

Weathering the volatility of today's market

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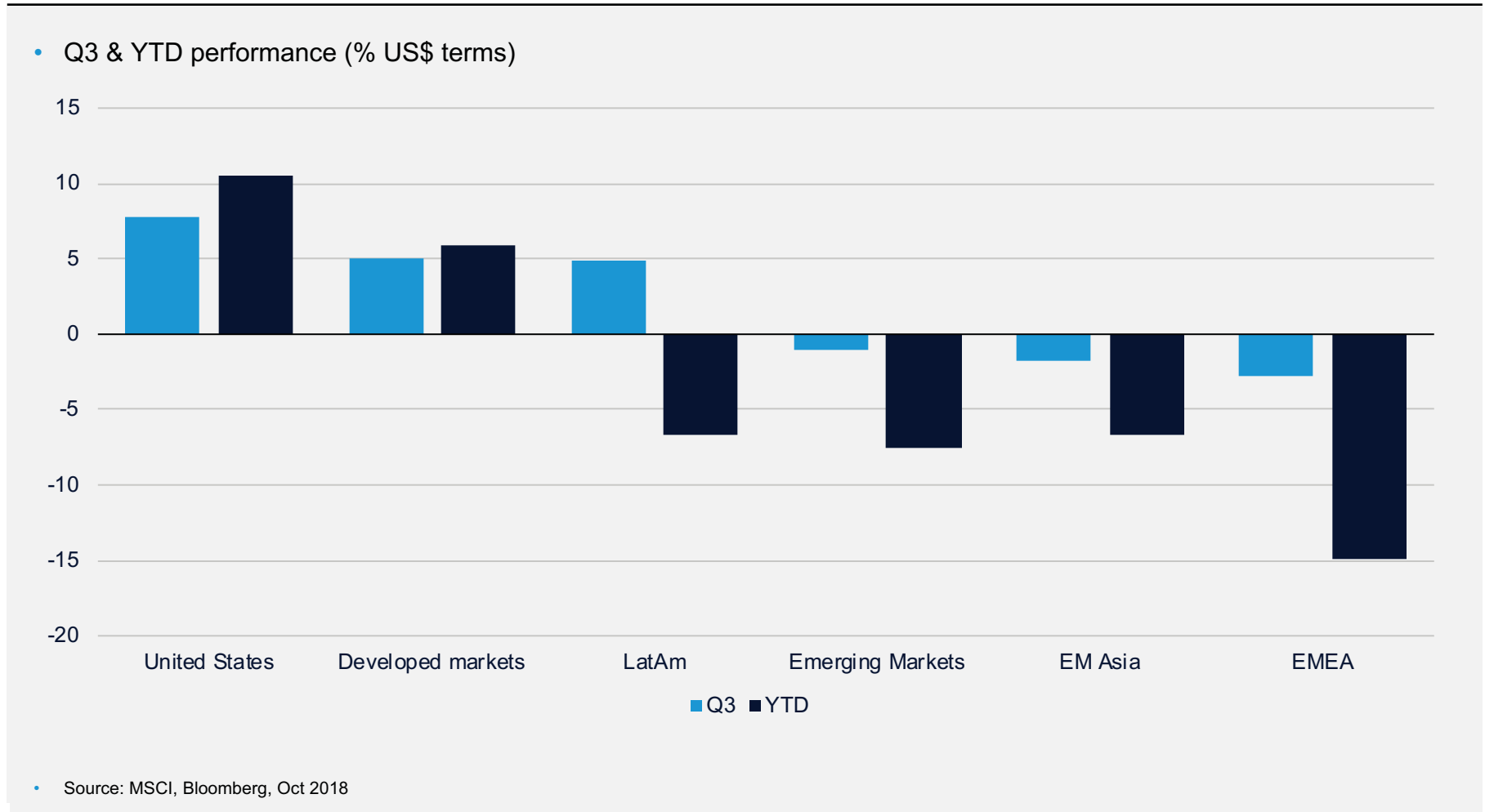
Outlook



Current state of the market:

Emerging markets lag US and developed markets

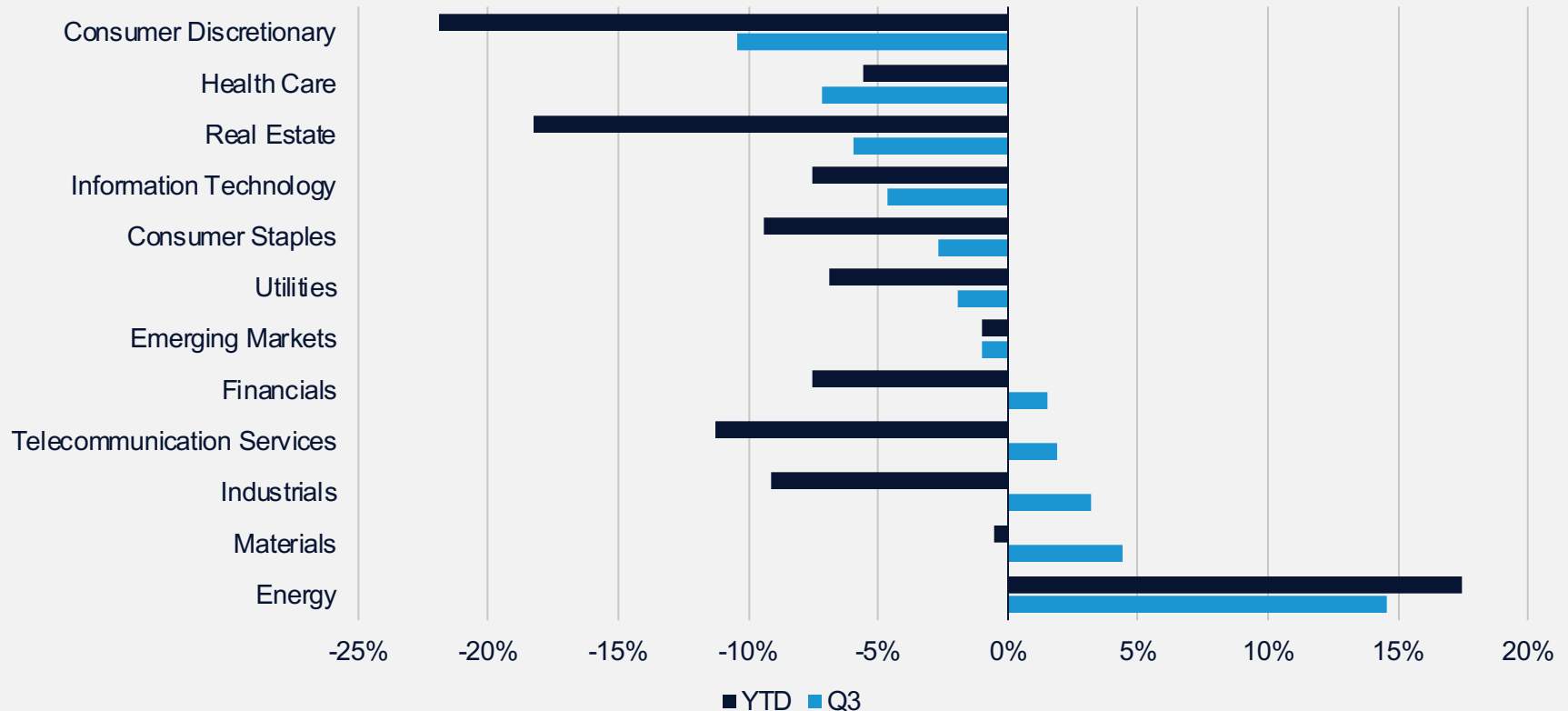
- Latam rebounds strongly, while EMEA remains under pressure



Emerging markets - Diverging performances across sectors

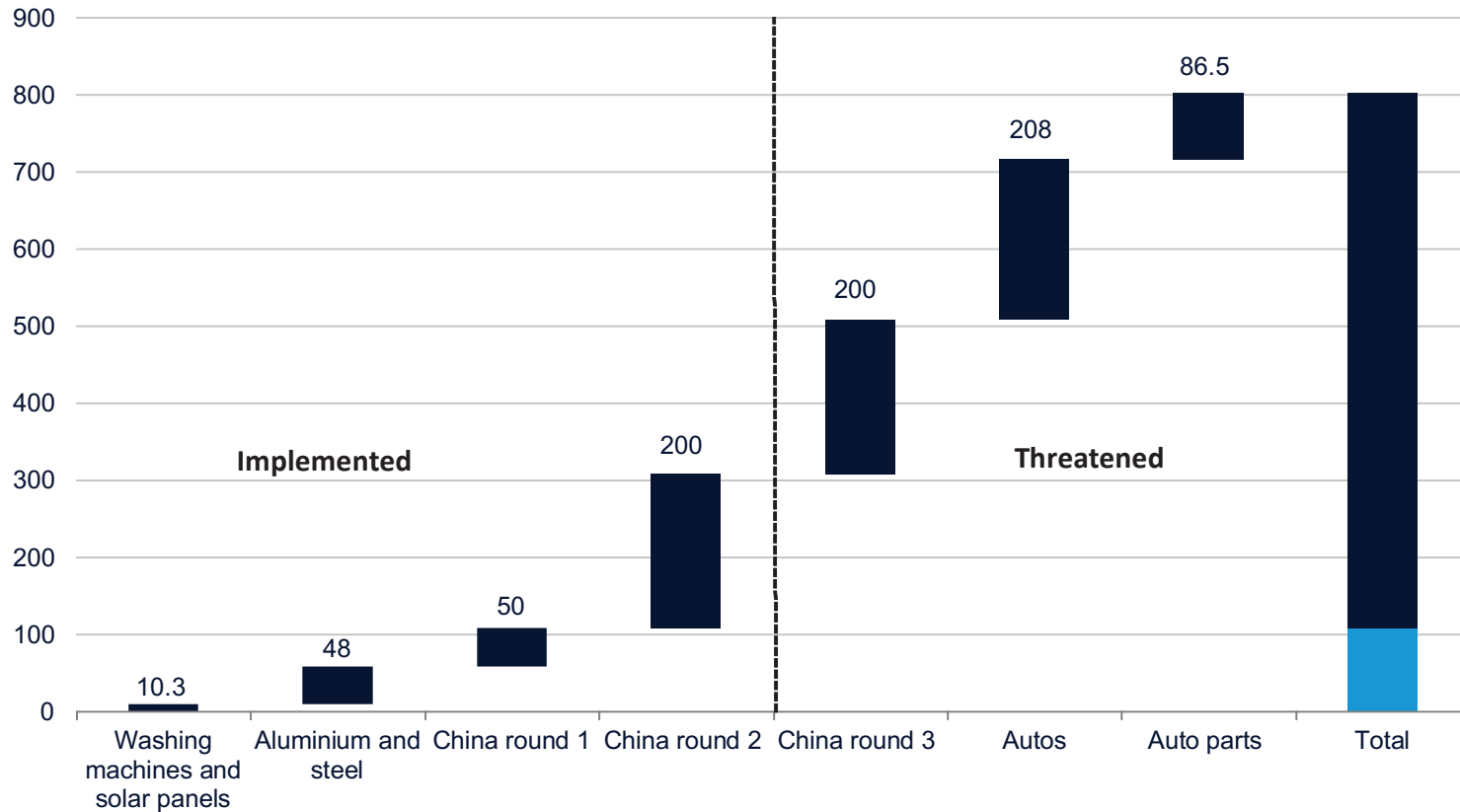
- Tight oil supply underpin energy's gains

- 3Q & YTD returns (%US\$ terms)



- Source: Bloomberg, US\$ returns to Sep 2018

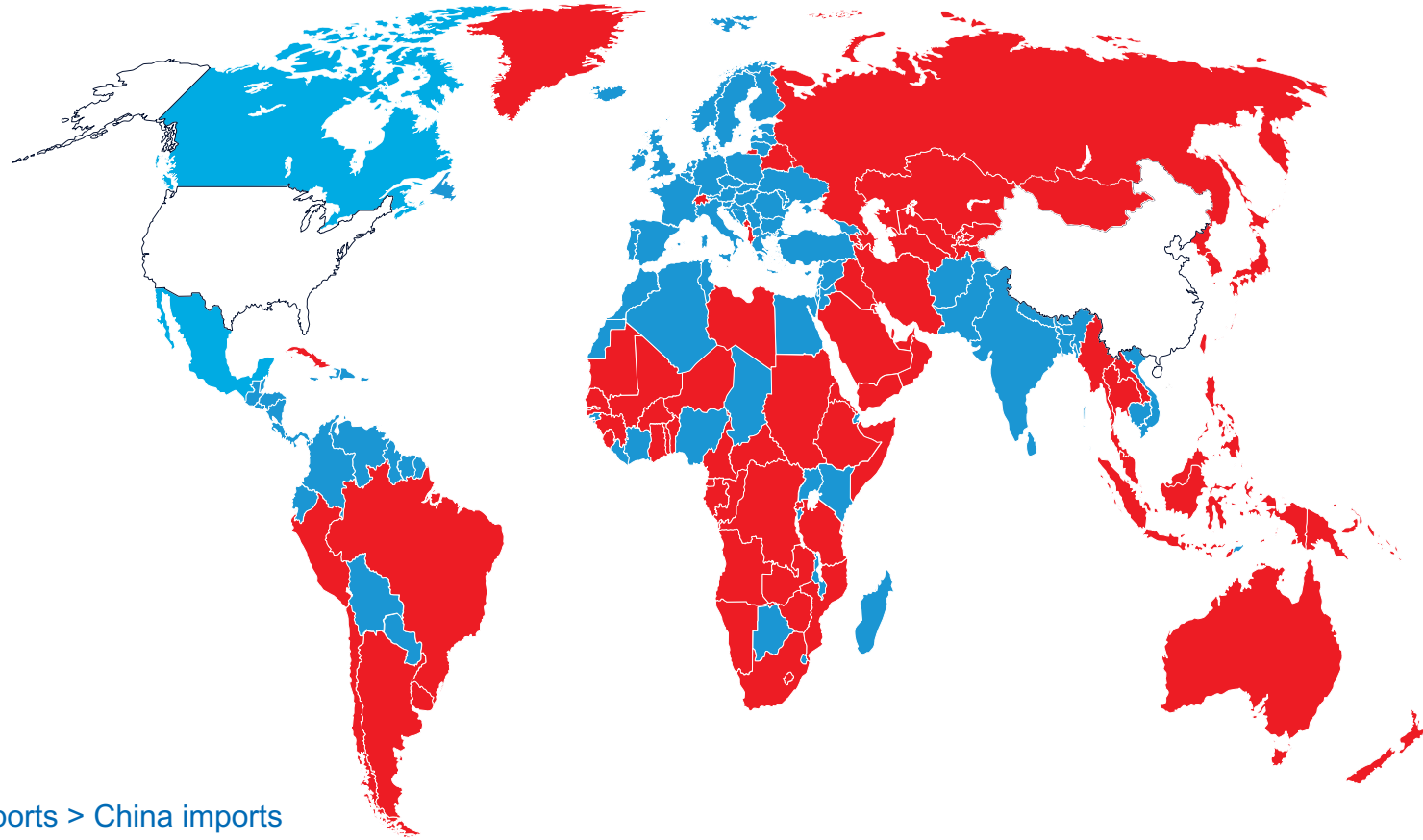
Trade policy tensions are escalating



• Source: Aberdeen Standard Investments, October 2018

Trade war: China more important now

- China now leading source of demand

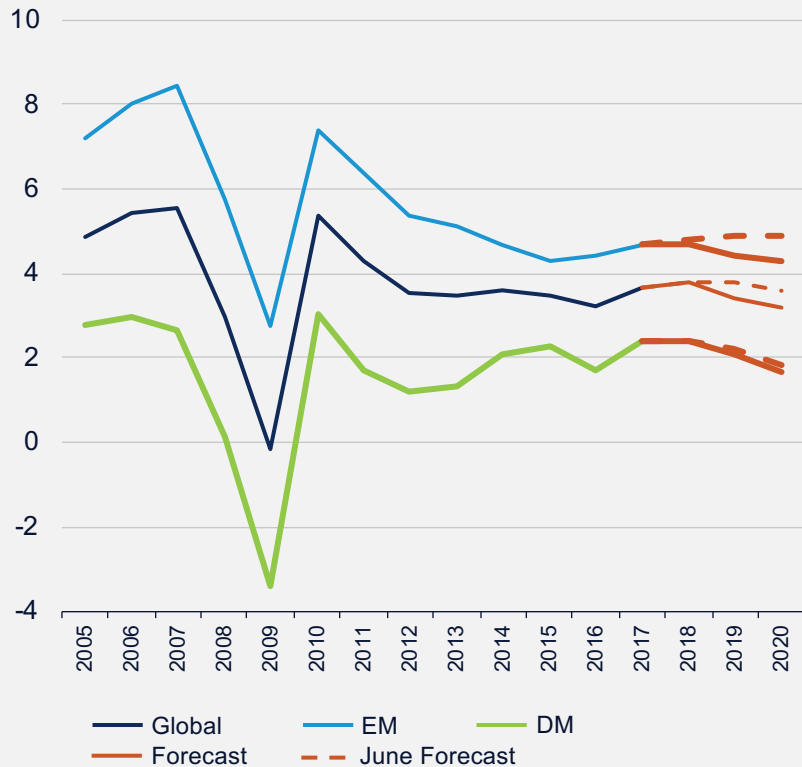


- US imports > China imports
- China imports > US imports

- Source: IMF, 2016

Global growth prospects have weakened, as risks become reality...

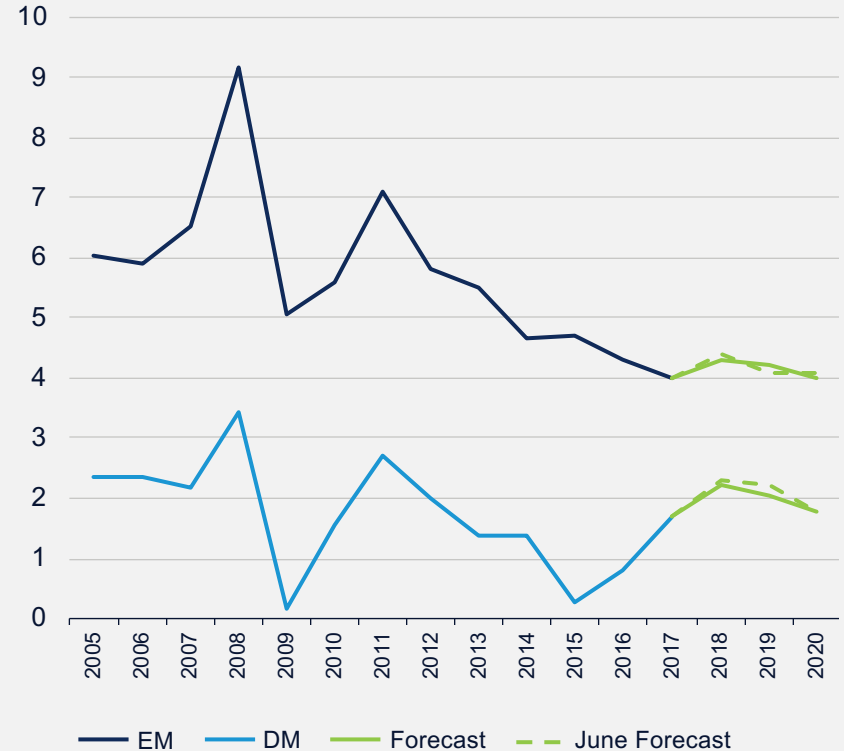
• GDP Growth (%)



• Source: Aberdeen Standard Investments, Haver, August 2018

Source: Aberdeen Standard Investments, October 2018

• CPI Inflation (%)



• Source: Aberdeen Standard Investments, Haver, August 2018

... and have not peaked

- ...and have not peaked...

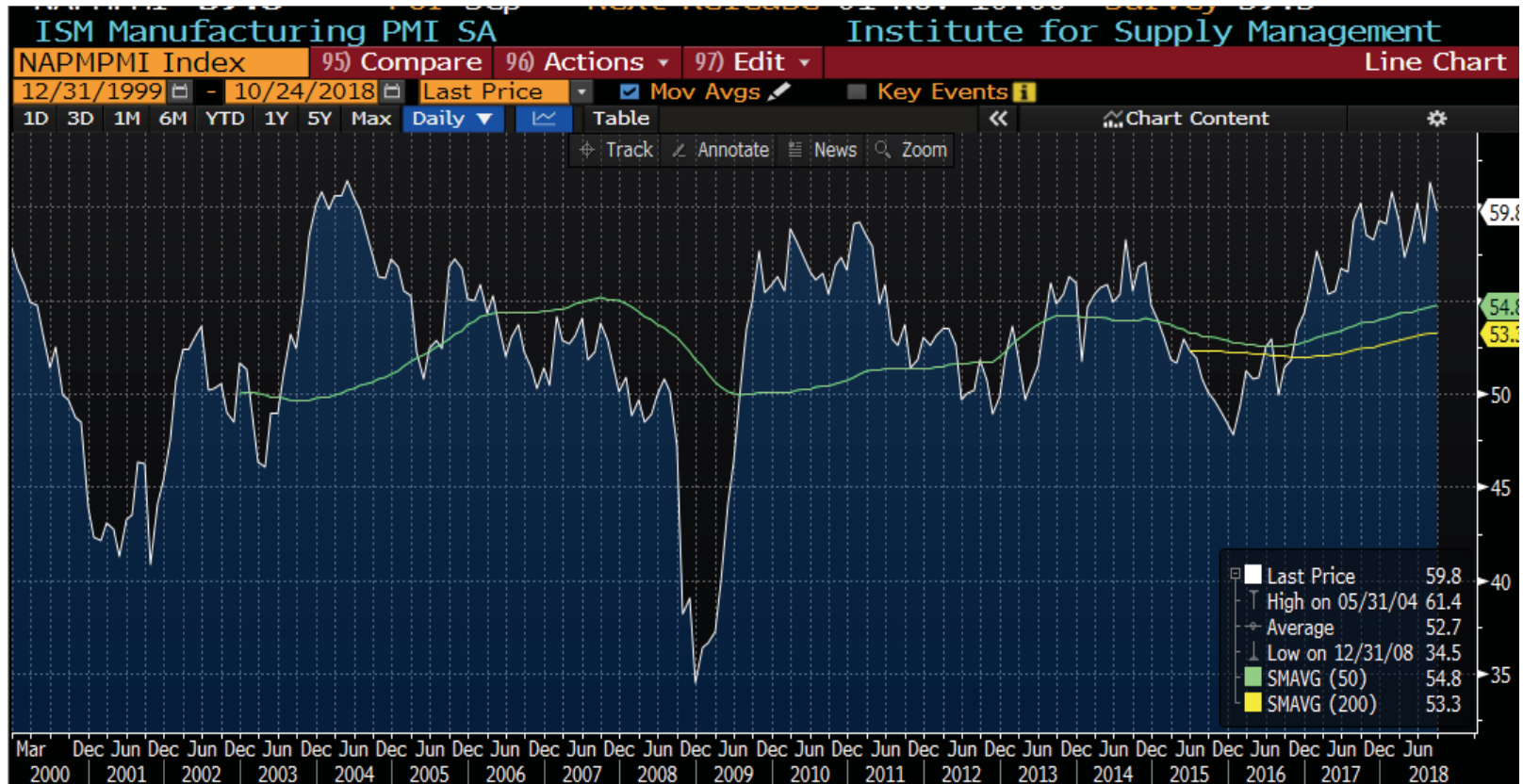
SCENARIO	DESCRIPTION	DIRECTIONS
China concedes and US declares victory	US threats and actions prompt China to offer concessions before the US escalates further	Domestic Chinese dissent over current policy path grows louder Talks resume, the US side is led by Mnuchin Both sides step back from next round of implementation
Trump bows domestic pressure	The US administration reverses measures under political pressure and China follows suit bringing the tariff level back to pre-2016 levels.	Opposition grows within the Republican party and Trump's support base Congress takes measures to restrict the Executive's trade authorities Domestic lobbying from consumer groups, businesses and farmers threatens Trump's chances in 2018
Limited trade wars (\$51-250bn)	Trump levels additional tariff of 10% on \$200bn imports; China retaliates.	No signs of talks or concessions from China, but its retaliation is limited to offer an off-ramp
Full blown bilateral trade war (>\$250bn)	Trump follows through on threats to impose tariffs up to \$450bn, China responds with tariffs and non-tariff barriers on all US goods, both sides increase tariff rate to 25%.	China follows through on \$60bn tariffs threatened, prompting US retaliation. Republican party and Trump voter base support the actions against China Unofficial boycotts and administrative measures threaten US MNC revenues in China
Economic decoupling*	US and China ratchet up bilateral trade war via tariffs and non-tariff measures. Goods and services trade are affected, business operations are impacted, as are the flows of capital and people between the two countries.	Bilateral relations completely break down Economic disruption in China emboldens Trump The perception of China as a strategic threat grows in the US Business begin to move supply chain

- Source: Aberdeen Standard Investments, October 2018

Pick up in U.S. manufacturing

ISM Manufacturing PMI

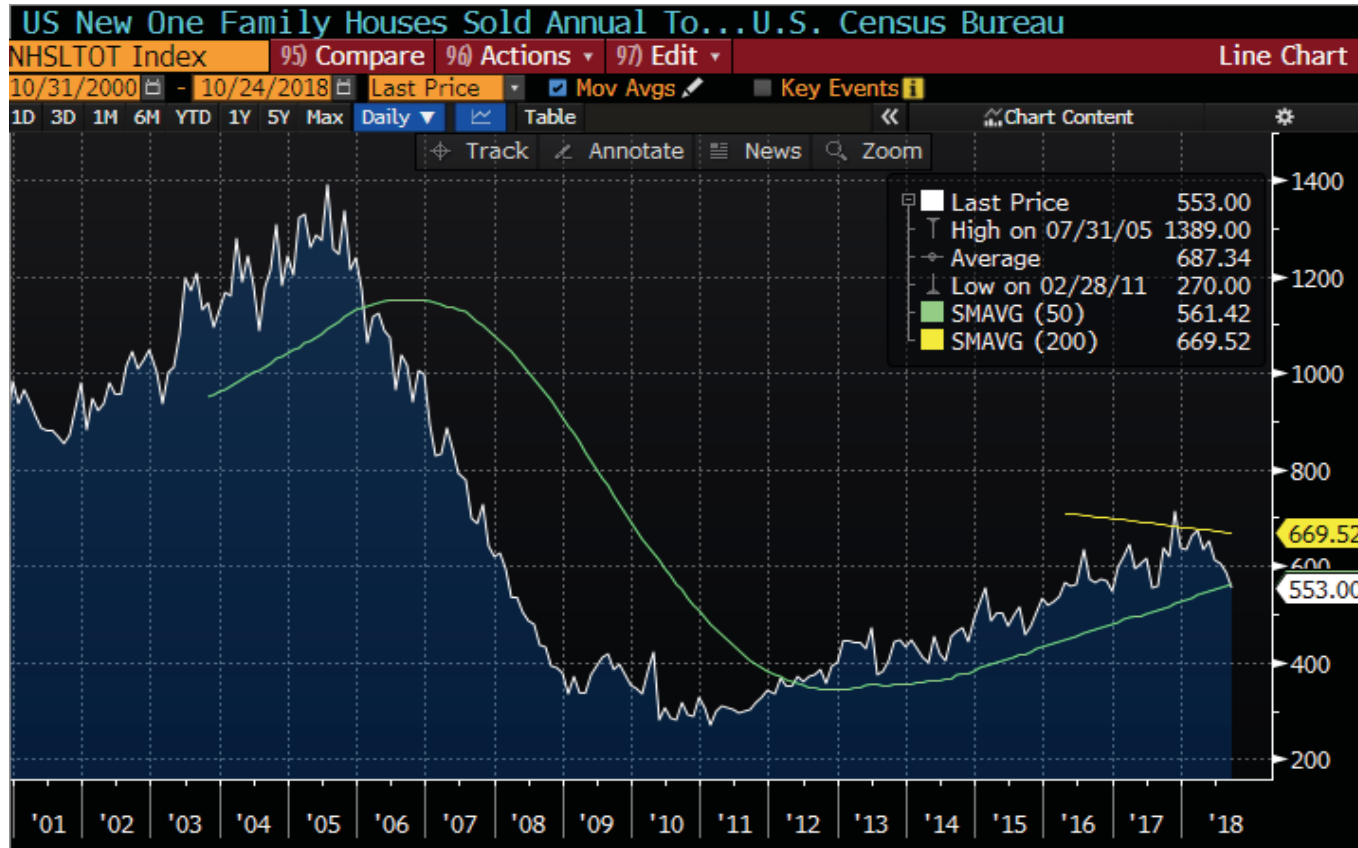
(12/31/99 – 10/24/18)



Sources: Bloomberg

U.S. housing stabilizes

U.S. Census Bureau – U.S. new one family houses sold (10/31/00 – 10/24/18)



Sources: Bloomberg

Summary

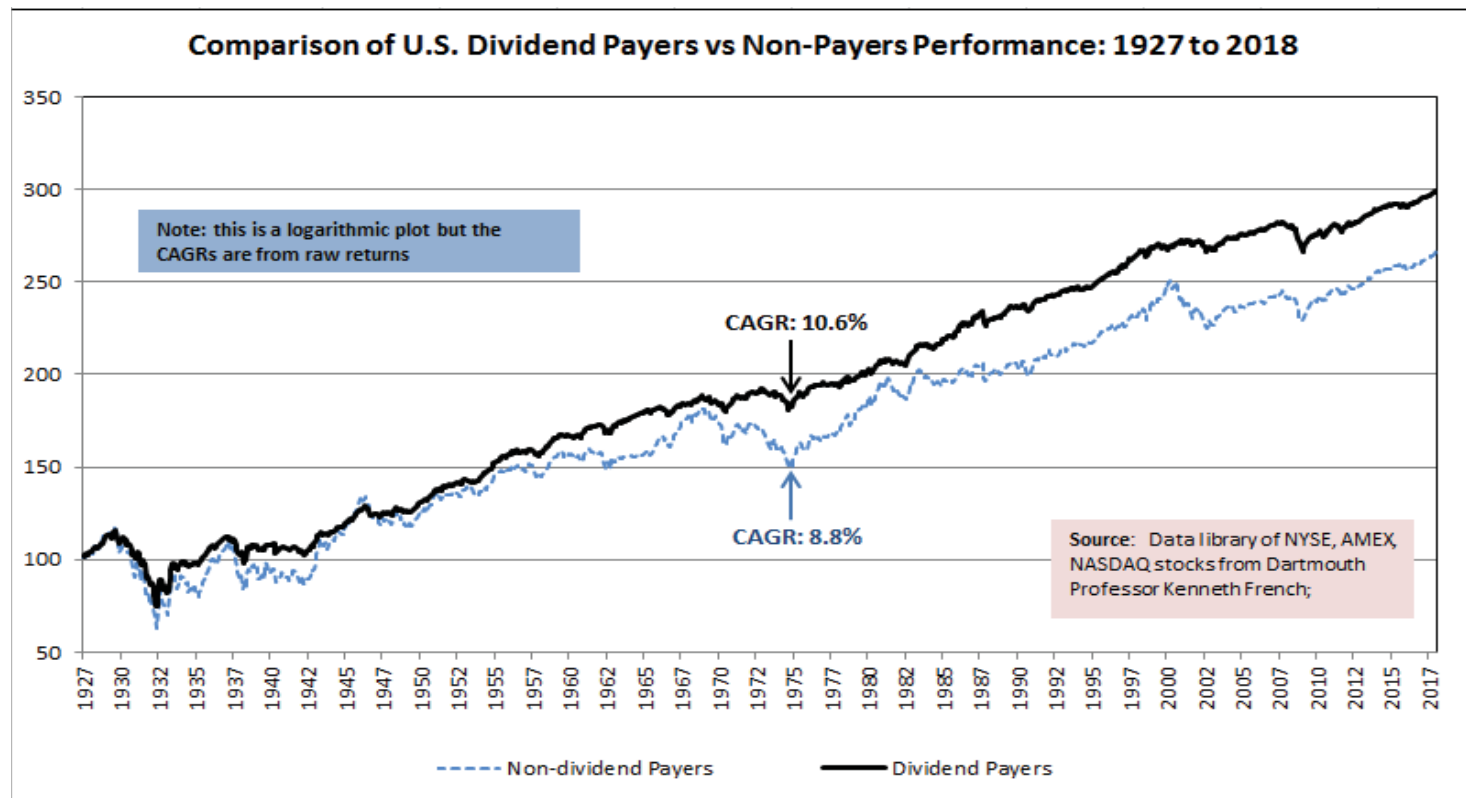
Navigating an ageing global economic cycle

- Global growth momentum is past its peak.
- The US economy continues to beat all comers.
- Expect the trade war to escalate.
- China is easing.
- Emerging Market 'blow ups' reflect more than just idiosyncratic drivers.
- The coming year, 2019, is likely to bring the third mid-cycle slowdown of the post-crisis era.

- Source: Aberdeen Standard Investments, October 2018

Environment and outlook for Dividends

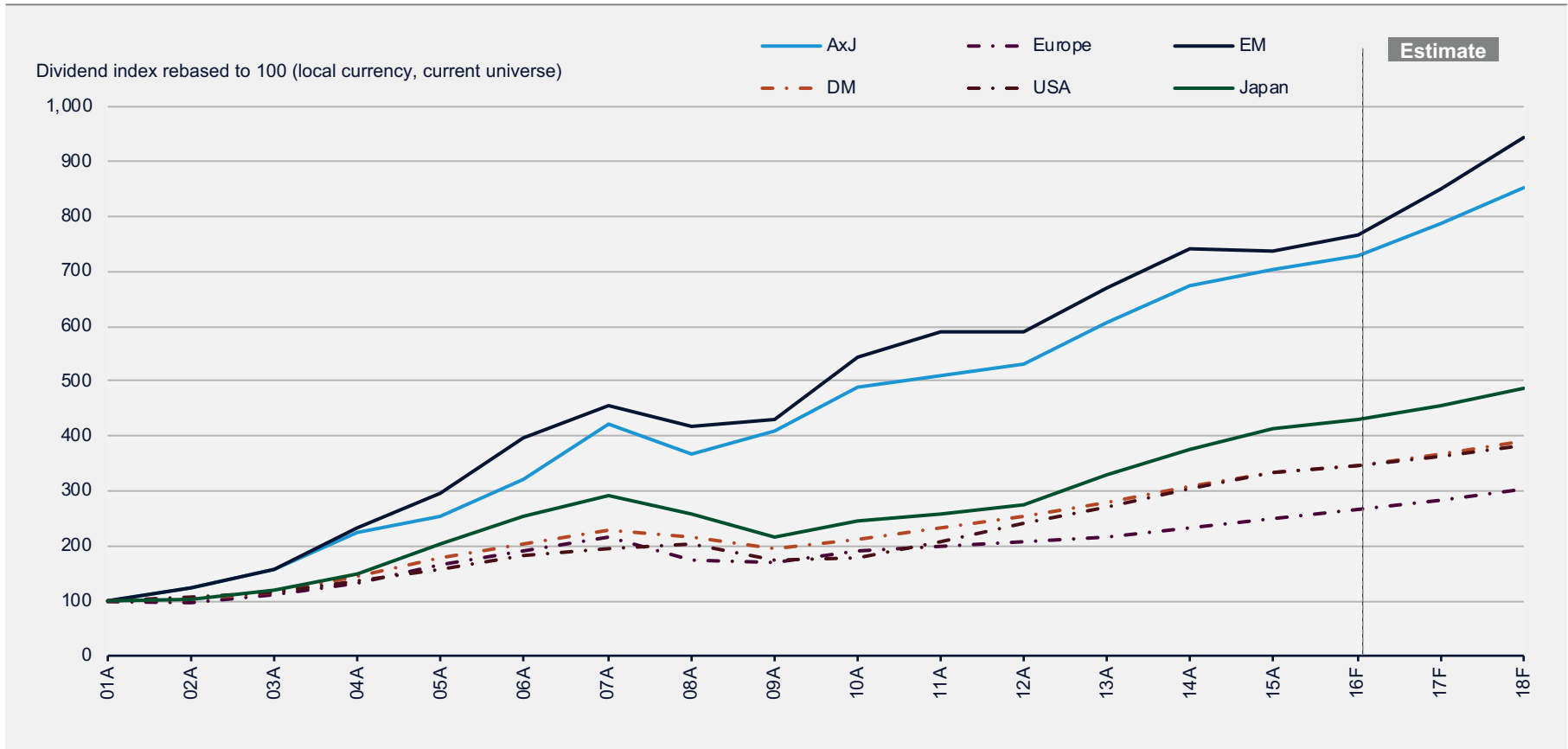
Dividends play an important role in stocks total returns



Source: Data library of NYSE, AMEX, NASDAQ stocks from Dartmouth Professor Kenneth French

The dividend growth story

MSCI regions and markets - Dividend index¹ since 2000



Sources: Factset, CLSA Asia-Pacific Markets, CLSA Asia Specific Markets, March 2017

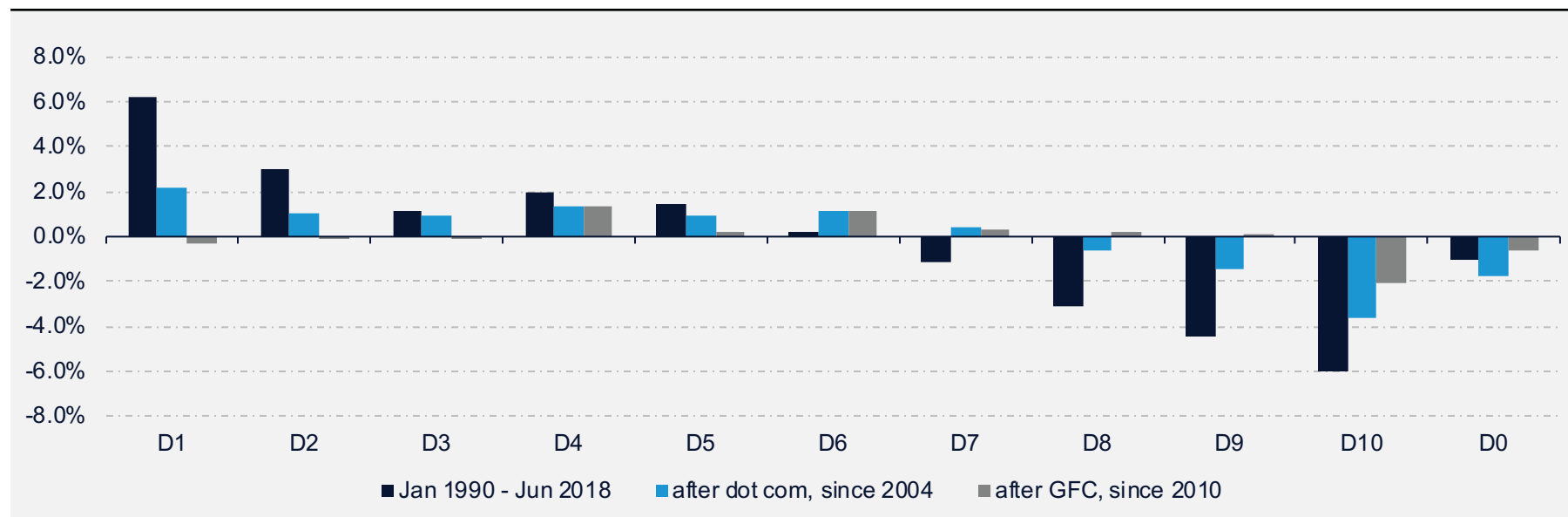
¹ Bottom-up aggregated with free float adjustment in a YoY like-to-like basis for the current MSCI universe
For illustrative purposes only

Growing income is the most
valuable income of all

MSCI ACWI

• Dividend Yield Deciles

	High DY										Low DY	Zero DY
	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10	D0	
Jan 1990 - Jun 2018	6.2%	3.0%	1.2%	2.0%	1.4%	0.2%	-1.1%	-3.1%	-4.4%	-6.0%	-1.0%	
after dot com, since 2004	2.2%	1.0%	0.9%	1.4%	1.0%	1.2%	0.4%	-0.6%	-1.4%	-3.6%	-1.8%	
after GFC, since 2010	-0.3%	0.0%	0.0%	1.4%	0.2%	1.2%	0.4%	0.2%	0.1%	-2.0%	-0.6%	



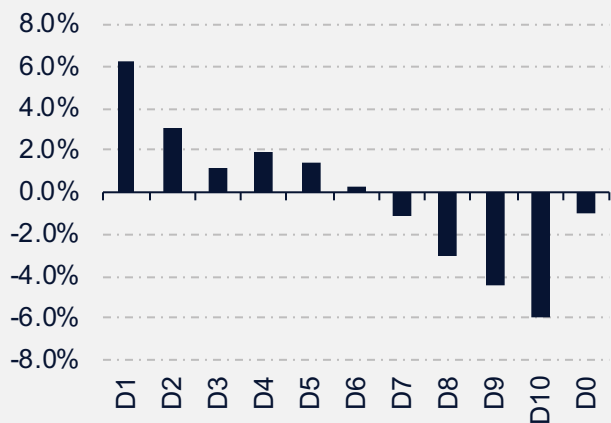
- Source: Aberdeen Standard Investments
- For illustrative purposes only

MSCI ACWI

• Dividend Yield Deciles

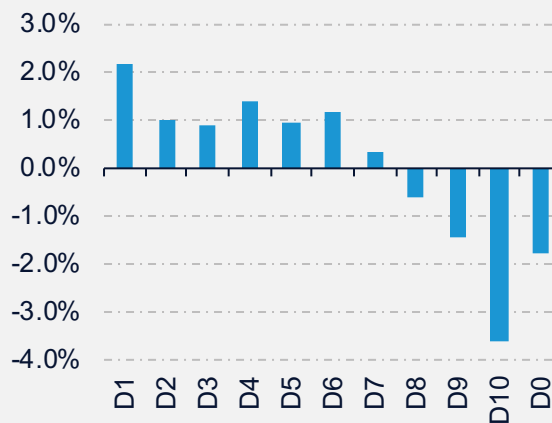
	High DY										Low DY	Zero DY
	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10	D0	
Jan 1990 - Jun 2018	1	2	5	3	4	6	8	9	10	11	7	
after dot com, since 2004	1	4	6	2	5	3	7	8	9	11	10	
after GFC, since 2010	9	7	8	1	5	2	3	4	6	11	10	

Jan 1990 - Jun 2018



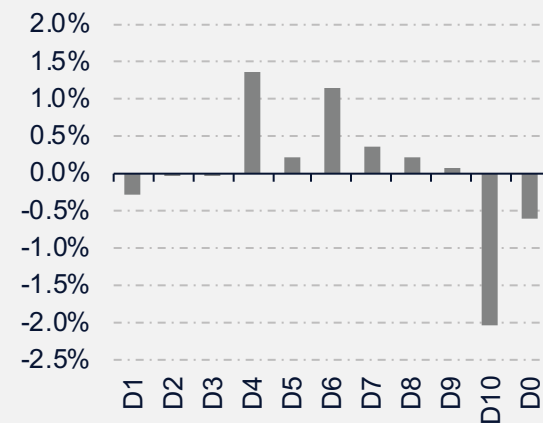
■ Jan 1990 - Jun 2018

after dot com, since 2004



■ after dot com, since 2004

after GFC, since 2010

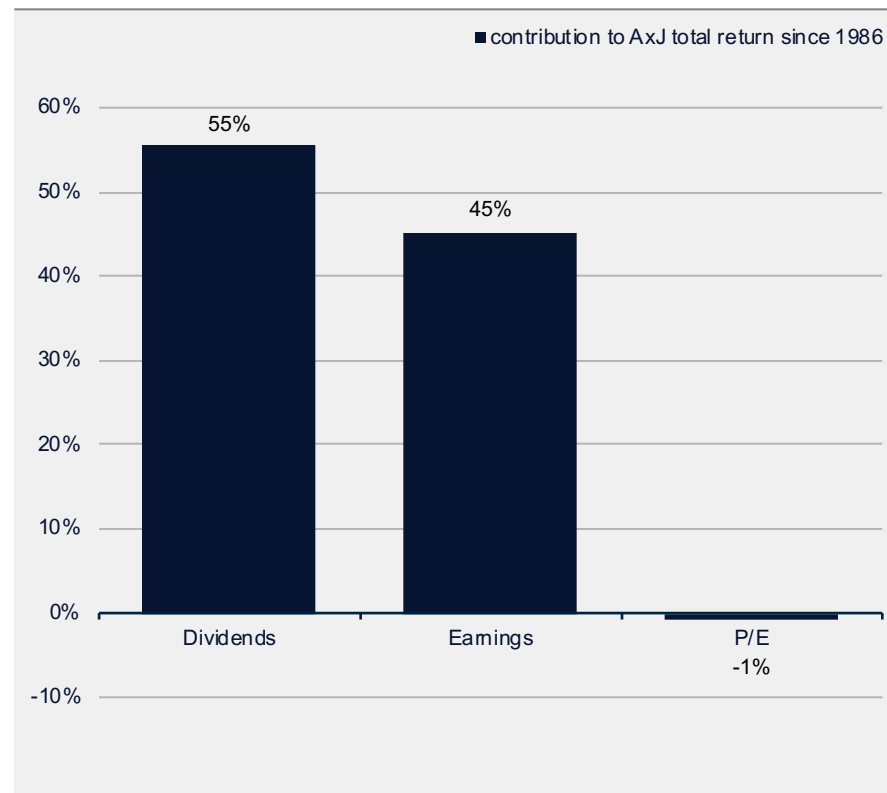


■ after GFC, since 2010

- Source: Aberdeen Standard Investments
- For illustrative purposes only

Dividends are 50% of GEM total return...

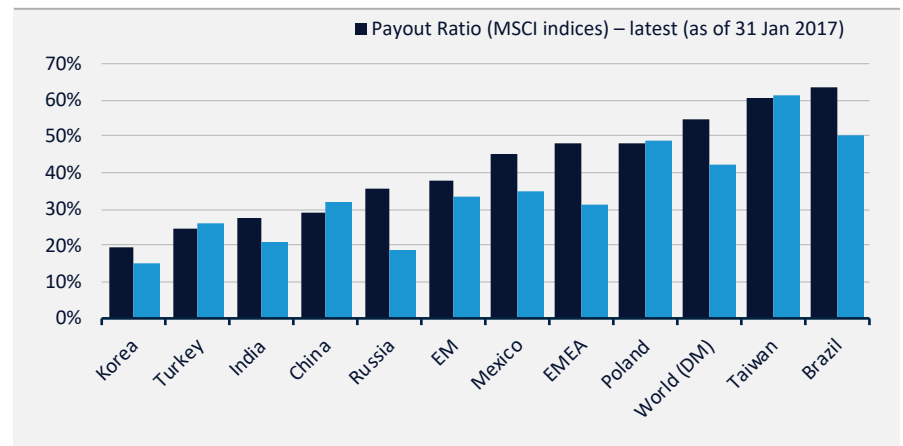
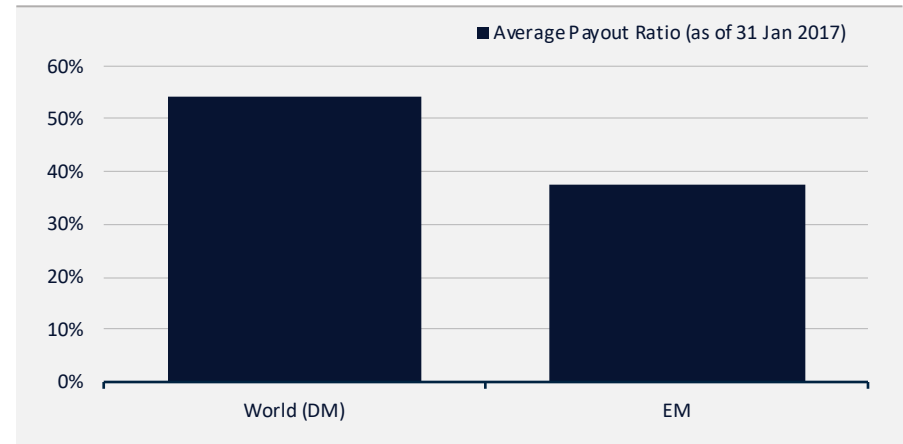
	Capital Returns	Dividend Returns	Total Returns	Div return as % total return	Average US 10Y bond yields
Last 30 yrs (1987-2016)	548%	663%	1212%	55%	5.1%
Last 20 yrs (1997-2016)	76%	110%	186%	59%	3.9%
Last 10 yrs (2007-2016)	18%	35%	53%	65%	2.8%
Last 5 yrs (2012-2016)	14%	16%	31%	53%	2.1%



Source: UBS, January 2017
For illustrative purposes only

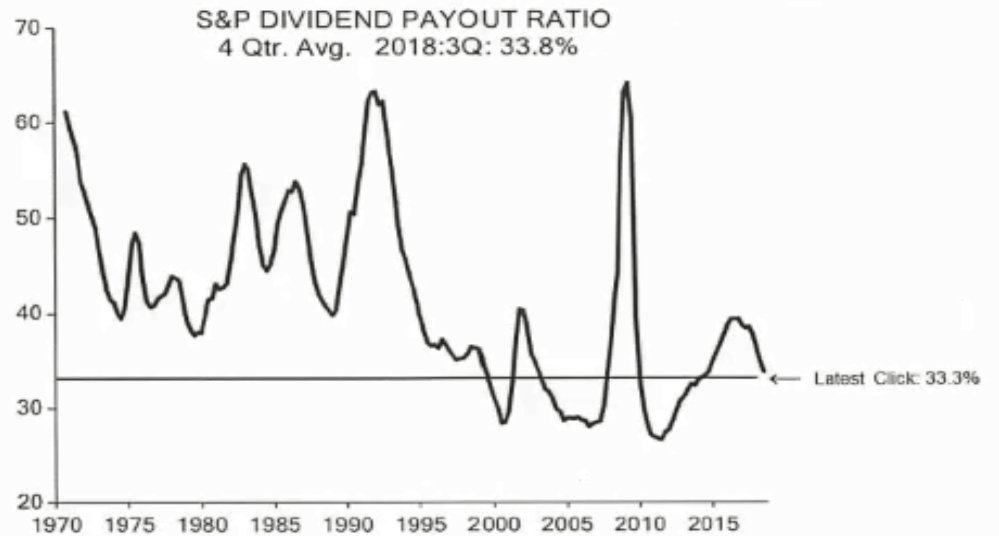
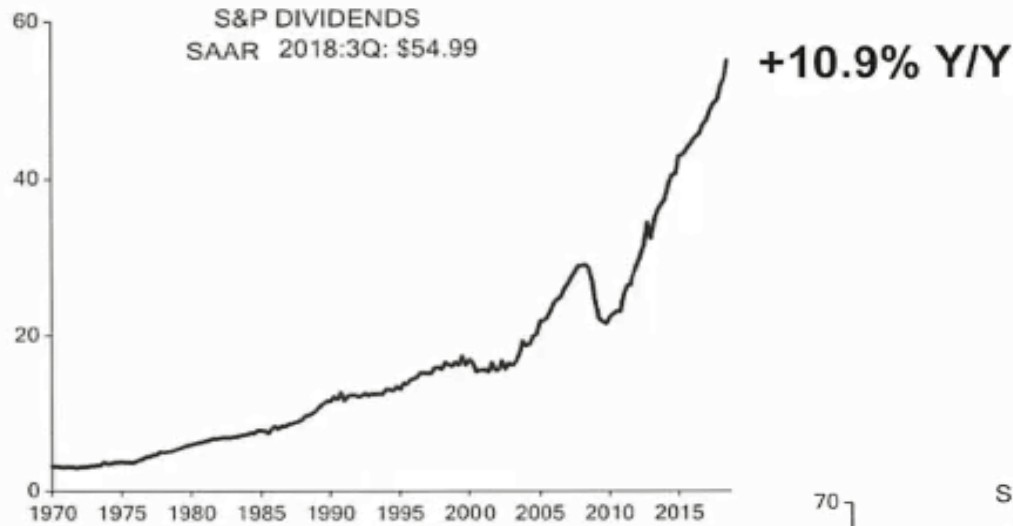
Payouts are lower but rising

- As emerging economies transition to developed, capital intensity of growth declines, enhancing cash flows
- Payouts in GEM have scope to rise meaningfully relative to RoW, despite the premium growth rate



Source: Standard Life Investments, UBS, January 2017
For illustrative purposes only

Current state of U.S. Dividends



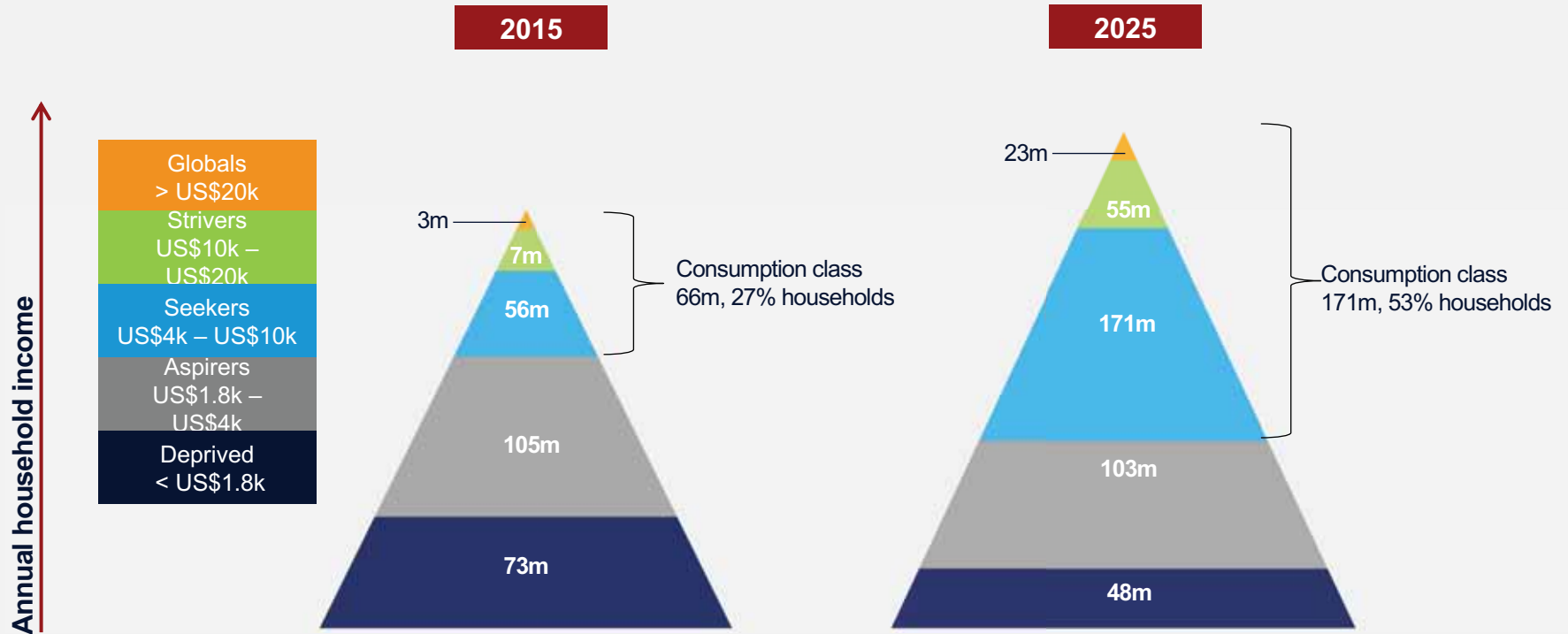
Sources: ICI

Opportunities

India – consumer power growing

- Increasing middle class supports domestic consumption

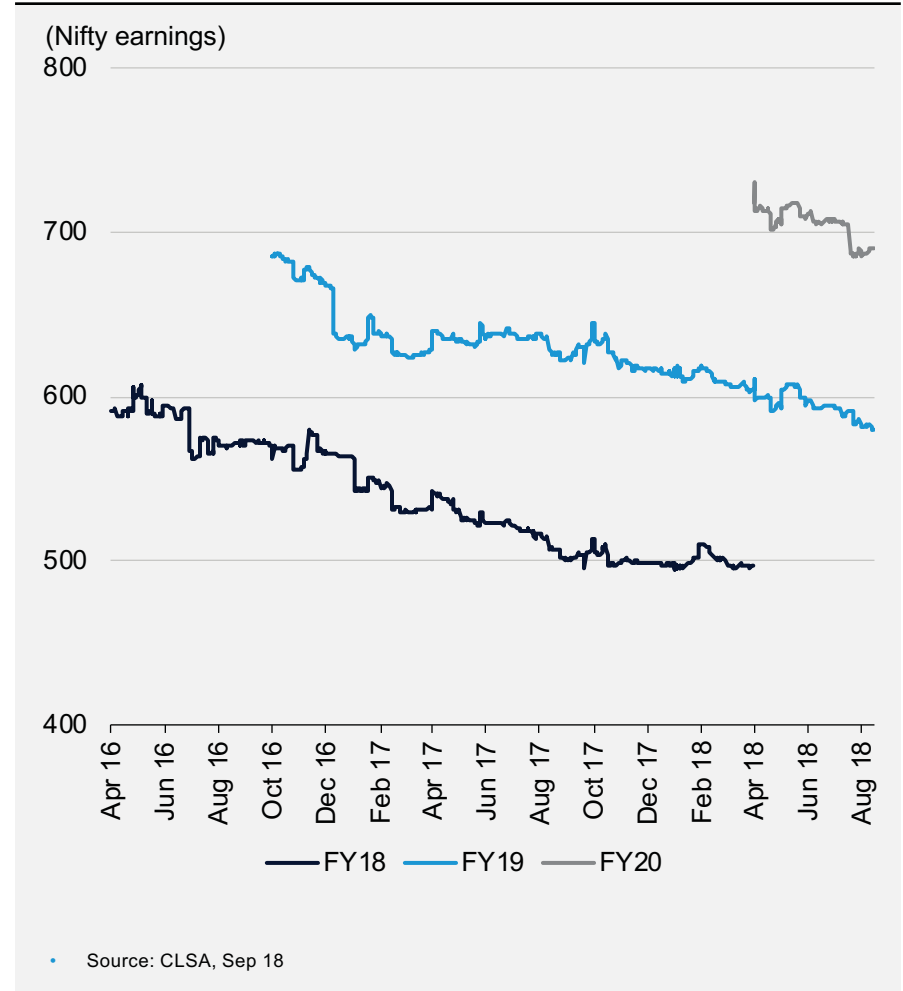
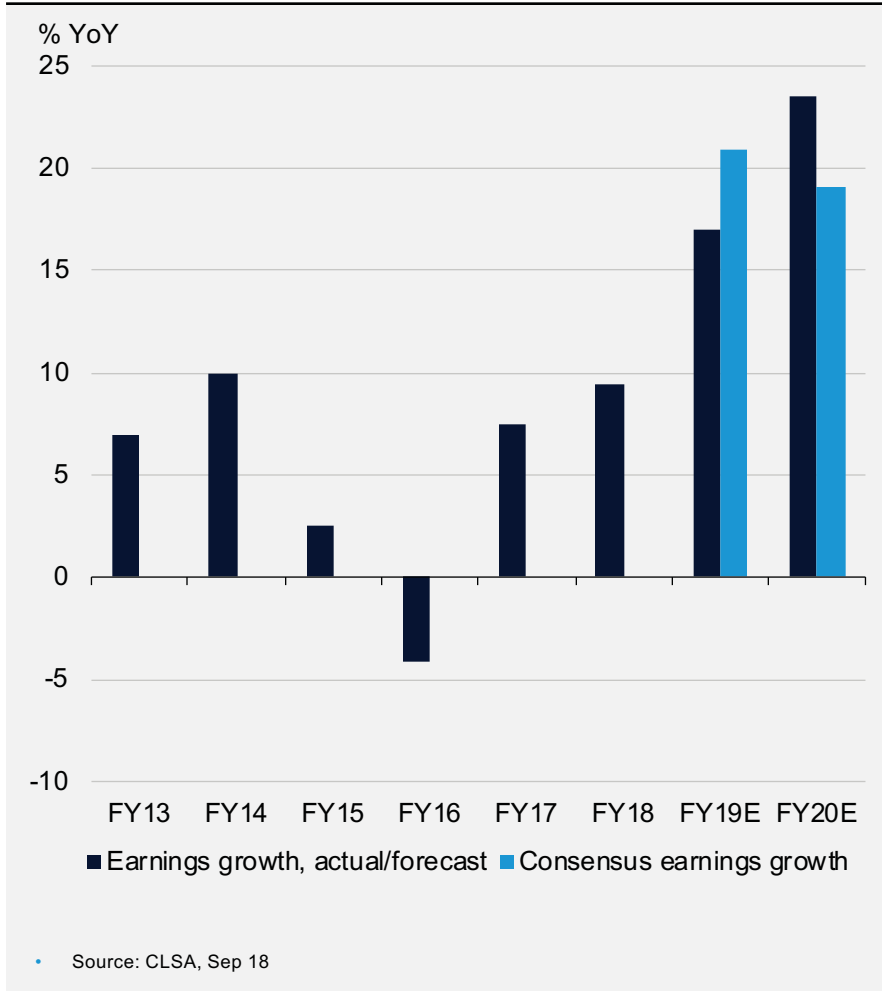
- Underlying driver for increasing consumption – Indian consumption pyramid



Source: CLSA, NCAER, McKinsey, Sep 18

India – corporate earnings improving

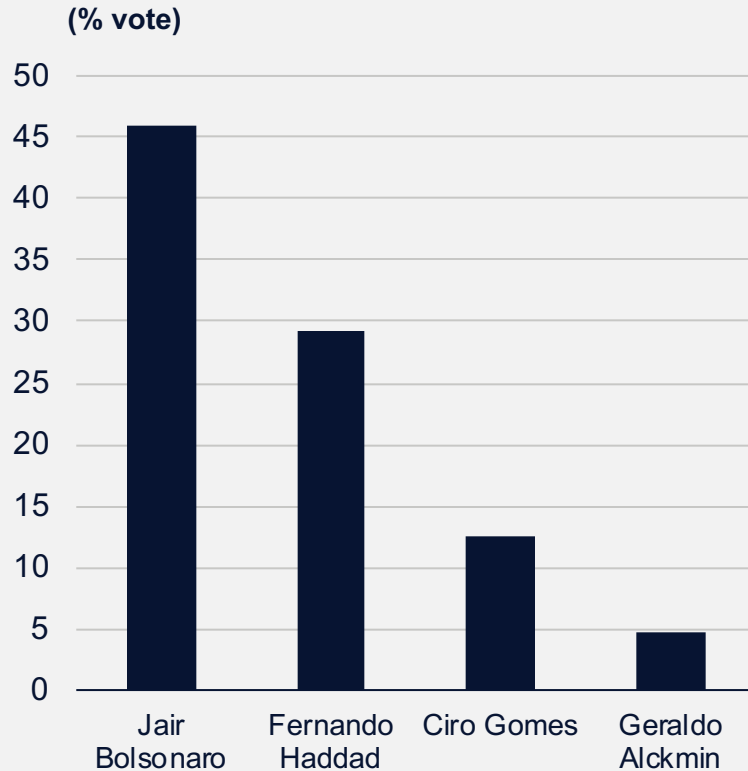
- Despite downward pressure from contagion risks in financials



Political risks - Brazil's election

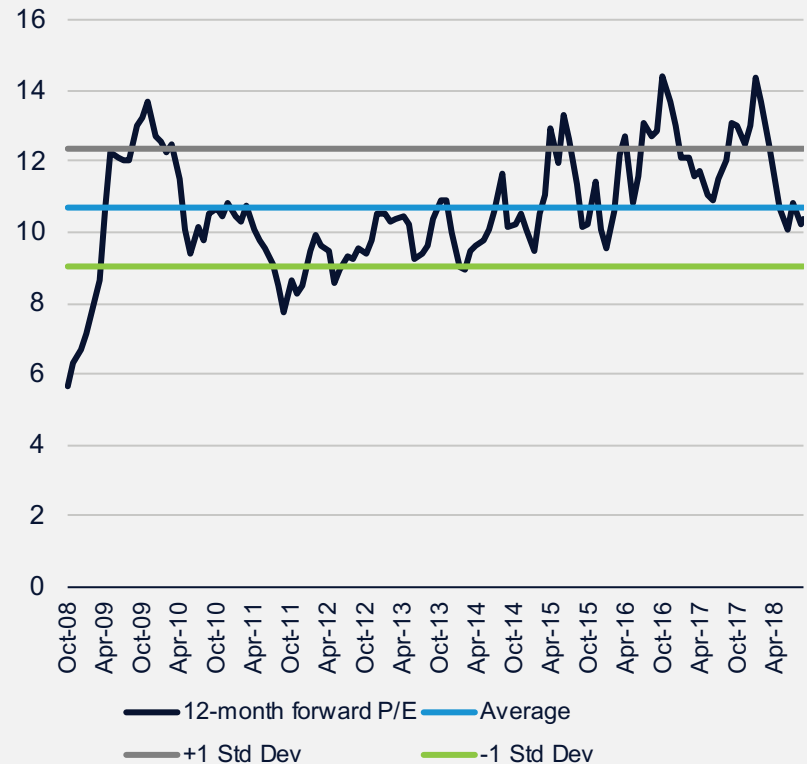
- Easing political uncertainty

- Jair Bolsonaro enjoys comfortable lead



Source: JP Morgan, TSE Oct 2018

- The rally should continue

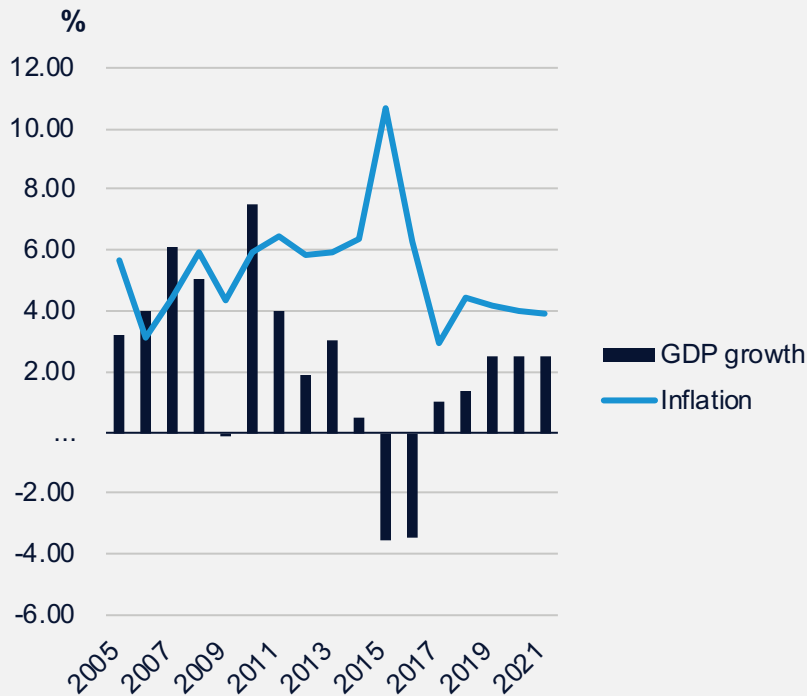


Source: Bloomberg, Oct 2018

...and a compelling outlook remains

- Brazil continues to be a key driver in EM

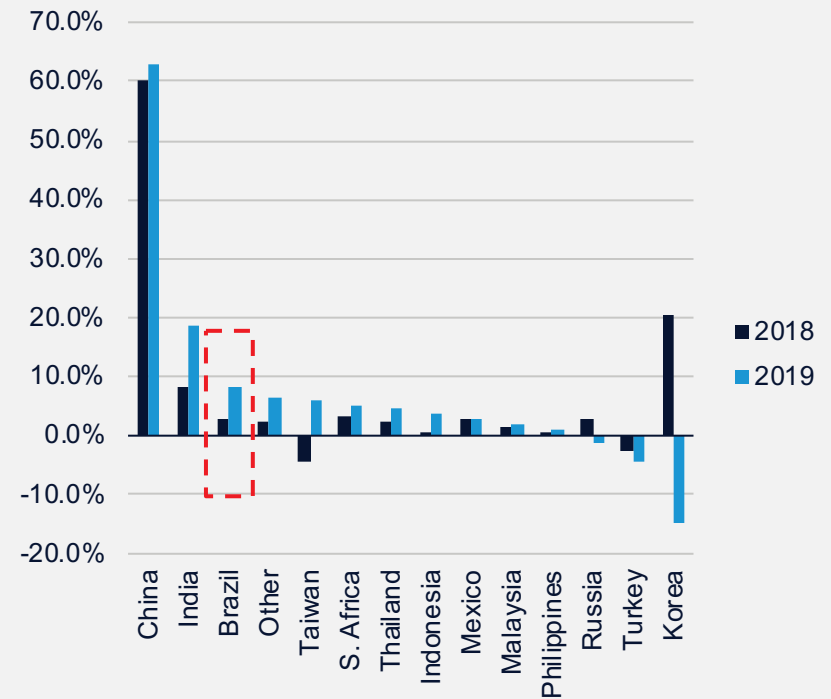
- Brazil will rebound



Source: Banco Central do Brasil, Oct 2018

- ... a key contributor to EM earnings growth

Contribution to EPS growth by country

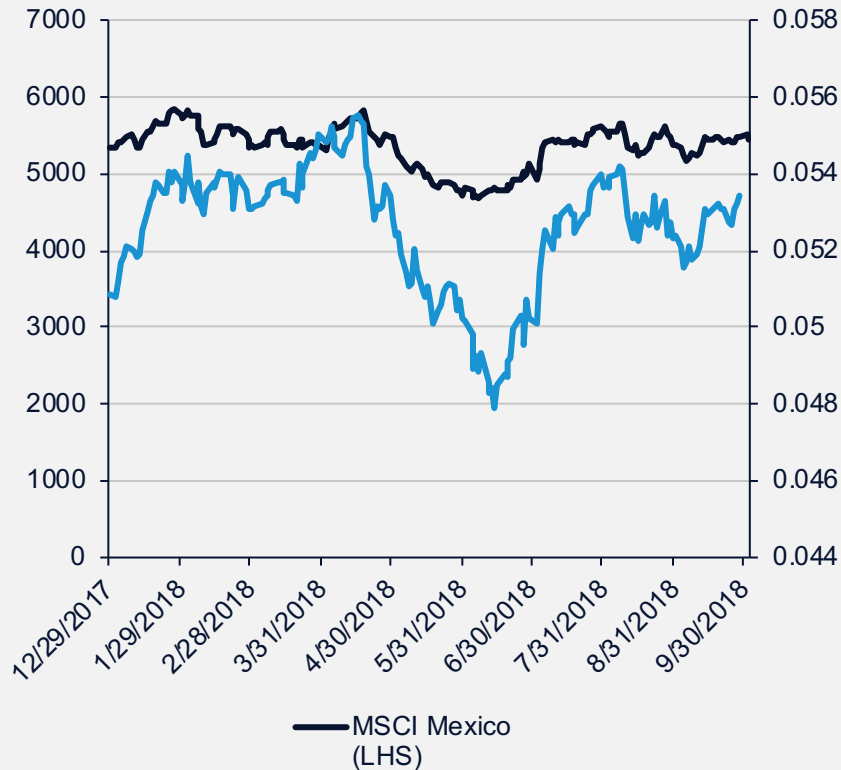


Source: UBS, Sep 2018

Mexico swings left-ish

- AMLO's presidential victory and NAFTA progress lift sentiment

- Stocks and the peso recovered sharply



• Source: Bloomberg, Oct 2018.

Key takeaways from revamped NAFTA (to be known as USMCA)

- Tariff removal and protection
- Auto tariff safeguard
- Stricter rules of origin
- Dispute settlement remains in place

AMLO's reform priorities

- Create a public security ministry
- Eliminate legal immunity for the president and other elected public officials when accused of corruption charges
- Include the right to higher education in the Constitution (only secondary education is mandatory currently)
- Modify or revoke the Education Reform
- Double the minimum wage in border areas
- Make referendums binding for the government

Valuations still attractive

- ROEs and Price/Books trending down

Trailing P/Book	World	Europe	USA	EM
Current	2.5x	1.8x	3.5x	1.6x
5 year average	2.2x	1.8x	2.9x	1.6x
10 year average	2.0x	1.7x	2.5x	1.7x
Max since Jan 98	4.2x	4.3x	5.8x	3.0x
Min since Jan 98	1.2x	1.1x	1.5x	0.9x
Date of high since Jan 98	Dec 99	Mar 00	Dec 99	Oct 07
Date of low since Jan 98	Feb 09	Feb 09	Feb 09	Aug 98

Current Premium/Discount to:

5Y average	10.2%	-1.3%	19.0%	4.3%
10Y average	24.0%	7.4%	37.7%	-0.9%

Trailing ROE	World	Europe	USA	EM
Current	12.7%	10.8%	15.3%	12.2%
5 year average	11.4%	9.7%	13.8%	11.4%
10 year average	11.3%	10.7%	13.5%	12.7%
Max since Jan 98	16.1%	18.0%	19.2%	17.0%
Min since Jan 98	6.4%	7.6%	7.7%	4.7%
Date of high since Jan 98	Oct 07	Sep 06	May 00	Nov 08
Date of low since Jan 98	Jan 10	Oct 16	Dec 09	Jun 99

Current Premium/Discount to:

5Y average	11.3%	11.1%	11.0%	6.8%
10Y average	12.7%	1.1%	13.6%	-4.5%

- Source: RIMES, MSCI, Morgan Stanley Research, data as of 14 Sep, 2018.

Areas of Focus

Emerging Markets Dividend Portfolio

- Focus on high quality companies with sustainable, growing dividend yields
- Focus on companies that benefit from the growth of domestic economies within emerging markets

Global Dividend Portfolio

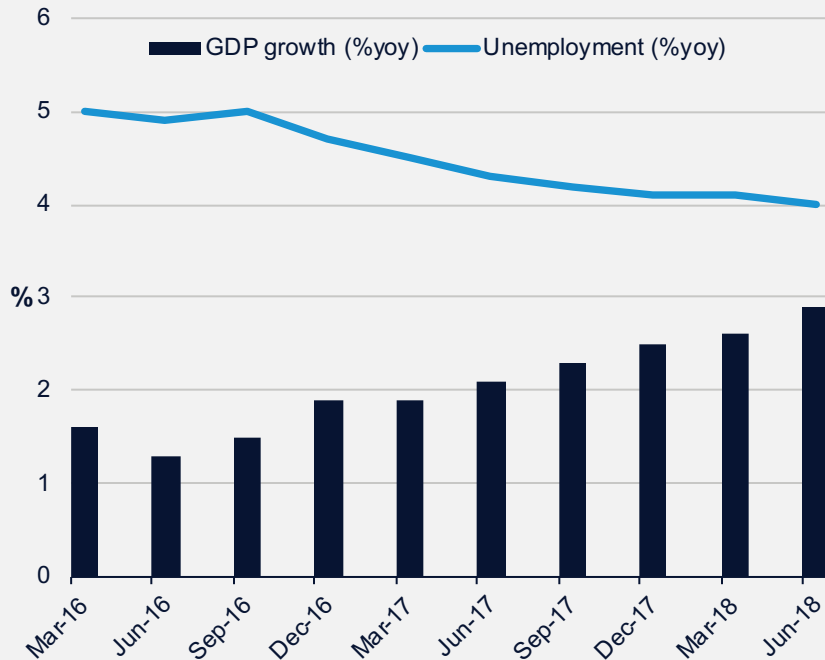
- Infrastructure
 - Population Growth
 - Urbanization
 - Infrastructure investment gap
- Looking into the future
 - 5G
 - Autonomous driving
 - Internet of things

Outlook

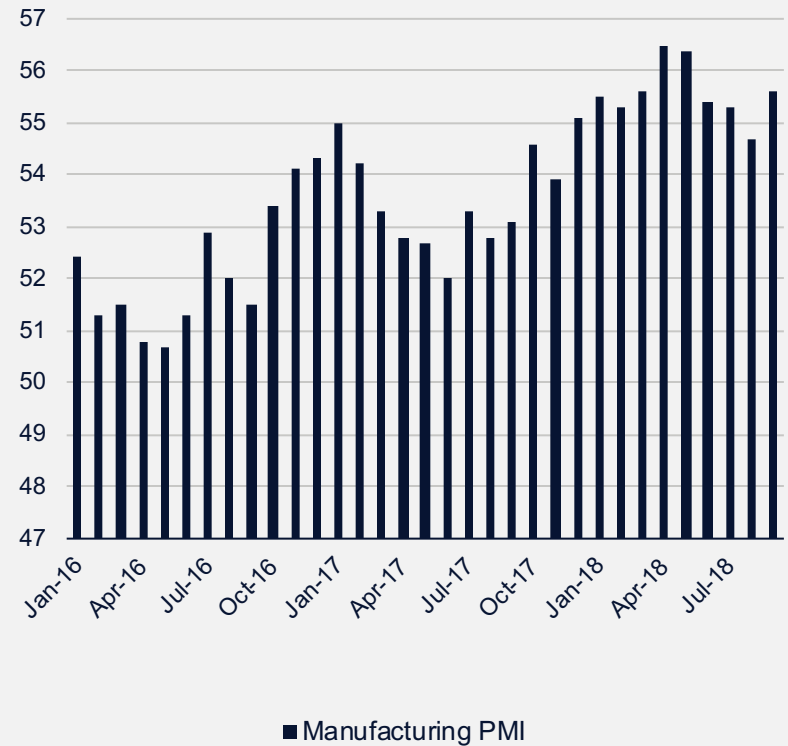
US dollar strength

- Faster growth and falling unemployment for the US economy

- US economy stays in good health



• Source: US Bureau of Economic Analysis, Oct 2018

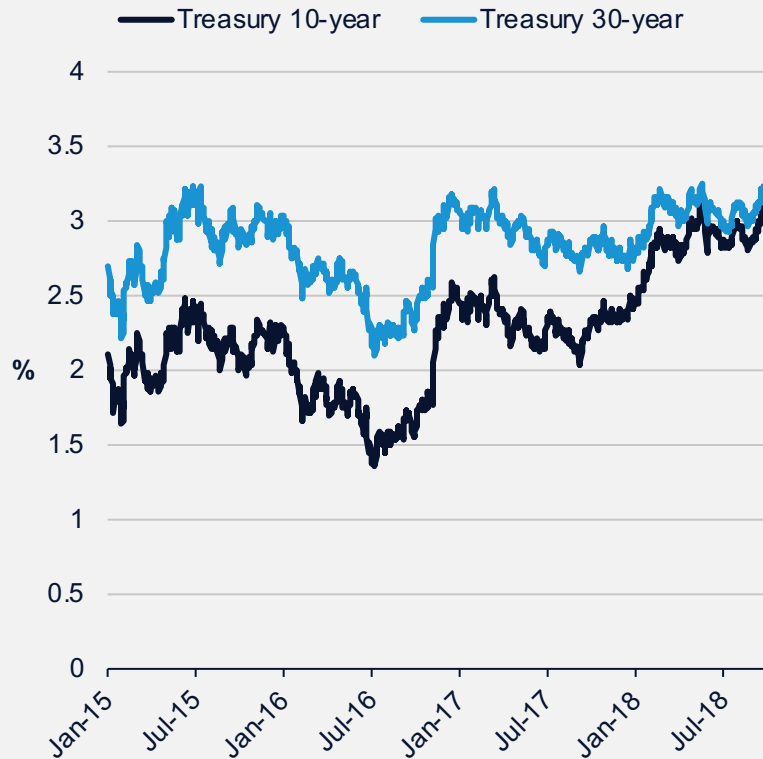


• Source: US Bureau of Economic Analysis, Oct 2018

...signals higher funding costs ahead

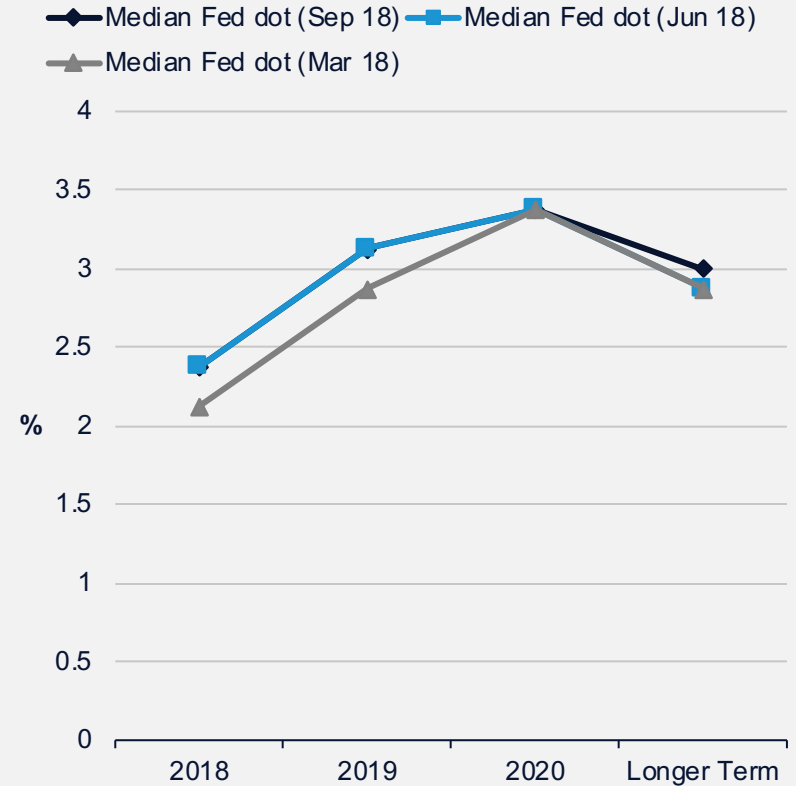
- Higher yields supporting stronger dollar, but dot plot not seen much change

- Treasury yields surged



Source: Bloomberg, Oct 2018

- One final hike expected at year end

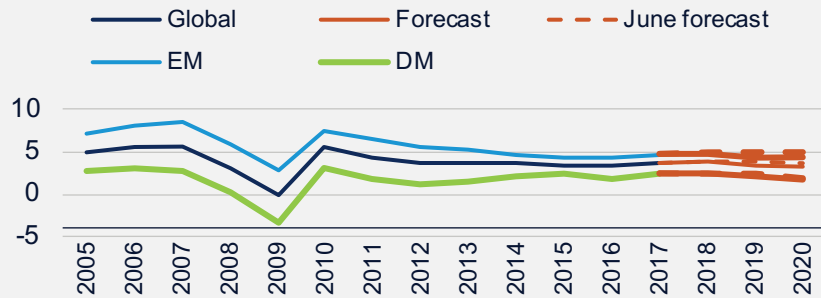


Source: Bloomberg, Oct 18

Global growth is beginning to stutter

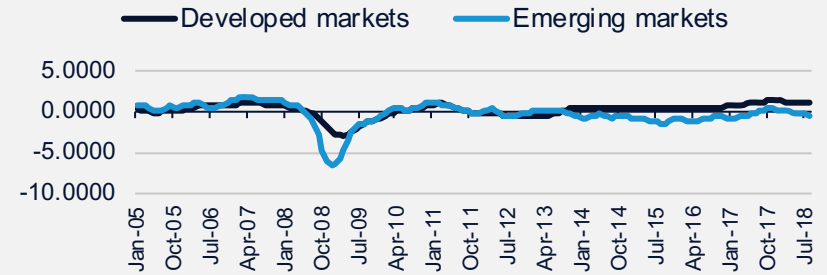
- Global expansion slows, while China pulls some levers

• GDP forecasts (%)



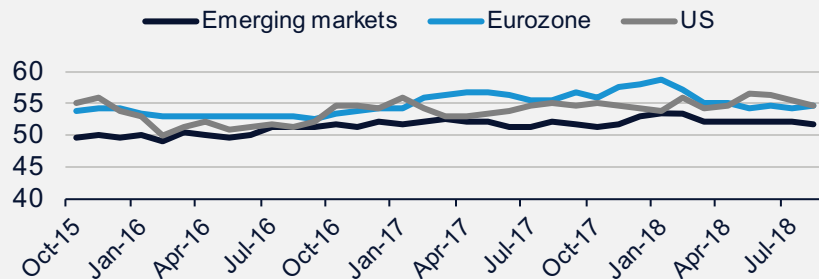
• Source: Aberdeen Standard Investments, Haver, August 2018

• Waning business confidence



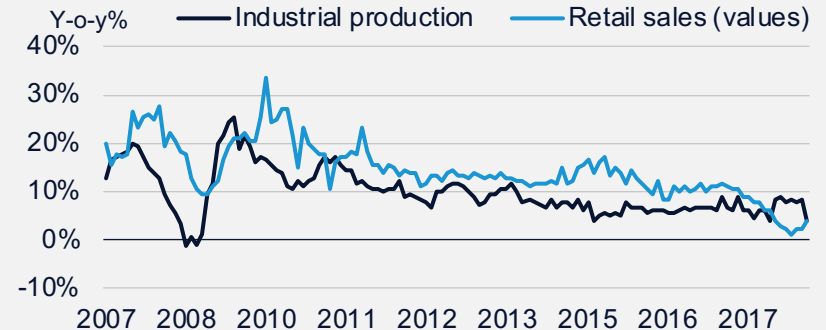
• Source: Brookings Institution, Oct 2018

• Manufacturing sector comes off the boil



• Source: Bloomberg, Markit, Oct 2018

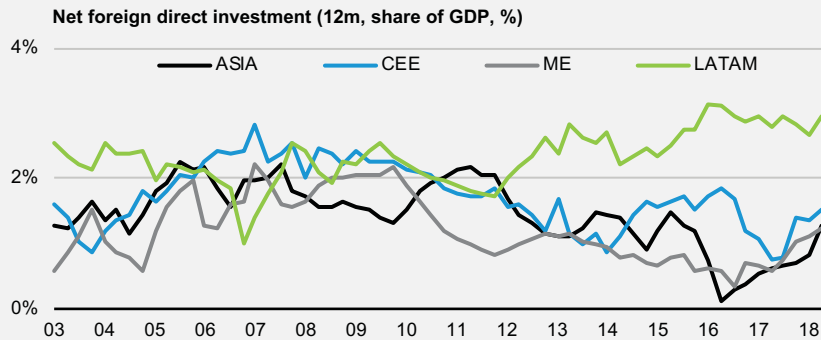
• Chinese investment moderates



• Source: National Bureau of Statistics, Oct 2018

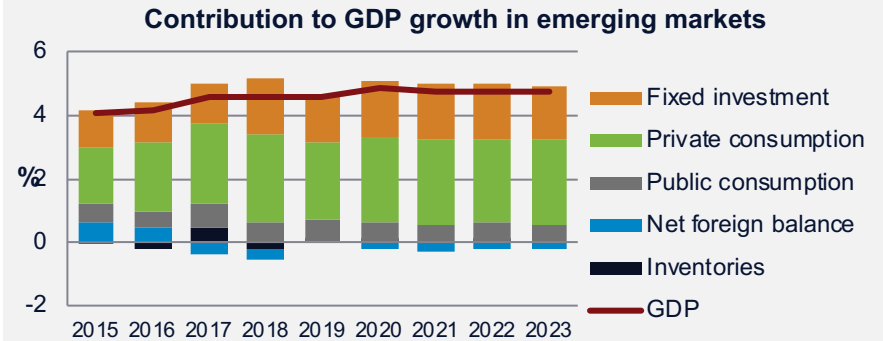
...but a hard-landing is not expected

- Investment remains robust



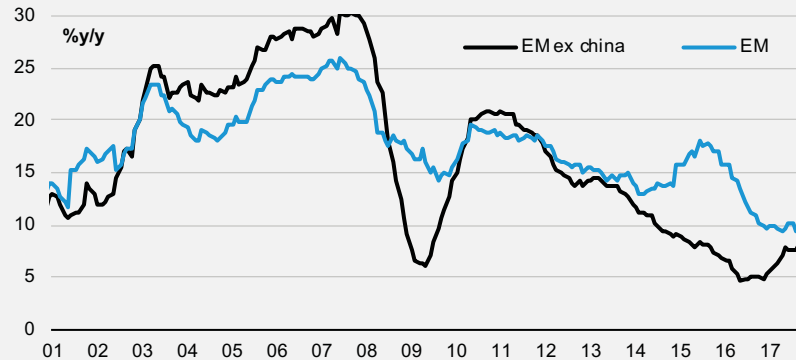
- Source: Haver, UBS, Sep 2018

- ...driving EM growth



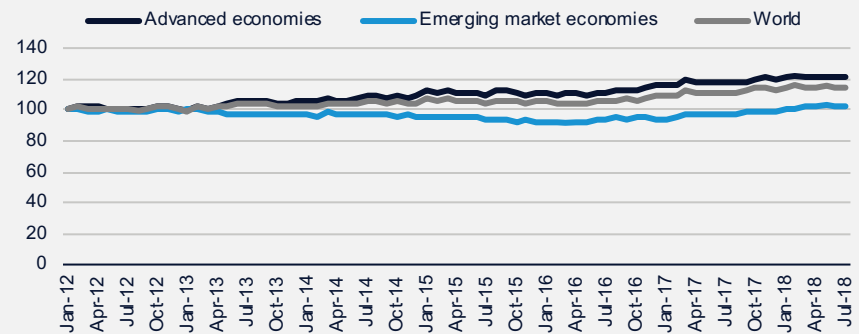
- Source: IMF, Oct 2018

- Credit to private sector stays supportive



- Source: Haver, UBS

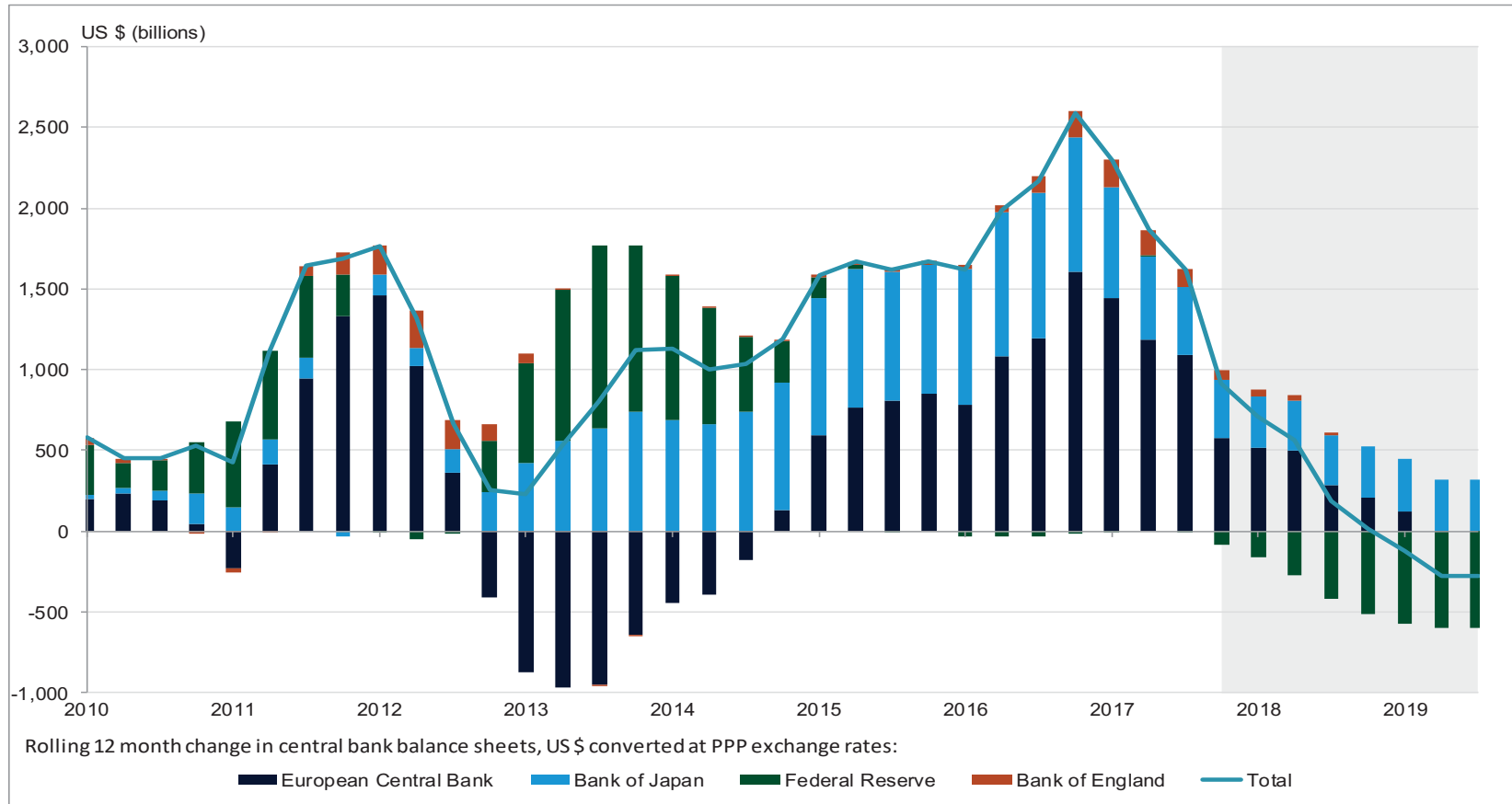
- ...while consumers appear upbeat



- Source: IMF, Oct 2018

Monetary policy risks lie ahead

- Policy divergence is becoming more apparent

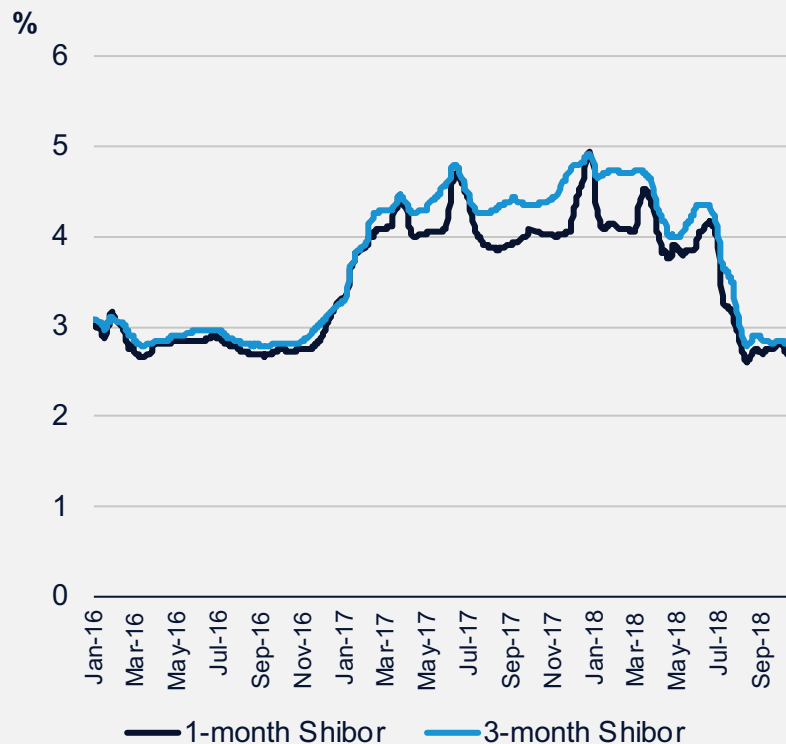


- Source: National sources, Thomson Reuters Datastream , Aberdeen Standard Investments (as of Q2 2018)

Easing in China is expected to continue

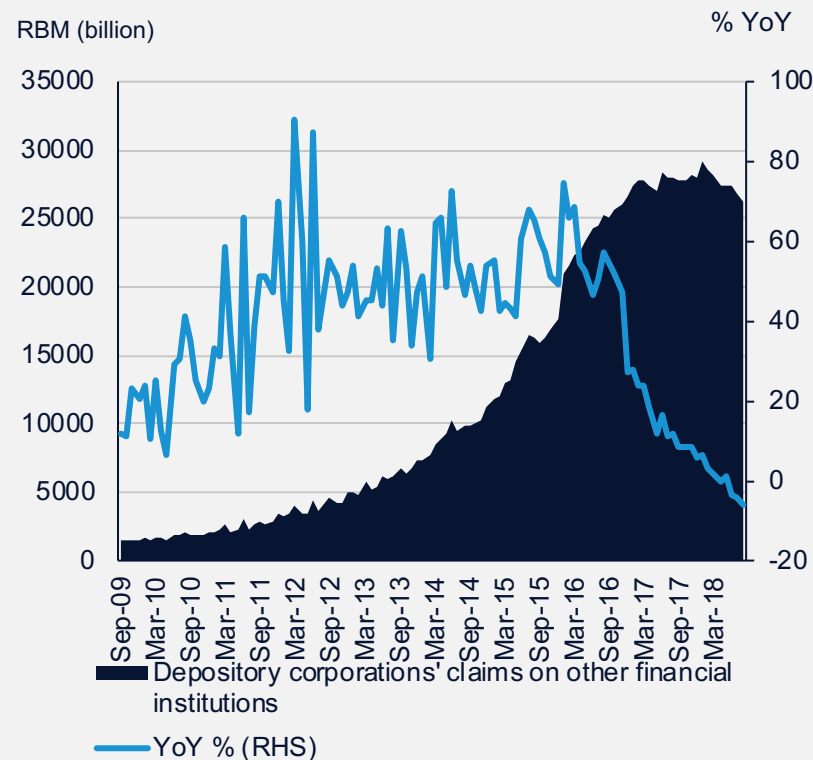
- Liquidity being put back into the system

- Shanghai Interbank Offered Rates



Source: National Interbank Funding Center, Bloomberg, Oct 2018

- Depository corporations' claims on other financial institutions

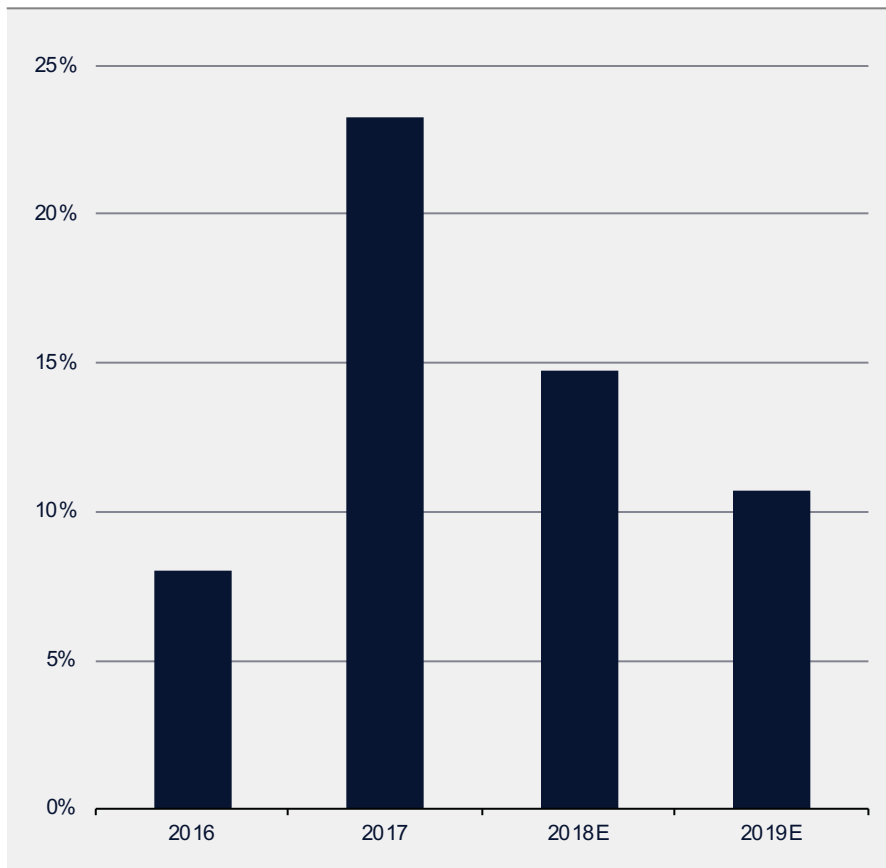


Source: Bloomberg, Oct 2018

Earnings recovery expected to continue – Emerging Markets

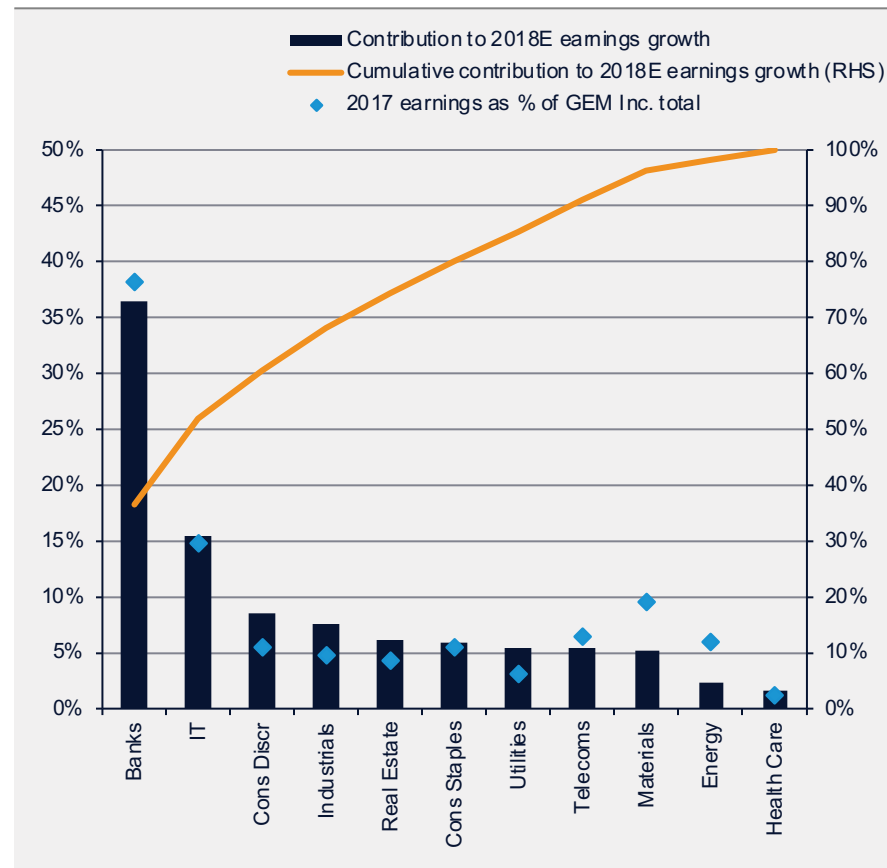
While moderating from 2017, mid-teens earnings growth still expected this year

EPS growth forecasts



Source: MSCI, IBES, Datastream, 22 Mar 18
 Forecasts are offered as opinion and are not reflective of potential performance, are not guaranteed and actual events or results may differ materially. For illustrative purposes only

Earnings growth to be more evenly distributed

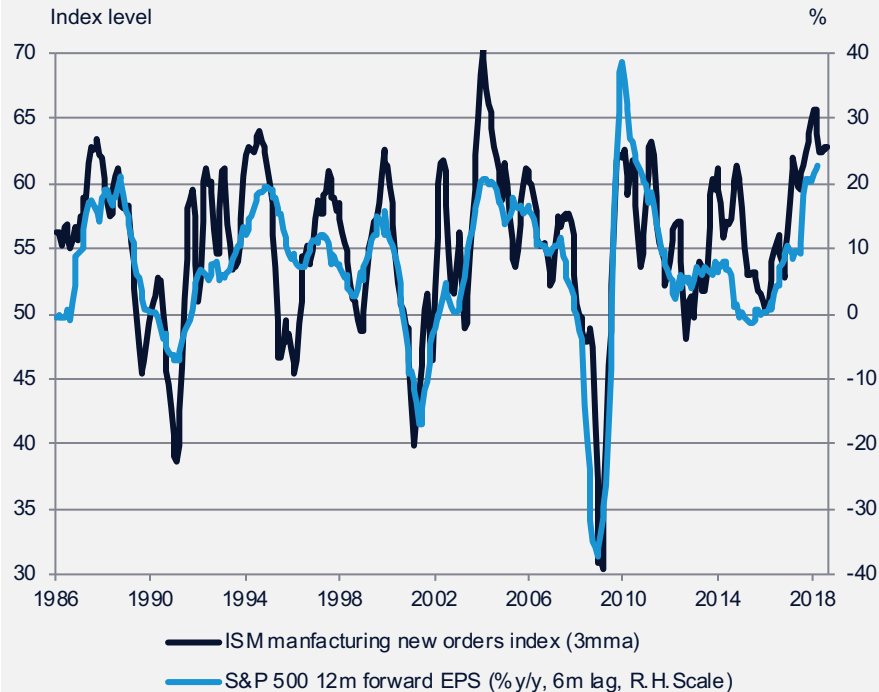


Source: UBS, GEM Inc, Mar 18
 Note: The sum of all bars is 100%. Forecasts are offered as opinion and are not reflective of potential performance, are not guaranteed and actual events or results may differ materially. For illustrative purposes only

Solid profits growth in the U.S. – limited time?

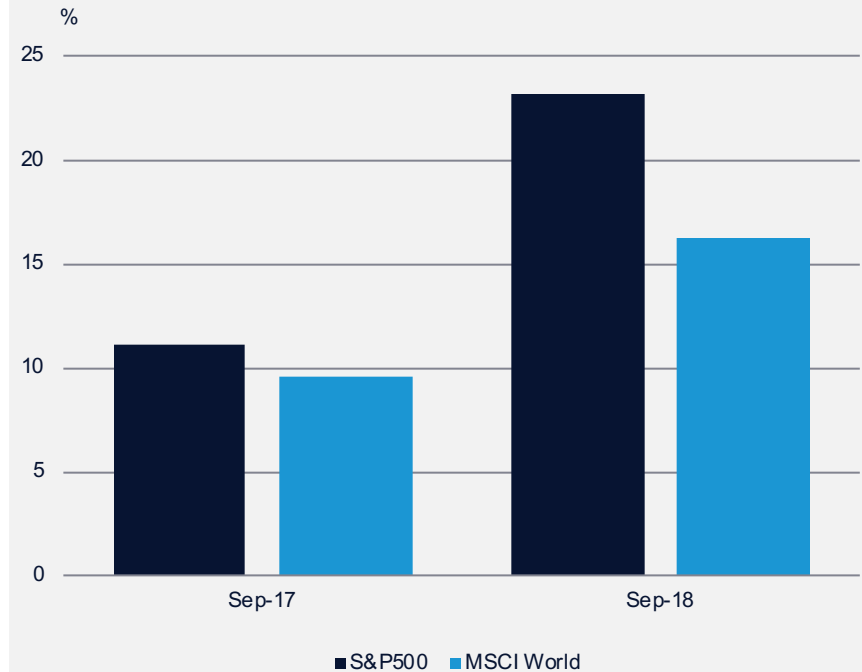
- US fiscal policy will support earnings in 2018 and 2019

- Surveys point to an improving corporate environment



• Source: Thomson Reuters Datastream (as of 21 September 2018)

- EPS Growth Estimate for 2018



• Source: Thomson Reuters Datastream (as of 21 September 2018)

What will change our mind

- Stressors and Stabilisers

Signs of stress	Signs of stabilization	Waymarks
Global growth slows further into 1.5% pace, mid-cycle slowdown. Current growth rate has fallen from 5% to 2.5% q/q.	Growth momentum stabilizes/bottoms short of recession. Production recovers on inventory bounce.	PMI and related indicators Cyclical vs defensive sectors Yield curve
Trade wars escalate beyond the tariffs on \$200bns of China exports to the US.	Trade tariffs no worse than the current base case; expectations suggest quite a lot priced in	Administration policy announcements
China growth slumps: housing/ infrastructure/ trade and deleveraging create an even weaker environment.	China eases policy: RMB, RR and Shibor already lower; money and credit growth improve from very sluggish levels; property sales and starts have improved	PBOC government policy shift and growth data
EM contagion spreads, US\$ funding withdrawal intensifies. EM CB actions fail to stabilize markets. Argentina/Turkey impact spreading.	EM contagion bottoms out on either bottoming in growth or policy shift or both. EM CB actions eventually stabilize markets.	EMFX, EMD spreads EM central bank actions
US slows materially post fiscal stimulus; housing/ capital spending/ inventories weaken. EM contagion impacts US assets (LTCM analogy)	Near term fiscal boost supports growth notably in H2 and Q1.	Data Yield curve flatter/steeper
Fed clearly immune to stress, no change in guidance and front end sells off	Fed blinks due to slower global and domestic growth, and financial risks. Probably requires some impact on US assets/risk (LTCM analogy)	Fed pronouncements; speeches
Tighter bank lending standards	Easier bank lending standards	Credit indicators, lending surveys.
Financial contagion into DM: banks, leverage asset managers. Note non-bank lending into EM this cycle.	No one goes bust....	

Market Outlook – Emerging Markets Dividend Portfolio

The long-term outlook remains intact

- Markets continue to be volatile given monetary policy shift, US dollar strength, US-China tensions and slowing China
- Nevertheless, many markets are on a firmer economic footing with healthier reserves and improved fiscal balances
- China's focus on growth sustainability, rising consumption will help avoid a hard landing, support growth in 2019
- Easing political uncertainty in key Latin American markets should lift sentiment
- Many of our holdings continue to see decent earnings growth
- Balance sheets are solid with corporates able to support improving returns to shareholders
- Our portfolios are well positioned and our focus on quality and value should continue to serve us well

Market Outlook – Global Dividend Portfolio

Remain pro-risk despite current volatility

Context: Third broad based slowdown of this economic cycle, led by emerging economies

- This reflects policy making and politics in the US, China and larger emerging markets
- Recession risks are low, but not negligible, as financial imbalances are limited
- Central banks are expected to restrain policy tightening
- Corporate profits growth will slow but remain positive
- Core inflation will remain constrained by structural factors
- Deterioration in our macro outlook has been largely priced into assets already
- Risk assets such as global equities can still make new highs
- We are cautiously watching for additional stressors and stabilisers

Aberdeen Emerging Markets Equity Income Fund (AEF)

Performance

The latest available performance figures have been calculated net-of-fees in U.S. dollars for the period to September 30, 2018.

Total Returns⁶ (%)

	Cumulative as of Sep 30, 2018			Annualized as of Sep 30, 2018				
	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception 10/30/91
NAV	0.4	0.8	-5.3	-7.8	17.0	-1.2	4.3	9.1
Market Price	-0.7	-2.0	-12.5	-13.3	15.0	-2.5	3.7	8.4
MSCI Emerging Markets ⁷	-0.5	-0.9	-7.4	-0.4	12.8	4.0	5.8	7.9
MSCI Emerging Markets Latin America ⁸	4.7	4.9	-6.7	-8.8	14.1	-2.0	0.9	9.4
Custom AEF Emerging Markets Index ⁹	-0.5	-0.9	-0.7	-2.9	16.4	-0.7	1.6	10.0

⁶Past performance is no guarantee of future results. Investment returns and principal value will fluctuate and shares, when sold, may be worth more or less than original cost. Current performance may be lower or higher than the performance quoted. NAV return data includes investment management fees, custodial charges and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions. Returns for periods less than one year are not annualized.

⁷Effective April 30, 2018, the MSCI Emerging Markets Index became the Fund's benchmark index in connection with the change to the Fund's investment objective and strategy.

⁸For the MSCI Emerging Markets Latin America Index benchmark, the returns provided for since inception are based on month-end level valuations as of October 31, 1991.

⁹The Custom Index reflects the returns of the MSCI Emerging Markets Latin America Index for periods prior to April 27, 2018 and the returns of the MSCI Emerging Markets Index for periods subsequent to April 30, 2018. The indices and time periods for the Custom Index align with the strategies utilized and benchmark for the Fund during the same time periods.

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PAST PERFORMANCE IS NOT AN INDICATION OF FUTURE RESULTS

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Aberdeen Total Dynamic Dividend Fund (AOD)

Performance

The latest available performance figures have been calculated net-of-fees in U.S. dollars for the period to September 30, 2018.

Total Returns* (%)

	Cumulative as of Sep 30, 2018			Annualized as of Sep 30, 2018				
	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception 01/27/07
NAV	-0.3	4.0	3.1	8.9	12.4	9.5	5.1	0.9
Market Price	-0.6	2.3	-1.8	5.2	14.5	10.4	4.7	-0.6
MSCI AC World Index	0.8	4.4	4.3	10.3	14.0	9.2	8.8	5.8

*Past performance is no guarantee of future results. Investment returns and principal value will fluctuate and shares, when sold, may be worth more or less than original cost. Current performance may be lower or higher than the performance quoted. NAV return data includes investment management fees, custodial charges and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions. Returns for periods less than one year are not annualized.

IMPORTANT INFORMATION

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Aberdeen Investment Options

Aberdeen Emerging Markets Equity Income Fund (AEF)

- Fund objective:

“The Fund seeks total return through a combination of capital appreciation and income.”
- Benchmark:

MSCI Emerging Markets Index
- Investment strategy:

The majority of the Fund’s assets will be invested in companies which currently pay an above average dividend yield, this will be supplemented by investments where the fund manager believes there is high future income generation potential
- 80% of net assets in emerging market equity securities
- Between 5-15% leverage

Aberdeen Total Dynamic Dividend Fund (AOD)

- Fund objective:

“The Fund seeks high current dividend income and secondarily, long-term growth of capital.”
- Benchmark:

MSCI ACWI Index
- Investment strategy:

The Fund combines four research-driven investment strategies – growth, value, special dividends and dividend capture rotation – to maximize the amount of distributed dividend income and to identify companies globally with the potential for dividend increases and capital appreciation.
- 50 - 60% of net assets in the U.S. with the remaining in equity securities around the world
- Between 0-10% leverage

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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. Past performance does not guarantee future results.

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Under U.S. tax rules applicable to the Fund, the amount and character of distributable income for each fiscal year can be finally determined only as of the end of the Fund's fiscal year. The Fund anticipates that sources of distributions to shareholders may include net investment income, net realized short-term capital gains, net realized long-term capital gains and return of capital. The estimated composition of the distributions may vary from time to time because the estimated composition may be impacted by future income, expenses and realized gains and losses on securities. For more detailed information related to the composition of the Fund's distributions, see cef.aberdeen-asset.us

For further information on this Fund please call Aberdeen Asset Management Inc. Investor Relations **(800) 522-5465**

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