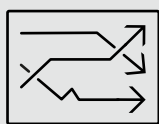


Fund performance



The Fund rose by 10.62% over the quarter, outpacing the benchmark by 31 basis points.¹

Expense ratios

Fiscal year ended December 31 (%)

Annual Expenses	Percent of Net Assets	Percent of Managed Assets
Management Fees	0.88	0.79
Other Expenses	0.39	0.35
Fee Waiver	-0.07	-0.06
Operating Expenses (net of fee waiver)	1.20	1.08
Leverage Costs	0.76	0.68
Total Expenses	1.96	1.76
Total Expenses before Fee Waiver	1.96	1.76

The Fund has an expense cap or limits on certain expenses, which excludes leverage costs, taxes, and non-routine/extraordinary expenses. Details of the cap or limit, including the term, can be found in the Fund's most recent shareholder report. Leverage Costs include interest, fees, and other other up front/ offering costs associated with the leverage structure for the Fund. Gross Operating Expenses include the Fee Waiver and Leverage Costs.

Performance

The latest available performance figures have been calculated net-of-fees in U.S. dollars for the period:

Cumulative and annualized total return as of 12/31/25 (%)

	NAV	Market Price	Benchmark
1 month	9.80	10.08	10.37
3 months	3.73	4.91	5.21
Year to date	19.38	20.54	18.28
1 year	42.08	49.69	40.17
3 years (p.a.)	42.08	49.69	40.17
5 years (p.a.)	10.54	10.65	10.22
10 years (p.a.)	4.06	6.54	4.70

Benchmark: MSCI Emerging Markets ex China Index (Net TR) from 02/24/2025. MSCI Emerging Markets Index (Net TR) from 04/28/2018 to 02/23/2025. MSCI Emerging Markets Latin America Index (Net TR) from 10/30/1991 to 04/27/2018.

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 data quoted. NAV return data includes investment management fees, custodial charges, bank loan expenses, and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions.

All performance information for the periods prior to April 30, 2018 are for the Aberdeen Latin American Equity Fund, Inc. ("LAQ"), the performance and accounting survivor of the reorganizations of seven closed-end funds into the Fund. Performance information for periods prior to April 30, 2018 do not reflect the Fund's current investment strategy.

The Fund is subject to investment risk, including the possible loss of principal. Returns for periods less than one year are not annualized.

¹ The MSCI Emerging Markets Net Index is an unmanaged index considered representative of stocks of developing countries. Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

For current holdings information, please visit [abrdn Emerging Markets ex-China Fund, Inc. - Portfolio Holdings](#)



In Taiwan, the AI-driven tech rally continued, lifting local tech stocks that are at the epicentre of the US AI infrastructure buildout. Stock selection was positive. Chroma ATE and index heavyweight Taiwan Semiconductor Manufacturing Co outperformed. ASE Technology shares rose as the company increased capacity for its advanced packaging and testing and won new orders by tapping into rising AI-driven demand.

South Korea also did well. The market and our holdings there are beneficiaries of both the US AI infrastructure build as well as the local "Value-up" programme – a government-led initiative to push Korean corporates to improve shareholder returns. AI plays such as memory chip producer SK Hynix outperformed, alongside power equipment maker Hyundai Electric. 'Value-up' play Samsung C&T also delivered strong returns.

On the flip side, the United Arab Emirates was a detractor over the quarter. Our holdings in Abu Dhabi Islamic Bank and Aldar Properties trailed as investors rotated out of winners into laggards. Both companies continue to report good results and remain upbeat about prospects in 2026. Elsewhere in the Middle East, Saudi Arabian lender Al Rajhi Bank underperformed, despite solid quarterly results.

The relatively heavy exposure to Brazil, which lagged the index, was also negative, while the positions in e-commerce company MercadoLibre and mall operator Multiplan further held back relative gains. On a brighter note, pharmacy operator Raia Drogasil fared well after quarterly results showed strong execution.

Market review

Emerging market equities ended the quarter higher and outperformed developed markets, led by a near 28% jump in South Korea. The MSCI Emerging Markets Index gained 4.78% in US dollar terms, while the MSCI Emerging Markets ex China Index rose by 10.28%.

Technology stocks rallied, driven by semiconductors, specifically memory stocks, as confirmed chip shortages resulted in noticeable price increases for DRAM (dynamic random-access memory) and HBM (high-bandwidth memory) chips. This proved particularly beneficial for South Korean heavyweights and leading memory chip producers.

In the US, following interest rate cuts in September and October, the Federal Reserve reduced rates again in December and signalled further easing in 2026. While economic data remains mixed, growing concerns over the US labour market saw the central bank move more in line with President Donald Trump's desire for lower rates. The market's response was positive as the easing cycle has come without a recession, which bodes well for emerging market risk assets.

Commodities such as gold, silver and copper experienced strong demand as hedges against policy risk and for industrial use, which benefitted resource-heavy Latin American markets and South Africa. Geopolitical tensions, policy uncertainty as well as US monetary policy easing have increased demand for gold and silver, while copper and other minerals have gained from artificial intelligence (AI) infrastructure development, electric vehicle adoption and energy transition.

Activity

We added South African technology conglomerate Naspers and global miner Rio Tinto over the quarter, given their attractive prospects.

Conversely, we sold ICICI Bank, Leejam Sports, Prio and Saudi Tadawul Group to fund better opportunities elsewhere.

Outlook

Markets remain centred on hopes around the future of AI. This is despite continuing geopolitical risks linked to Trump's transactional use of the world's most powerful office and retreat from global security commitments, and rising risks of declining fiscal discipline in other developed markets.

AI delivery has become a critical component of the US economy, with the theme broadening out on both sides of the Pacific. Tech stocks in South Korea and Taiwan have strongly benefitted from this trend, and a wider array of names that stand to gain from the massive sums of capex have also rallied.

Overall, Trump's tariffs suggest that his goals of shifting manufacturing and raising revenue for tax cuts are prime and centre. Market consensus continues to see a move towards a breakdown in China-US trade, though the pace and extent of decoupling remain a key uncertainty. We believe China will continue to use its leverage to arrive at some accord, which should help many of the country's key trading partners within emerging markets. Trump has also extended tariff pressure to India and Brazil, but we expect an agreement to reduce tariffs will be reached. However, the timing is hard to predict given domestic politics and populist leaders.

We remain constructive on the outlook for emerging markets, supported by a weaker US dollar, lower rates and broad capex themes such as AI, electrification and changing supply chains. Although emerging markets have rerated alongside global peers, their valuations remain relatively attractive. That said, we are mindful of an emerging AI bubble and broader risks. Our focus on quality remains key.

Important information

International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods; these risks are generally heightened for emerging market investments.

Equity stocks of small and mid-cap companies carry greater risk, and more volatility than equity stocks of larger, more established companies.

Dividends are not guaranteed and a company's future ability to pay dividends may be limited.

Please see the Fund's most recent annual report for more information on risks applicable to the Fund.

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. The net asset value (NAV) is the value of an entity's assets less the value of its liabilities. The market price is the current price at which an asset can be bought or sold. There is no assurance that the Fund will achieve its investment objective. Past performance does not guarantee future results.

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Ref. AA-080126-202637-32