

Rio Tinto PLC ties of the larger Australian companies listed on Australian stock ex-Telstra Corp. changes. The fund is registered under the "1940 Investment Com-AGL Energy Ltd pany Act." Main aim: long-term capital appreciation. Major industry BHP Billiton stock holdings as of 6/30/16: financials, 37.4% of total assets; ma-Westfield Corp Woodside Petroleum

telecommunications, 5.4%; industrials, 3.7%; consumer staples, 3.1%; consumer discretionary, 2.9%; other, 2.3%. Adviser: Aberdeen Asset Mgmt. (Sydney). Fund Manager: Mark Daniels. Inc.: MD. Address: 1735 Market St., 32nd Floor, Philadelphia, PA 19103 Tel.: 800-522-5465. Internet: www.aberdeeniaf.com

The Aberdeen Australia Equity Fund has matched its benchmark of late. The S&P/ASX 200 fell 6% over the past three months, which compared to a 6% decline in IAF's net asset value. The composition of the fund has not changed dramatically since our last review.

Australia's economy is breaking records. Gross domestic product advanced 3.3% year over year in the June quarter. This put the number of consecutive quarters of economic expansion at 100, the longest streak for a developed nation in recorded history. Strong export volumes, low interest rates, and a booming home-building industry have driven results of late. This has been enough to offset slug-gish job and wage growth, which is putting downward pressure on inflation.

Uncertainty abounds following the election of Donald Trump as President of the United States. Although direct U.S./Australia trade is not expected to be severely impacted, the President-elect has called for increasing tariffs up to 45% on many goods currently being sourced from China. This, along with other proposed protectionist policy changes, has

the potential to create a hostile global trade environment, particularly in Asia. In light of these events, recent GDP growth estimates of approximately 3.0% for 2017 and 2018 now seem somewhat optimistic.

The fund's banking stocks are facing lower profits. Low interest rates and inflation, combined with higher funding costs and regulatory changes requiring less leverage, have pressured profitability at Westpac Banking Corp. and Commonwealth Bank of Australia.

A revival in the commodity markets is helping the fund's mining stocks. Chinese authorities are taking measures to stimulate the economy, which is driving infrastructure and housing development. In turn, iron ore prices are up over 50% thus far in 2016. Elsewhere, China's decision to limit coal production has lifted that commodity's price by over 240% in 2016. These trends have helped lift fund holdings BHP Billiton and Rio Tinto over the past three months.

Income-oriented accounts may find the generous dividend yield reason enough to take a closer look here. Kevin Downing November 25, 2016

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2013	10.50	10.54	8.82	9.44	9.44
2014	8.23	9.03	8.97	8.27	8.27
2015	7.37	7.71	6.96	6.21	6.21
2016	5.84	6.37	6.60	6.09	6.09
2017					6.85
Fiscal	EARNING	S AS REP	ORTED (p	er sh.) BF	<u>F</u> ull .
Year Ends	Jan.31		Jul.31		Fiscal Year
2013					.27
2014					.23
2015					.21
2016					.20
2017					.25
TOTAL DISTRIBUTIONS PER SHARE C =					
1	πατδι οι	STRIRIITI	NNS PER S	HARFC ■	
Cal-					Full
Cal- endar	(0	Capital Gai	ns + Divide	ends)	Full Year
	(0 Mar.31	Capital Gai Jun.30	ns + Divide Sep.30	ends) Dec.31	
2013	.25	Capital Gai Jun.30 .25	ns + Divide Sep.30 .26	ends)	1.26
2013 2014	.25 .23	Capital Gai Jun.30 .25 .22	ns + Divide Sep.30 .26 .22	ends) Dec.31	1.26 .67
2013 2014 2015	.25 .23 .43	25 .25 .20	ns + Divide Sep.30 .26 .22 .19	ends) Dec.31	1.26
2013 2014	.25 .23 .43 .35	25 .25 .20 .20 .16	ns + Divide Sep.30 .26 .22 .19 .16	.50 	1.26 .67
2013 2014 2015 2016 Cal-	.25 .23 .43 .35	25 .25 .20 .20 .16	ns + Divide Sep.30 .26 .22 .19	.50 	1.26 .67
2013 2014 2015 2016	.25 .23 .43 .35	25 .25 .20 .20 .16	ns + Divide Sep.30 .26 .22 .19 .16	.50 	1.26 .67 .82
2013 2014 2015 2016 Cal-	.25 .23 .43 .35 QUAR	25 .25 .22 .20 .16	ns + Divide Sep.30 .26 .22 .19 .16	.50 	1.26 .67 .82
2013 2014 2015 2016 Cal- endar	.25 .23 .43 .35 QUAR Mar.31	.25 .22 .20 .16 TERLY DIV	ns + Divide Sep.30 .26 .22 .19 .16 (IDENDS P. Sep.30	ends) Dec.31 .50 AID C■ Dec.31	1.26 .67 .82 Full Year
2013 2014 2015 2016 Cal- endar 2013	(0 Mar.31 .25 .23 .43 .35 QUAR Mar.31	.25 .22 .20 .16 TERLY DIV Jun.30	ns + Divide Sep.30 .26 .22 .19 .16 TIDENDS P Sep.30 .06	ends) Dec.31 .50 AID C■ Dec.31	1.26 .67 .82 Full Year

ASSET VALUE (per sh.) B

Jan.31 Apr.30 Jül.31 Oct.31

Fiscal

2016

.07

.03

(A) Total return at top left based on price; asset value, in array. '19-'21 array figure is ann'l avg. projected from FY end 2015. Incl. est'd distrib's, '16-'21, \$1.00 sh. (B) Fiscal year ends

Oct. 31st. (C) No regular declaration and distribution dates established.

Div'd reinvest. plan available. (D) In millions. (E) Assum. \$100 invested as of 9/30/86 with capital gains, if any,

Stock's Price Stability Price Growth Persistence

85 5