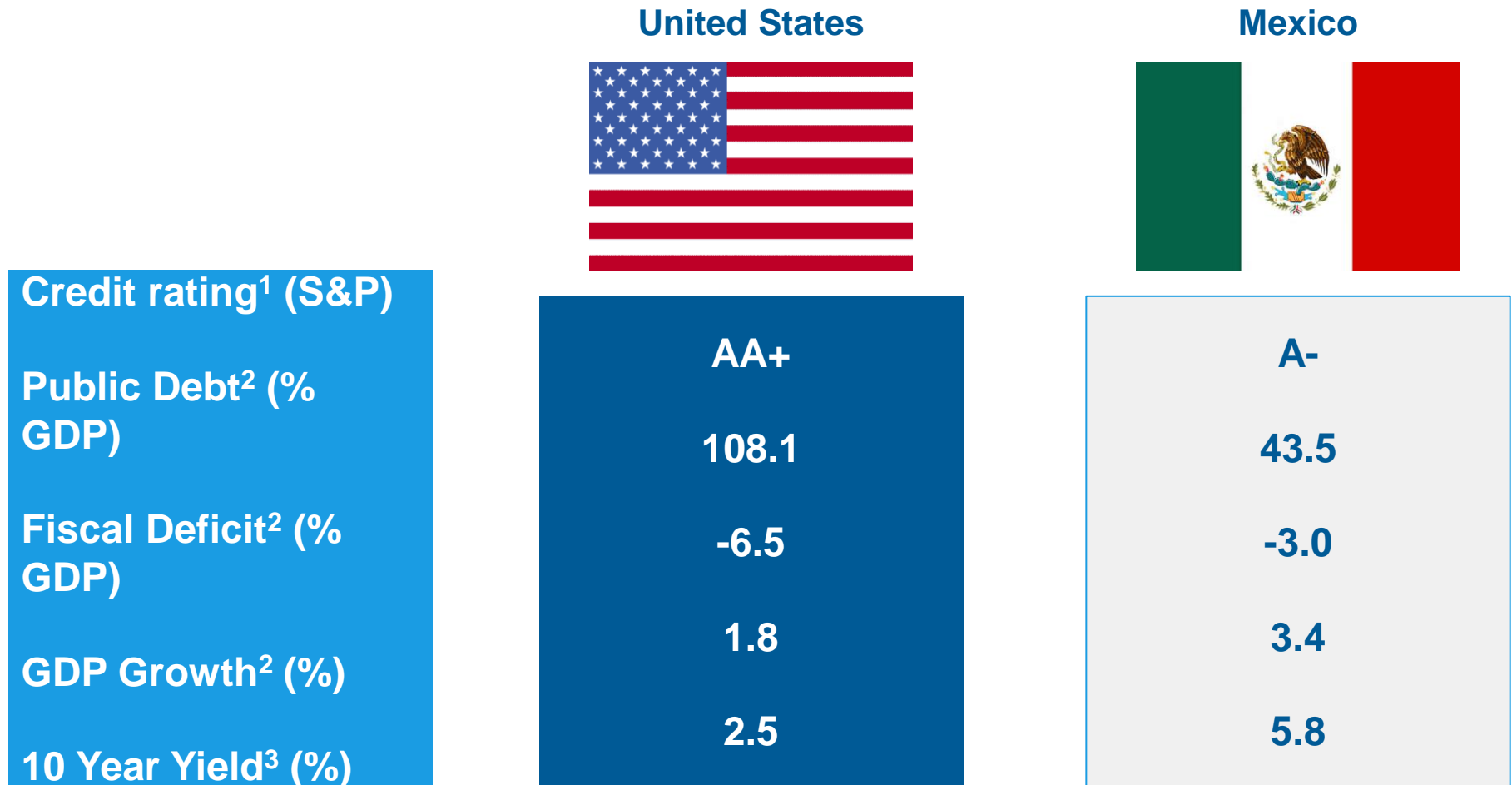
Average credit rating of Emerging Market Debt



Source: Morgan Stanley, Fitch, Moody's, Standard & Poor's as of March 31, 2013

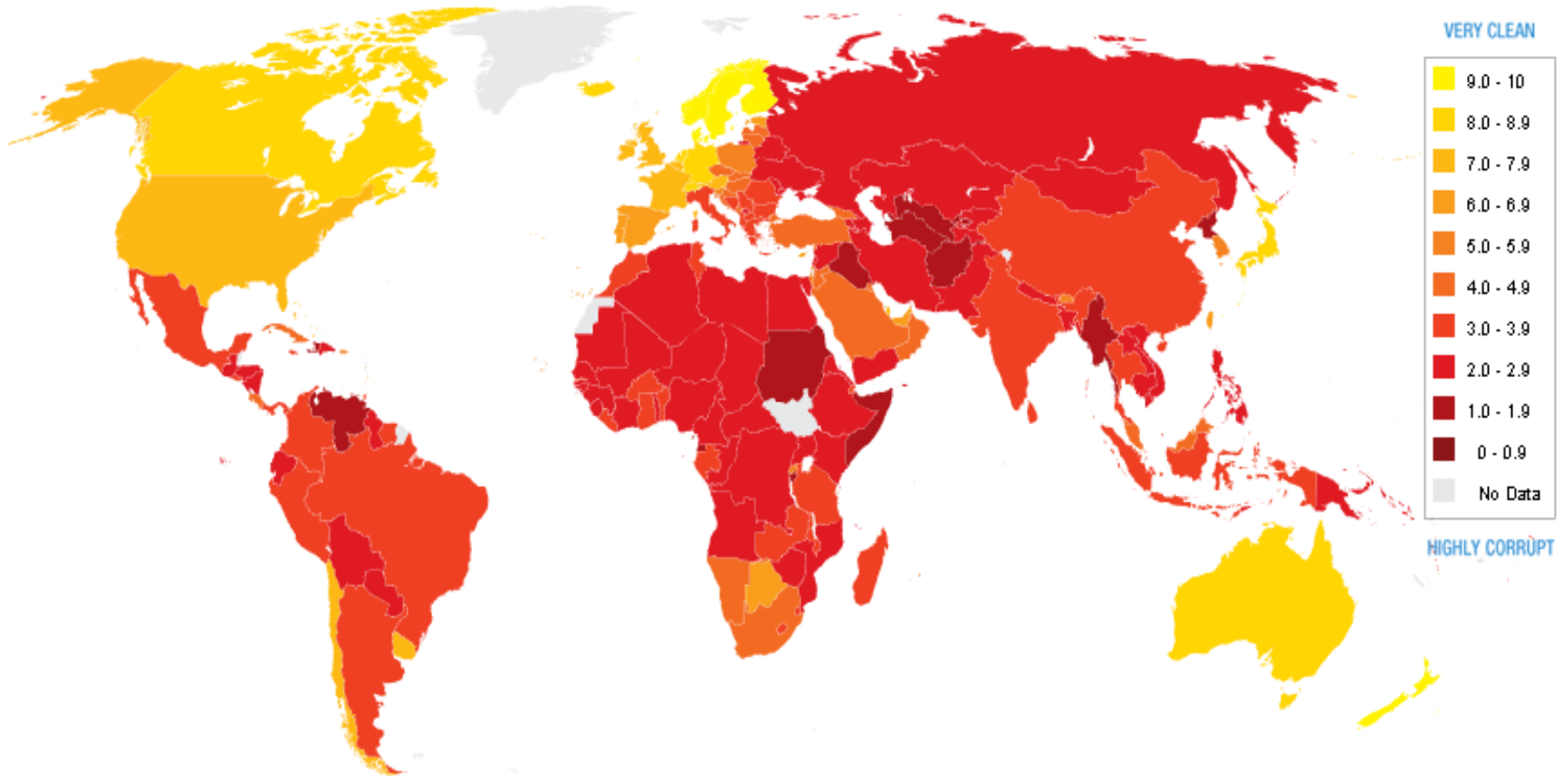
For illustrative purposes only. In determining average credit rating, ratings from Moody's, Standard & Poors, or Fitch will apply. The higher rating will apply for split rated securities. The average credit quality is a market-weighted average of all securities.

The perception of risk versus the reality



Source: ¹ S&P Local Currency Debt Rating, Bloomberg, Jun 13; ² IMF World Economic Outlook, Apr 13; ³ Yield on Local Currency Debt, Bloomberg, 3 July 13
For illustrative purposes only. In determining average credit rating, ratings from Moody's, Standard & Poor's, or Fitch will apply. The higher rating will apply for split rated securities. The average credit quality is a market-weighted average of all securities.

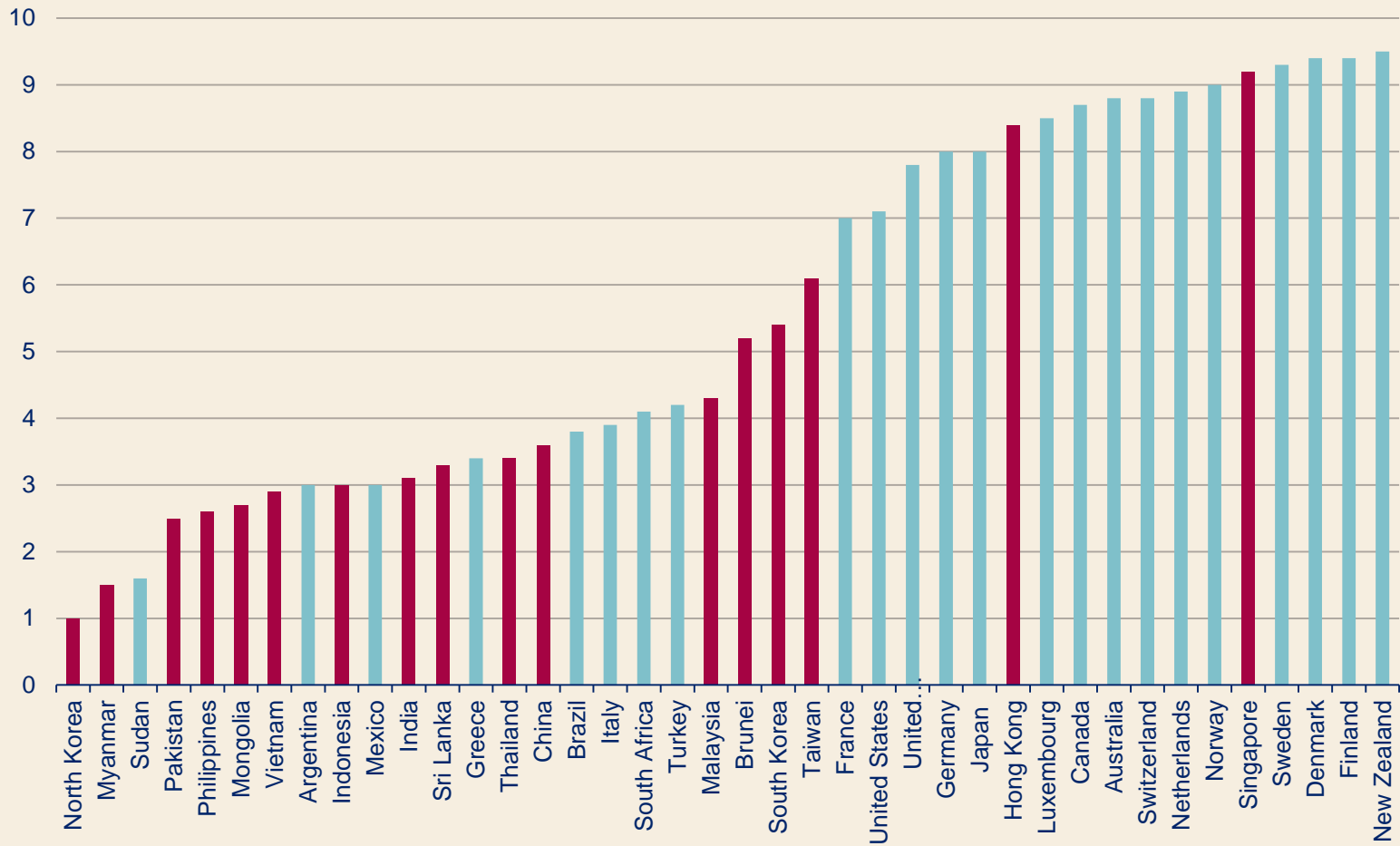
Global investing is not risk free



Source: Transparency International, Aug 23, 2012
For illustrative purposes only

We believe global investments need to be actively managed

Corruption Perception Index 2011



Source: Transparency International, Dec 31, 2011

Why diversify globally?

Aberdeen believes:

- Potentially higher yields, greater total return and an expanded universe of global opportunities
- Investors are increasingly seeking real returns by investing in a more globally diverse fixed income universe
- Emerging market debt is a rapidly growing asset class, which is predominantly investment grade
- Risk is mispriced and can create an opportunity for an experienced global manager to generate potential returns
- Global bonds can offer attractive returns relative to stocks on a risk adjusted basis



The Case for Closed-End Funds

Six reasons to use closed-end funds for international and emerging markets

1. **Closed structure:** permanent asset base is uniquely suited for investing in potentially thinly traded and less liquid markets and securities
2. **No cash drag:** portfolio manager has ability to remain fully invested at all times
3. **No forced selling:** permanent structure limits the need to sell securities at unattractive prices to meet redemption requests
4. **Ability to leverage:** leverage can potentially enhance performance after all expenses; cost of borrowing currently at history lows
5. **Impact:** investor activity has no impact on underlying assets in the fund's portfolio
6. **Active management:** actively researched and selected securities; *not* a basket of benchmark securities

Source: Aberdeen Asset Management Inc.

Leverage potentially amplifies certain risks such as higher volatility of net asset value and share price, which increase the risk of loss under adverse market conditions.

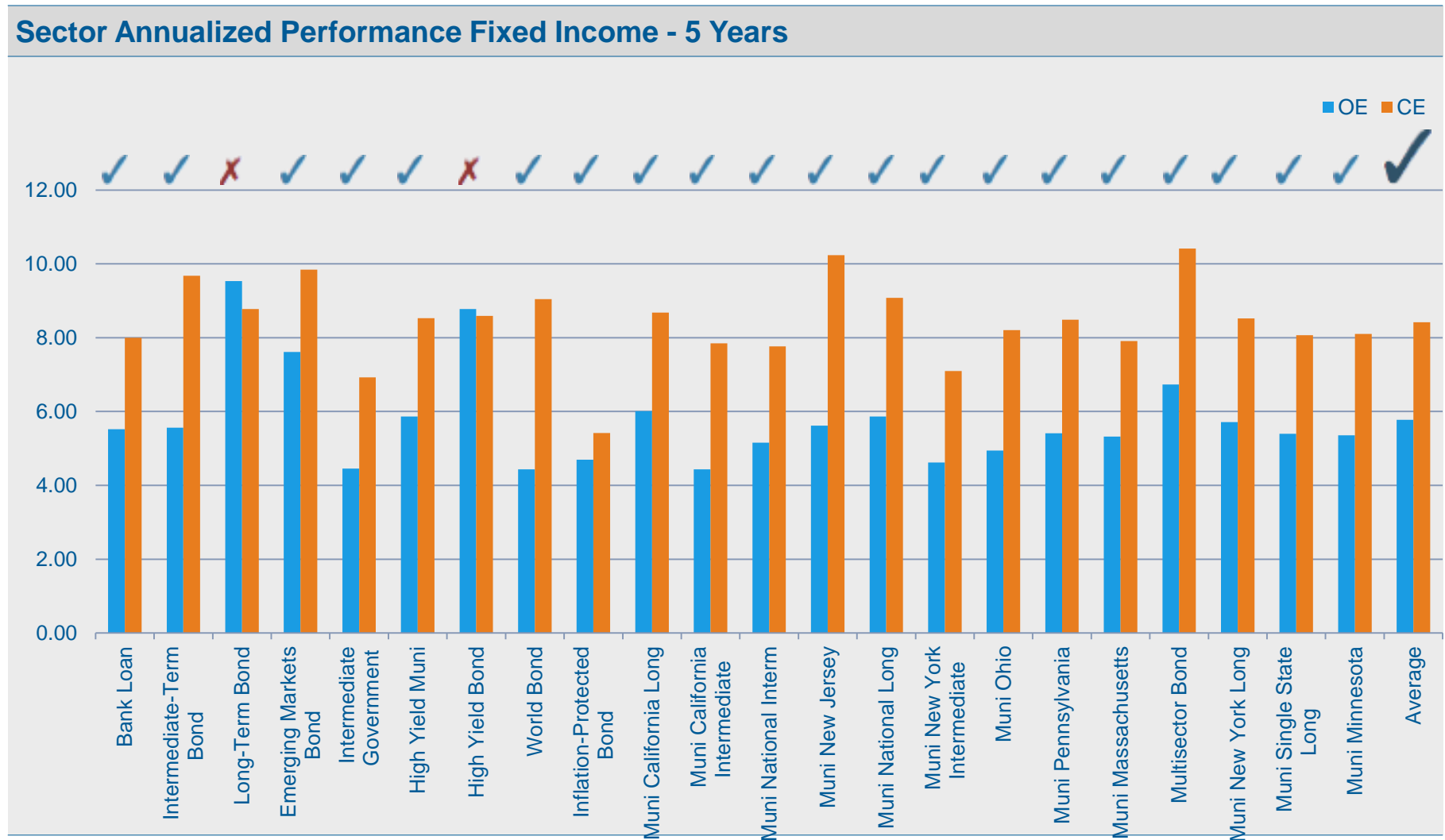
The results compared: 1- and 5-year annualized equity and fixed income annualized performance

	1 Year	5 Years
Closed-End Equity Funds	11.0%	3.9%
Open-End Equity Mutual Funds	9.1%	2.3%
Closed-End Fixed Income Fund	10.6%	8.4%
Open-End Fixed Income Mutual Funds	6.2%	5.8%
ETF Equity and Fixed Income Products	4.75%	1.35%

Source: Equity and fixed income annualized performance for 1 and 5 years ended March 31, 2013.
Data provided by Morningstar. Compiled by Fund Consultants LLC, as of March 31, 2013.

Past performance is not indicative of future results.

Fixed income closed-end funds outperformed 20 out of 22 sectors: 5 years

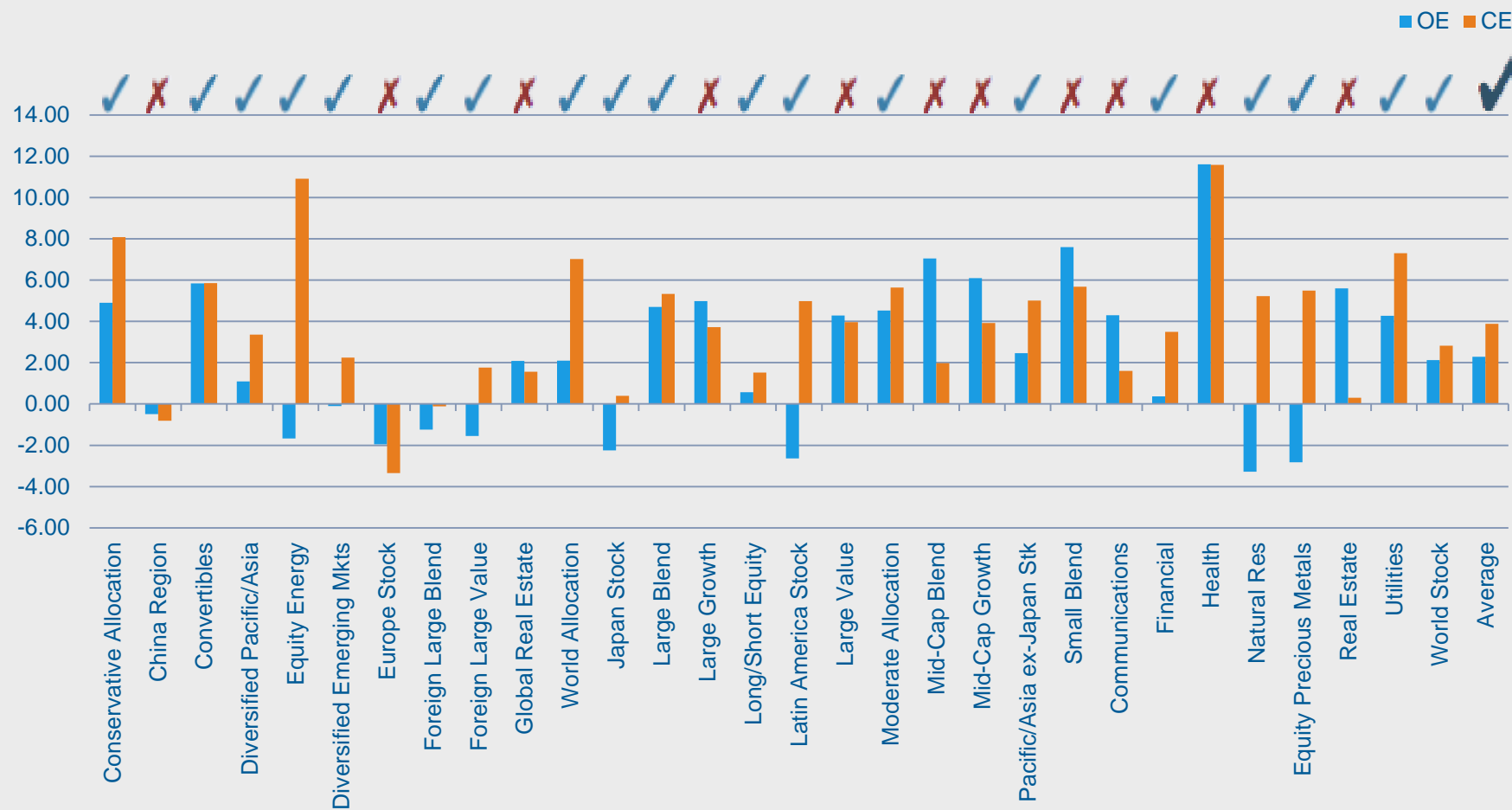


Source: Fixed income annualized performance for 5 years ended March 31, 2013.

Data provided by Morningstar. Compiled by Fund Consultants LLC, as of March 31, 2013. **Past performance is not indicative of future results.**

Equity closed-end funds outperformed 19 out of 30 sectors: 5 years

Sector Annualized Performance Equities - 5 Years



Source: Data provided by Morningstar. Compiled by Fund Consultants LLC, as of March 31, 2013. Past performance is not indicative of future results.

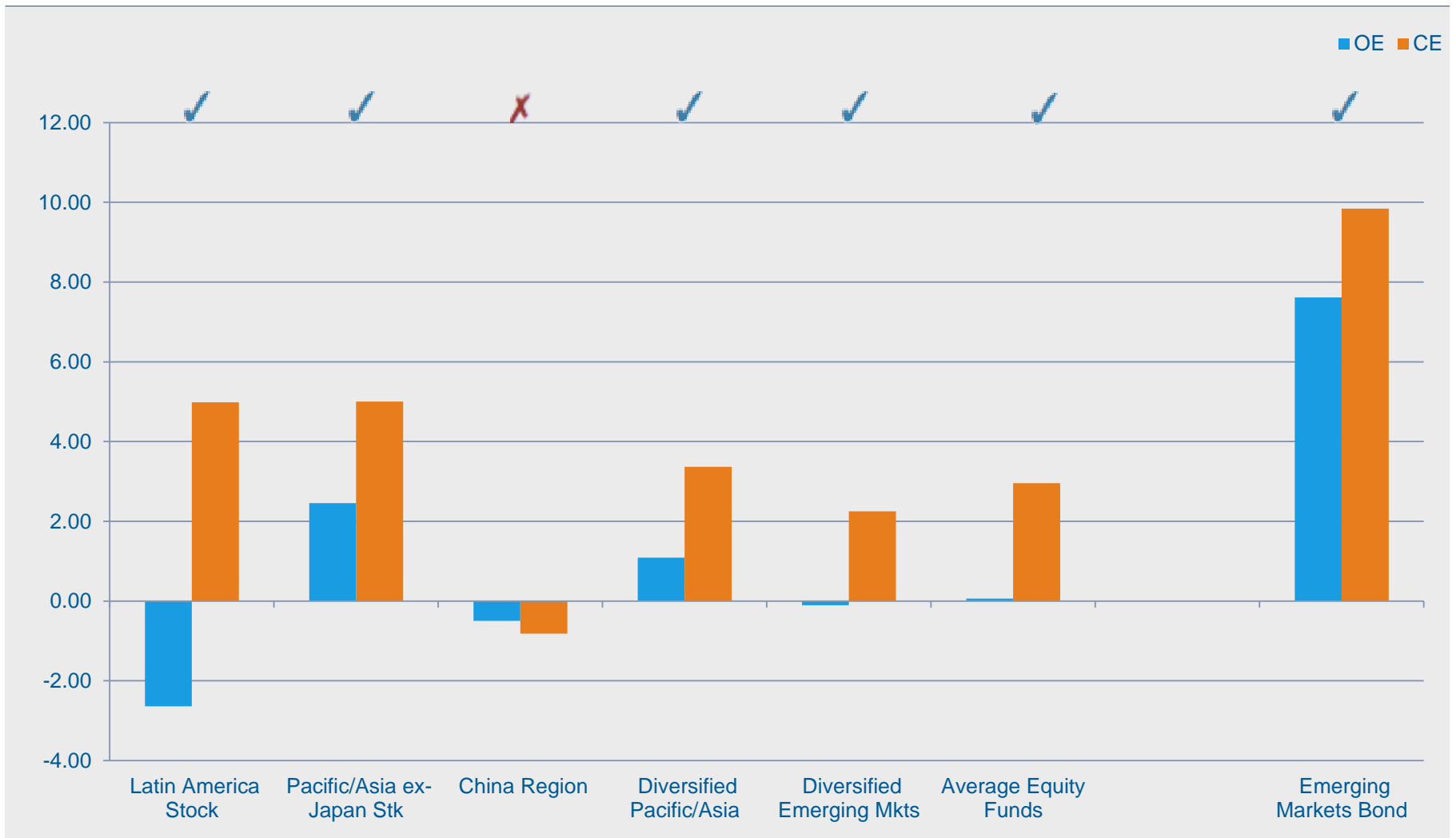
The results compared: 1- and 5-year annualized emerging markets equity and fixed income annualized performance

	1 Year	5 Years
Closed-End Equity Funds	11.7%	3.0%
Open-End Equity Mutual Funds	5.1%	0.1%
Closed-End Fixed Income Fund	10.1%	9.8%
Open-End Fixed Income Mutual Funds	9.5%	7.6%

Source: Fixed income annualized performance for 5 years ended March 31, 2013.

Data provided by Morningstar. Compiled by Fund Consultants LLC, as of March 31, 2013. **Past performance is not indicative of future results.**

Emerging market closed-end funds outperformed 6 out of 7 sectors: 5 years



Source: Data provided by Morningstar. Compiled by Fund Consultants LLC, as of March 31, 2013. **Past performance is not indicative of future results.**

Average total expense ratios

All funds compared		
	Closed-end funds	Open-end mutual funds
Equities	1.6%	3.0%
Bonds	1.6%	1.4%

Emerging market funds compared		
	Closed-End Funds	Open-End Mutual Funds
Equities	1.7%	3.0%
Bonds	1.5%	1.6%

Source: Data provided by Morningstar from fund's last published reports. Compiled by Fund Consultants LLC, as of March 31, 2013.



About Aberdeen Asset Management

Aberdeen North American closed-end funds

- Aberdeen Group is the largest manager of emerging market closed-end funds offered around the world by both value and number.¹
- 15 closed-end funds (2 Sub-advised)
- Closed-end funds viewed as a core area of US business
- Appointed manager for 4 funds in last 2 years (SGF, IFN, GRR, GCH)

Name	Ticker	AuM (\$M)	Description
Aberdeen Asia-Pacific Income Fund, Inc.	FAX	2,400	Asia & Australia Fixed Income
Aberdeen Global Income Fund, Inc.	FCO	153	Global Fixed Income
Aberdeen Asia Pacific Income Investment Company Limited	FAP*	431	Asia & Australia Fixed Income
Aberdeen Australia Equity Fund, Inc.	IAF	200	Australian Equity
Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.	ETF	180	Emerging Market Small Cap Equity
Aberdeen Israel Fund, Inc.	ISL	74	Israel Equity
Aberdeen Latin America Equity Fund, Inc.	LAQ	255	Latin American Equity
Aberdeen Chile Fund, Inc.	CH	110	Chilean Equity
Aberdeen Indonesia Fund, Inc.	IF	120	Indonesian Equity
The Singapore Fund, Inc.	SGF	113	Singaporean Equity
The Asia Tigers Fund, Inc.	GRR	49	Asia-Pacific Equity
The India Fund, Inc.	IFN	848	Indian Equity
The Greater China Fund, Inc.	GCH	107	Greater China Equity
First Trust/Aberdeen Global Opportunity Income Fund	FAM**	377	Global and Emerging Market Fixed Income
First Trust/Aberdeen Emerging Opportunity Fund	FEO**	118	Emerging Market Equity and Fixed Income
Total		5,862	

¹Fund Consultants LLC, February 2013. Based on analysis of emerging market closed-end funds offered in multiple jurisdictions as of December 31, 2012; data provided by Morningstar Inc. Closed-end funds are defined as investment companies that are 1) listed on a recognized exchange; 2) possess fixed share capital; 3) were formed via subscriptions from the public via an open offer or placement; 4) invest in listed or unlisted shares of companies and; 5) included in the universe of funds listed in Morningstar Traded Fund Center. Criteria for inclusion in the emerging markets category is based on the World Bank's definition of emerging countries as measured by lower and middle income per capita. Criteria for fund inclusion is 1) at least 75% of gross assets invested in emerging markets; 2) funds with under 25% exposure to Asian developed markets.

Why Aberdeen?



We:

- Have a broad global footprint with US, European, Asian and EM capabilities
- Are bottom-up bond pickers
- Rely on our own research process executed consistently around the globe
- Focus on asset quality and valuation
- Don't own credits we don't like, regardless of market size
- Build a diversified portfolio of issuers
- Employ a team approach, but senior managers have final determination

**Global reach with depth and
breadth of experience**

Source: Aberdeen Asset Management PLC, June 30, 2013. Red dots signify offices with research capability

Disclaimer

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Risk considerations: Fixed income securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in the market value of an investment), credit (changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral), prepayment (debt issuers may repay or refinance their loans or obligations earlier than anticipated), and extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase). Typically, when interest rates rise, there is a corresponding decline in the price of bonds. This effect is usually more pronounced for longer-term securities.

Foreign securities are more volatile, harder to price and less liquid than U.S. securities. They are subject to different accounting and regulatory standards, and political and economic risks. These risks are enhanced in emerging market countries.

The Barclays Capital Global Aggregate Treasury Index includes government bonds issued by investment-grade countries, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. Individuals cannot invest directly in an index.

Investments in high-yield bonds and other low rated securities may subject the Fund to substantial risk of loss. Investments in high-yield bonds are speculative and issuers of these securities are generally considered to be less financially secure and less able to repay interest and principal than issuers of investment-grade securities.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the fund's portfolio. There is no assurance that the Fund will achieve its investment objective

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