Aberdeen Diversified Income and Growth Trust PLC

Investing across asset classes aiming to deliver reliable income and growth

Annual Report
30 September 2020

Aberdeen Diversified Income and Growth Investment Trust plc seeks to provide income and capital appreciation over the long term through investment in a globally diversified multi-asset portfolio

Visit our Website

To find out more about Aberdeen Diversified Income and Growth Trust plc, please visit: **aberdeendiversified.co.uk**

Davina Walter, Chairman

Nalaka De Silva, Head of Private Market Solutions, Aberdeen Standard Investments

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Highlights and Financial Calendar

Net asset value total return[AB]

–0.8%

2019 +1.1%

Share price total return[A]

–10.6%

2019 –9.0%

Revenue return per share

5.58p

2019 5.68p

Dividend per share[C]

5.44p

2019 5.36p

Ongoing charges[A]

0.84%

2019 0.84%

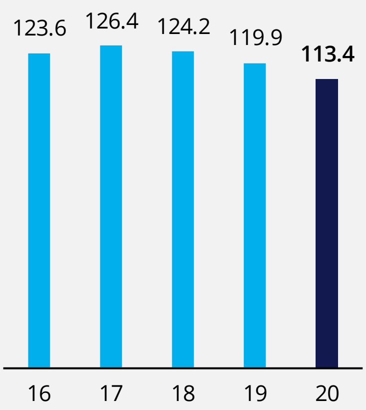
Discount to net asset value (capital basis)[AB]

17.2%

2019 7.6%

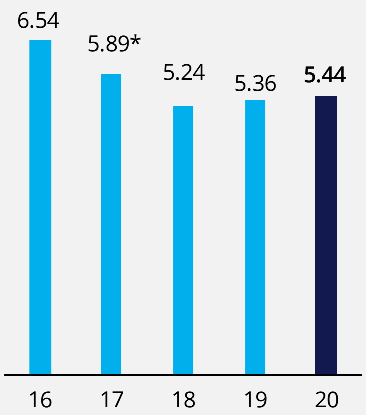
[A] Considered to be an Alternative Performance Measure (see pages 110 and 111 for more information).
[B] Debt at fair value.
[C] See note 9 on page 82.

Net asset value per Ordinary share with debt at fair value



At 30 September – pence

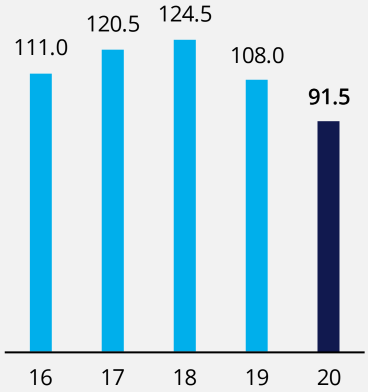
Dividends per Ordinary share



*denotes policy change on 30 March 2017

Year ended 30 September – pence

Mid-market price per Ordinary share



At 30 September – pence

> "Total dividends for the year are 5.44 pence per share, 1.5% higher than the 5.36 pence per share paid in respect of the previous year."

Davina Walter, Chairman

Financial Calendar

Payment months of quarterly dividends	March, July, October and January
Financial year end	30 September
Annual General Meeting	February
Expected announcement of results for year ended 30 September 2021	January 2022

Highlights

	2020	2019	% change
Total assets less current liabilities (before deducting prior charges)	£445,770,000	£473,182,000	–5.8
Equity shareholders' funds (Net Assets)	£386,230,000	£413,679,000	–6.6
Market capitalisation	£290,357,000	£348,820,000	–16.8
Ordinary share price (mid market)	91.50p	108.00p	–15.3
Net asset value per Ordinary share (debt at fair value)(capital basis)[AB]	110.51p	116.85p	–5.4
Discount to net asset value on Ordinary shares (debt at fair value)(capital basis)[AB]	(17.2%)	(7.6%)	
Net asset value per Ordinary share (debt at fair value)	113.40p	119.90p	–5.4
Gearing (ratio of borrowings less cash to shareholders' funds)			
Net gearing (debt at par value)[A]	10.7%	12.5%	
Net gearing (debt at fair value)[AB]	18.8%	20.2%	
Dividends and earnings per Ordinary share			
Revenue return per share	5.58p	5.68p	–1.7
Dividends per share[C]	5.44p	5.36p	+1.5
Dividend cover (including proposed fourth interim dividend)[A]	1.03	1.06	
Revenue reserves[D]	£42,142,000	£41,633,000	+1.2
Ongoing charges[A]	0.84%	0.84%	

[A] Considered to be an Alternative Performance Measure. Details of the calculation can be found on pages 110 and 111.
[B] Fair value of 6.25% Bonds 2031 £85,925,000 (2019 – £85,926,000).
[C] The figure for dividends per share reflects the years to which their declaration relates (see note 9 on page 82).
[D] The revenue reserve figure does not take account of the third and fourth interim dividends paid after the year end amounting to £4,317,000 and £4,262,000 respectively (2019 – £4,342,000 and £4,300,000).

A modern Tesco Extra situated on a 9.2 acre site within the market town of Newmarket, Suffolk which was bought in July 2020 by Supermarket Income REIT, an indirect holding in the Company's portfolio.

Strategic Report

The Company is seeking approval from shareholders at the forthcoming AGM to amend the investment objective to:

"The Company seeks to provide income and capital appreciation over the long term through investment in a globally diversified multi-asset portfolio."

Chairman's Statement

"The Board believes that the Company's revised investment strategy draws on Aberdeen Standard Investments' ability to access a broad range of asset classes which will provide shareholders with growing dividends and capital."

Davina Walter, Chairman

Highlights

- Covered dividend of 5.44 pence per share for the year, equating to a dividend yield of 5.9% as at the year end, further backed by two years' revenue reserves;
- An increased quarterly dividend of 1.38 pence per share expected for the year ending 30 September 2021 in accordance with the Company's commitment to a progressive dividend policy;
- Recent strategic review proposes amending the investment objective to focus on income and capital appreciation over the long term with private markets asset exposure increasing to around 55% over time as portfolio investments reach full drawdown and new opportunities are identified; and
- Over 73% of the expensive fixed rate debt, in the form of the 6.25% Bonds 2031, repaid after the year end, resulting in lower interest payments, improved cash flows, reduced gearing risk and more flexible capital management allowing for increased share buybacks.

I would like to start my Statement by saying that I hope that all of our shareholders and their families, as well as all those reading this Report, are safe and well in these very difficult times caused by the global pandemic. Despite the many challenges to our working life, Aberdeen Diversified Income and Growth Trust plc (the "Company" or "ADIG") has continued to operate as normal, albeit with everyone working from home. Sadly the world and the prospects for global economies that the former Chairman and the investment team discussed in last year's Annual Report are much changed. Given the substantial adjustments now required to global growth estimates, coupled with the Company's disappointing performance relative to its benchmark since the changes in March 2017, including the appointment of Aberdeen Standard Investments, the Board and the Manager have spent the past few months undertaking a comprehensive review of the Company's investment strategy and the ability to provide income and growth, as its name suggests.

This comprehensive review, which was completed after the year end of 30 September 2020, included an appraisal of the portfolio, how investment returns can be delivered within the parameters of the much changed outlook, how these returns are to be judged, as well as how to tackle the expensive £60 million of 6.25% Bonds dated 2031 (the "Bonds") which had 11 years left before redemption. The results of this review have produced clarity around the investment objective and the dividend policy, as well as a number of changes to the investment portfolio which are discussed below and in the Investment Manager's Report. Significantly, in early November, the Board was able to redeem 73.2% of the Bonds outstanding (see comment on Gearing) which has, at a stroke, substantially reduced the Company's borrowings, increased cash flow through reduced interest costs and increased capital management flexibility in respect of discount management.

Performance

Before discussing some of the key aspects of the strategic review, I will cover performance as it has clearly been another disappointing year in both absolute and relative terms. Over the year to 30 September 2020 the Company's net asset value ("NAV") per share with debt at fair value delivered -0.8% on a total return basis, with dividends reinvested, which compares to the return of +6.1% on the benchmark London Interbank Offered Rate ("LIBOR") plus 5.5%. Further detail on the reasons behind this performance is covered in the Investment Manager's Report, however it should be noted that it was a difficult period for most of the underlying asset classes in which the Company is invested with only global equities delivering returns ahead of the Company's benchmark. The MSCI World index in sterling terms rose by 6.8% driven largely by the strong performance from US equities which increased to 9.6% over the 12 months, which in turn was driven largely by the performance of technology companies. Meanwhile, UK equities fell sharply with the FTSE All-Share Index down by 16.5% over the year. The Company's shares performed poorly as the discount to NAV (with debt at fair value, capital basis) widened considerably from 7.6% to 17.2% with the result that shareholders' total return (share price with dividends reinvested) was -10.6%.

Strategy Review

As I mentioned above, the Board and the Manager have together conducted an extensive review of strategy to see how best to provide investors with growing income and capital that was expected when Aberdeen Standard Investments took on the mandate, in what is now an increasingly uncertain macro-economic environment. As a key part of this review, the Manager was asked to look at the portfolio's strategic asset allocation given the changed assumptions to long term returns and in light of the volatility experienced in the NAV during the year. Reflecting the revised investment assumptions, the Manager proposed the following changes: increasing Alternative and Private Markets' exposure, which will increase the available sources of return, diversify risk and reduce specific risk exposures where there was concentration risk (for example, in asset backed securities); and reducing Listed Equity exposure, but increasing its tilt to income. The Board has given its approval for these changes to take place, with the result that exposure to private markets investments will increase, on a fully committed basis, to around 55% of total assets over time. Prior to the strategic review, the exposure to

Chairman's Statement Continued

unlisted investments was expected to extend to around 40% of the portfolio with the commitments then made. The unlisted investments provide exposure to an increasingly diverse range of assets with different return drivers. With earlier investments now reaching full maturity, and through the natural evolution of the portfolio, these will play an increasingly important element in the delivery of portfolio returns.

In reviewing the Investment Manager, the Board was keen to ensure that the Company benefited from the full resource of Aberdeen Standard Investments across both public and private markets as the portfolio evolves. With the greater focus on private markets investments, Nalaka De Silva, Aberdeen Standard Investments' Head of Private Markets Solutions, has assumed responsibility for the Company's asset allocation as portfolio manager and chair of the newly-formed ADIG Investment Committee. Its members cover the range of markets in which your Company invests. Nalaka has 18 years' experience in developing, implementing and managing strategies across the Public and Private Markets spectrum. This includes investments across Private Equity, Infrastructure, Real Estate, Natural Resources and Private Credit on a global basis and strategies designed around client outcomes of growth and income. Nalaka joined Aberdeen Standard Investments in 2012 following senior roles at Australian and European investment management firms.

Investment Objective

The starting point of the strategy review was how best to deliver the Company's investment objective. The investment objective referenced in the circular issued by the Company in March 2017 (the "Circular") was to target a total portfolio return of LIBOR plus 5.5% (net of fees) over rolling five-year periods. As mentioned in last year's Chairman's Statement, LIBOR is to be phased out in 2021 so, as part of the review, the Board has taken the opportunity to articulate the Company's investment objective around a statement which is clear and better reflects the underlying strategy. It will also remove the objective from being led by events beyond its control such as the very real prospect currently of negative interest rates or, at some future time, when interest rates revert to increasing. The Board has proposed that the investment objective should be: *The Company seeks to provide income and capital appreciation over the long term through investment in a globally diversified multi-asset portfolio.*

Alongside this objective, the Board in future will use a Total Return (defined as dividends + change in NAV) of 6% per annum over a rolling five year period against which to measure the returns from the portfolio. The Investment Manager believes that this total return is achievable based on their recent strategic asset allocation analysis and the proposed evolution of the portfolio. It is also consistent with the measure proposed in the Circular.

The Board is also proposing to amend the Company's investment policy to improve risk diversification; further details may be found on page 12.

The Board will put forward these changes for approval by shareholders at the forthcoming Annual General Meeting ("AGM") to be held on 23 February 2021.

Earnings and Dividend

The Company's revenue return for the year ended 30 September 2020 was 5.58 pence per share. A number of listed alternative investment companies reduced their dividends in reaction to COVID-19, resulting in a modest decline compared to the prior year's revenue return of 5.68 pence per share.

In the private market investments, increased distributions from infrastructure investments ensured that revenues remained in excess of the total dividends paid to shareholders.

Three interim dividends of 1.36 pence per share were paid to shareholders on 27 March 2020, 10 July 2020 and 16 October 2020, respectively. The Board is declaring a fourth interim dividend of 1.36 pence per share to be paid on 22 January 2021 to shareholders on the register on 29 December 2020. The ex-dividend date is 24 December 2020. Total dividends for the year are 5.44 pence per share, 1.5% higher than the 5.36 pence per share paid in respect of the year ended 30 September 2019. After the payment of dividends during the year, £509,000 was added to the Company's revenue reserves.

A major component of the proposition to investors remains a dependable and regular dividend, which represented a dividend yield of 5.9% based on the year end share price of 91.50 pence. The Board is committed to a progressive dividend policy and confirmed, as part of the strategic review, its intention to continue to pay at least the current level of dividend. In addition, during the period when private markets' investments move increasingly towards making distributions, the Board is prepared to use its revenue reserves that have been built up by the Company over many years to support the dividend policy as required. These are the equivalent of two years of the present dividend which should give shareholders a level of comfort regarding regular income payments.

For the year to 30 September 2021, the Board currently intends to declare four quarterly dividends of 1.38 pence per share or 5.52p per share in total, which is equivalent to an increase of

1.5% on the 5.44p paid for the prior year. This compares to the latest Consumer Prices Inflation rate of 0.7%.

As in previous years, the Board intends to put to shareholders at the Annual General Meeting ("AGM") on 23 February 2021 a resolution in respect of its current policy to declare four interim dividends each year.

Gearing

As part of the strategic review the Board embarked on a public tender in October 2020 to redeem up to 75% of its legacy debt from its British Assets Trust days: £60 million 6.25% Bonds due 2031 (the "Bonds"). The Company received tenders from investors owning 73.2% of its Bonds. These tendered Bonds were duly repurchased and cancelled on 2 November 2020 leaving £16,096,000 nominal of the Bonds outstanding (see note 24 to the financial statements for further information). The Company's structural gearing is now substantially reduced and cash flow is increased as the repurchase will immediately reduce the annual interest cost payable by the Company by £2.7 million. Finally, the repurchase provides the Company with more flexibility in respect of discount management, including share buybacks. The Board and the Manager will continue to keep the overall level of gearing under review. However, in the prevailing economic environment, there is no current intention to introduce further fixed rate gearing.

The repurchase of the Bonds was financed by the sale of assets from the portfolio. However the requirement to raise cash to purchase the Bonds coincided with the portfolio review and the subsequent re-allocation of assets so the Investment Manager was able to undertake the exercise with minimal disruption to the balance of the portfolio.

Discount Management

During the year ended 30 September 2020, the shares performed poorly relative to the NAV return with the result that the discount to NAV moved from 7.6% to 17.2% (all figures calculated with debt at fair value and excluding income). The Board is very much aware that this level of discount is inconsistent with the previously stated policy which is to seek to maintain the Company's share price discount to NAV (excluding income, with debt at fair value) at less than 5%, subject to normal market conditions. Whilst the latter half of the year under review cannot be regarded as 'normal market conditions' given the extraordinary uncertainties relating to COVID-19, it does not fully excuse the wide discount that prevailed at the end of September 2020. Through the year, the Company remained committed to buying-back shares and a total of 5.65 million shares were repurchased for a value of £5.7 million. The Board, however, feels that in order for the share buy-back to be truly effective performance improvement from the portfolio is an absolute priority, so it will continue to make some allowances for both market conditions and the changes to the portfolio that are set out in this Report.

As at the latest practicable date prior to approval of this Report, 15 December 2020, it is pleasing to report that the discount to NAV had narrowed to 13.7% (all figures calculated with debt at fair value and excluding income).

Board Review

During the year the Board engaged an external consultant to undertake an evaluation of the Board, its committees and individual Directors. Assessments were undertaken by each Director and then discussed by the Board. The evaluation has helped confirm that the Company's Board has in place an appropriate balance of experience, skills, corporate knowledge and diversity.

Annual General Meeting

This year's AGM, which is scheduled to be held at the Manager's offices at Bow Bells House, 1 Bread Street, London EC4M 9HH from 12.30 p.m. on Tuesday 23 February 2021, was due to provide shareholders with an opportunity to receive a presentation from the Investment Manager and to ask any questions that they may have.

The Board has been considering how best to deal with the potential impact of COVID-19 on arrangements for the Company's AGM. The Company is required by law to hold an AGM and the Board had been working on the basis that the Company's AGM would be held in its usual format. However, given the possibility that some measure of restriction on public gatherings and maintaining social distancing may still remain in place in February, the Board has resolved to amend the format of the AGM for this year. Therefore, whilst the formal business of the AGM will be considered, the meeting will be functional only and will follow the minimum legal requirements for an AGM. It is not practical to offer either a physical presentation from the Investment Manager or refreshments, I am sorry to say. If the guidance on public gatherings remains in place in February, shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if the law and/or Government guidance so requires. In such circumstances, arrangements will be made by the Company to ensure that the minimum number of shareholders required to form a quorum will attend the meeting in order that the meeting may proceed and the business concluded. The Board considers these revised

Chairman's Statement Continued

arrangements to be in the best interests of the wellbeing of shareholders in the current circumstances.

A presentation from the Investment Manager, along with the AGM results, will be made available on the Company's website shortly after the AGM.

In light of the continuing impact of the pandemic and the revised format of the meeting, shareholders are encouraged to raise any questions in advance of the AGM by email to the Company Secretary at **diversified.income@aberdeenstandard.com.** Questions must be received by 5.00 p.m. on 9 February 2021. Any questions received will be responded to by either the Manager or the Board via the Company Secretary.

Given the uncertainty of government guidance on COVID-19, the Company will continue to keep arrangements for the AGM under review and it is possible these will need to change. We will keep shareholders updated of any changes through the Company's website (**aberdeendiversified.co.uk**) and announcements to the London Stock Exchange. I trust that shareholders will be understanding of this approach.

The formal Notice of AGM, which may be found on pages 113 to 118, includes Resolution 11 relating to the continuation of the Company. The Board encourages shareholders to vote in favour of the Company's continuation to allow time for the Investment Manager's changes in strategy to deliver on the investment objective of providing income and capital appreciation over the long term through investment in a globally diversified multi-asset portfolio.

Action to be Taken

The Board strongly encourages all shareholders to exercise their votes in respect of the meeting in advance by completing the enclosed Form of Proxy, or Letter of Direction for those who hold shares through the Aberdeen Standard Investments savings plans. This should ensure that your votes are registered in the event that physical attendance at the AGM is not possible or restricted.

Shareholders will find enclosed with this Annual Report a Form of Proxy for use in relation to the AGM. Whether or not you propose to attend the AGM, you are encouraged to complete the Form of Proxy in accordance with the instructions printed on it and return it in the prepaid envelope as soon as possible but in any event so that it is received no later than 12.30 p.m. on 19 February 2021.

If you hold your shares in the Company via a share plan or a platform and would like to attend and/or vote at the AGM, then you will need to make arrangements with the administrator of your share plan or platform. For this purpose, investors who hold their shares in the Company via the Aberdeen Standard Investments' Plan for Children, the Aberdeen Standard Investments' Share Plan and/or the Aberdeen Standard Investment Trust ISA will find a Letter of Direction enclosed. Shareholders are encouraged to complete and return the Letter of Direction in accordance with the instructions printed thereon.

Further details on how to attend and vote at Company Meetings for holders of shares via share plans and platforms can be found at: **theaic.co.uk/shareholder-voting-consumer-platforms**

Conclusion

The short and medium term outlook, for both the UK and global economies, will continue to be dictated by the effects of COVID-19, the efficacy and delivery of reported vaccines and the road to recovery. It is clear that the economic cost has been severe. Moreover, it is apparent now that COVID-19 will continue to impact economic growth and companies' profits well beyond this immediate period. The UK economic outlook faces additional uncertainty following the UK's departure from the EU on 31 December 2020.

In view of this, the Board believes that the Company's revised investment strategy, which provides diversified global sources of return and seeks lower volatility, should stand it in good stead in view of uncertainty. The Board, together with the Investment Manager, continues to review positioning of the underlying asset classes on a regular basis.

Understandably, during these difficult times for investors, consistent income from an investment in a company like this is very important. One advantage of the closed-ended investment trust structure is the nature of revenue reserves that have been built up over time. This will be an increasingly important differentiator for investors relying on dividend payments from UK companies and beyond. The Company's revenue reserves provide a level of reassurance from an income perspective. In addition, the strategic review that has been undertaken, together with the Bonds' repurchase, allows for more flexibility and the evolution of the portfolio in the delivery of the proposed new investment objective.

Davina Walter
Chairman
16 December 2020

Overview of Strategy

Investment Proposition

The Company is an investment trust governed by a Board of Directors with its Ordinary shares listed on the premium segment of the London Stock Exchange. It outsources its investment management and administration to an investment management group, Standard Life Aberdeen plc, and other third party providers. The Company does not have a fixed life, but a resolution on whether the Company should continue is put to shareholders at each Annual General Meeting.

The Company invests globally using a flexible multi-asset approach via quoted and unlisted (private markets) investments providing shareholders with access to the kind of diversified portfolio held by large, sophisticated global investors.

It offers an attractive investment proposition characterised by:

- a genuinely diversified portfolio with access to a wide selection of alternative asset classes;
- an attractive income with the potential to grow;
- volatility around half that of equities; and
- the broad expertise of Aberdeen Standard Investments.

An appropriate spread of risk is sought by investing in a diversified portfolio of securities and other assets with no set maximum or minimum exposures to any geographical regions or sectors. This includes, but is not limited to:

- equity driven assets, comprising developed equity, emerging market equity and private equity;
- alternative diversifying assets including, but not limited to, high yield bonds and loans, emerging market debt, alternative financing, asset backed securities, property, social, economic, regulated and renewable infrastructure, commodities, absolute return investments, insurance linked, farmland and aircraft leasing; and
- low return assets such as gold, government bonds, investment grade credit and tail risk hedging.

Asset allocation is flexible allowing investment in the most attractive investment opportunities at any point in time whilst always maintaining a diversified portfolio. The Company leverages off the spread of capabilities and experience within Aberdeen Standard Investments and may invest in funds managed by the Manager where such allocation can offer requisite exposure to certain alternative asset classes in a cost effective manner.

Further to a review undertaken by the Board, the Manager has evolved its investment approach to meet the requirements of the proposed new investment objective (see below). This will involve extending the proportion of private markets investments in the portfolio with new vehicles being introduced. The portfolio will also adopt a core-satellite approach (see page 23 in the Investment Manager's Report for further information). These changes are designed to bolster the portfolio's resilience in case of economic or market volatility while delivering on the new investment objective.

Investment Objective and Proposed Amendment

The Company targets a total portfolio return of LIBOR plus 5.5% per annum (net of fees) over rolling five-year periods.

In line with the Financial Conduct Authority's requirement for the phasing out of LIBOR by late 2021, the Company is required therefore to amend its investment objective wording. The Company is seeking approval from shareholders at the forthcoming AGM to amend the investment objective to:

"The Company seeks to provide income and capital appreciation over the long term through investment in a globally diversified multi-asset portfolio."

Investment Policy and Proposed Amendment

The Company has the following investment restrictions, at the time of investment, which the Manager must adhere to:

- no individual quoted company or transferable security exposure in the portfolio may exceed 15% of the Company's total assets, other than in treasuries and gilts;
- no other individual asset in the portfolio (including property, infrastructure, private equity, commodities and other alternative assets) may exceed 5% of the Company's total assets;
- the Company will not normally invest more than 5% of its total assets in the unlisted securities issued by any individual company; and
- no more than 15% of the Company's total assets may be invested in an individual regulated pooled investment fund, with the exception of a global equity UCITS pooled fund which may be no more than 35% of the Company's total assets. In aggregate the largest three investments in regulated pooled funds will not comprise more than 60% of the Company's total assets.

The Company may invest in exchange-traded funds provided they are quoted on a recognised investment exchange. The Company may invest in cash and cash equivalents including money market funds, treasuries and gilts.

No more than 10% of the Company's total assets may be invested in other listed closed-ended investment companies. This restriction does not apply to investments in any such listed closed-ended investment companies which themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies.

Overview of Strategy Continued

The Company may use derivatives to enhance portfolio returns (of a capital or income nature) and for efficient portfolio management, that is, to reduce, transfer or eliminate risk in its investments, including protection against currency risks, or to gain exposure to a specific market.

The Company may use gearing, in the form of borrowings and derivatives, to enhance income and capital returns over the long term. The borrowings may be in sterling or other currencies. The Company's articles of association contain a borrowing limit equal to the value of its adjusted total of capital and reserves. However, borrowings would not normally be expected to exceed 20% of shareholders' funds. Total gearing, including net derivative exposure, would not normally be expected to result in a net economic equity exposure in excess of 120%.

The Company may invest in funds managed by the Manager.

Proposed Amendment to Investment Policy

Alongside the proposed change to the Investment Objective outlined above, the Board is taking the opportunity to change the investment policy by amending the fourth investment limit.

The first part of the investment limit will be retained "*no more than 15% of the Company's total assets may be invested in an individual regulated pooled investment fund*" and the current exception to this limit removed: "*with the exception of a global equity UCITS pooled fund which may be no more than 35% of the Company's total assets. In aggregate the largest three investments in regulated pooled funds will not comprise more than 60% of the Company's total assets*" (the "Exception Wording").

The Board believes the Exception Wording should be deleted as:

- it was inserted when the portfolio was migrated to the Manager in March 2017 and, following the strategic review, there is no intention to use a global equity UCITS pooled fund to hold more than 15% of the Company's total assets while, in aggregate, the largest three investments in regulated pooled funds will not comprise more than 60% of total assets;
- by removing the Exception Wording the potential risk diversification of the portfolio is increased.

The Board is seeking shareholder approval to this amendment under Resolution 12 in the Notice of Annual General Meeting.

Risk Diversification

It is the policy of the Company to invest no more than 15% of its gross assets in other listed investment companies and no more than 15% of its gross assets in any one company.

Management and Delivery of the Investment Objective

The Directors are responsible for determining the Company's investment objective and investment policy. Day-to-day management of the Company's assets has been delegated to Aberdeen Standard Fund Managers Limited ("ASFML", the "AIFM" or the "Manager"). In turn, the investment management of the Company has been delegated by ASFML to Aberdeen Asset Managers Limited ("AAML" or the "Investment Manager"). Both companies are subsidiaries of Standard Life Aberdeen plc whose investment businesses operate under the brand of Aberdeen Standard Investments.

Investment Process

The Investment Manager believes that many investors could materially improve their long-run returns and/or reduce risk by having a more diversified portfolio. The Investment Manager's aim is to build a genuinely diversified portfolio consisting of a wide range of assets, each with clear, fundamental performance drivers that will deliver an attractive return for the Company's shareholders. The Investment Manager engages all of its research capabilities, including specialist macro and asset class researchers, to identify appropriate investments. The approach, which incorporates a robust risk framework, is not constrained by a benchmark mix of assets. This flexibility ensures that the Investment Manager does not feel compelled to invest shareholders' capital in investments which they believe to be unattractive.

The Company's portfolio consists of investments from the widest range of asset classes and may include equity-focused investments, alternative diversifying assets (including, but not limited to, high yield bonds and loans, emerging market debt, asset backed securities, property, infrastructure, commodities, absolute return investments, insurance linked, farmland, royalty-based investments and aircraft leasing) and low return assets such as gold, investment grade credit, tail risk hedging and government bonds. Detailed investment research (including operational due diligence for unlisted funds managed by third parties) is carried out on each potential opportunity by specialist teams within the Investment Manager (see pages 23 to 29 for further information).

The weighting ascribed to each investment in the portfolio reflects the perceived attractiveness of the investment case, including the contribution to portfolio diversification. The Investment Manager also ensures that the weighting is in keeping with their overall strategic framework for the portfolio based on the return and valuation analysis of the Investment Manager's Research Institute. The fundamental and valuation drivers of each investment are reviewed on an ongoing basis.

Key Performance Indicators ("KPIs")

The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and determining its progress in pursuing its investment policy. The primary KPIs are shown in the table below.

KPI	Description
Investment performance	The Board reviews the performance of the portfolio as well as the net asset value and share price for the Company over a range of time periods and compares this to the return on the Company's current target of LIBOR plus 5.5% per annum over rolling five-year periods. The Board also reviews NAV and share price performance in comparison to the performance of competitors in the Company's chosen peer group. The Board also monitors the Company's income yield and compares this to the yield generated by competitors in the Company's peer group. The Board reviews the sustainability of the Company's dividend policy and regularly reviews revenue forecasts and analysis provided by the Investment Manager on the sources of portfolio income in order to monitor the extent to which dividends are covered by revenue. The Company's performance returns may be found on page 21.
Premium/discount to net asset value ("NAV")	The Board monitors the level of the Company's premium or discount to NAV and considers strategies for managing this. Subject to normal market conditions, the prevailing gearing level and the composition of the investment portfolio, the Company seeks to maintain its share price discount to NAV per share (calculated excluding income with debt at fair value) at less than 5%, by repurchasing Ordinary shares in the market. In addition, the Company has adopted a formal policy for the issuance of new shares and/or the sale of shares from treasury to meet demand for shares in the market where the Company's share price is trading at a minimum premium to its net asset value per share (calculated including income, with debt at fair value).
Ongoing charges	The ongoing charges ratio has been calculated in accordance with guidance issued by the Association of Investment Companies (the "AIC") as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year. The Board reviews the ongoing charges and monitors the expenses incurred by the Company. The Company's ongoing charges for the year, and the previous year, are disclosed on page 3.

Principal Risks and Uncertainties

The Board has in place a robust process to assess and monitor the principal and emerging risks of the Company. A core element of this is the Company's risk controls self-assessment ("RCSA"), which identifies the risks facing the Company and assesses the likelihood and potential impact of each risk and the quality of the controls operating to mitigate the risk. A residual risk rating is then calculated for each risk based on the outcome of this assessment and plotted on a risk heat-map. This approach allows the effect of any mitigating procedures to be reflected in the final assessment.

The RCSA, its method of preparation and the operation of the key controls in the Manager's and third party service providers' systems of internal control are reviewed on a regular basis by the Audit Committee. In order to gain a more comprehensive understanding of the Manager's and other third party service providers' risk management processes and how these apply to the Company's business, the Manager's internal audit department presents to the Audit Committee setting out the results of testing performed in relation to the Manager's internal control processes. The Audit Committee also periodically receives presentations from the Manager's compliance, internal audit and business risk teams, and reviews ISAE3402 reports from the

Overview of Strategy Continued

Manager and from the Company's Depositary (The Bank of New York Mellon (International) Limited). The custodian is appointed by the Company's Depositary and does not have a direct contractual relationship with the Company.

The Board has carried out a robust assessment of these risks, which include those that would threaten its business model, future performance, solvency or liquidity. The Board is confident that the procedures which the Company has in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the year ended 30 September 2020.

The key, principal uncertainty for the Company emerging during the Company's financial year was the outbreak of COVID-19 which caused significant economic disruption and contributed to global stock market volatility. The longer term effects of COVID-19 are as yet unknown. The Manager, on behalf of the Board, sought assurances from the Company's key service providers, as well as from its own operations, that they had invoked business continuity procedures and appropriate contingency arrangements to ensure that they remain able to meet their contractual obligations to the Company.

In carrying out the assessment, the Board also considered the uncertainty arising from the end of the transition period on 31 December 2020 for the UK leaving the EU ("Brexit"). Overall, the Board does not expect the Company's business model, over the longer term, to be materially affected by Brexit.

Risk	Mitigating Action
Performance risk The Board is responsible for determining the investment policy to fulfil the Company's objectives and for monitoring the performance of the Company's Investment Manager and the strategy adopted. An inappropriate policy or strategy may lead to poor performance, dissatisfied shareholders and a lower premium or higher discount. The Company may invest in unlisted alternative investments (such as litigation finance, healthcare, insurance linked securities, infrastructure, private equity and trade finance). These types of investments are expected to have a different risk and return profile to the rest of the Company's investment portfolio. They may be relatively illiquid and it may be difficult for the Company to realise these investments over a short time period, which may have a negative impact on performance. The risk posed by COVID-19, in driving stock market volatility and uncertainty, is currently considered to be particularly heightened. This emerged in the middle of the year under review and is likely to remain for the foreseeable future.	To manage these risks the Board regularly reviews the Company's investment mandate and long term strategy at each Board meeting, and has in place appropriate limits over levels of unlisted alternative assets and gearing. Following a recent strategic review undertaken by the Board, around 55% of the Company's total assets, at the time of investment, may be invested in aggregate in unlisted alternative assets. The Investment Manager provides the Board with an explanation of significant investment decisions, the rationale for the composition of the investment portfolio and movements in the level of gearing. The Board monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the Company's investment policy.
Portfolio risk Risk analysis for a multi-asset portfolio needs to consider the interaction of asset classes and how these might correlate, or offset each other, under various scenarios.	The Board employs several strategies to monitor and assess that portfolio risk is appropriate. These include regular analysis of various risk metrics including asset class risk attribution, asset class returns and contributions to performance, particularly in periods of equity market stress, and how the current portfolio would perform in various forward-looking and historical scenarios.

Risk	Mitigating Action
Gearing risk The Company has the authority to borrow money or increase levels of market exposure through the use of derivatives and may do when the Investment Manager is confident that market conditions and opportunities exist to enhance investment returns. However, if the investments fall in value, any borrowings will magnify the extent of this loss.	All borrowings require the approval of the Board and gearing levels are reviewed regularly by the Board and the Investment Manager. Borrowings (including the Bond) would not normally be expected to exceed 20% of shareholders' funds. Total gearing, including net derivative exposure, would not normally be expected to result in net economic equity exposure in excess of 120%.
Income/dividend risk The amount of dividends will depend on the Company's underlying portfolio. Any change in the tax treatment of the dividends or interest received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of earnings available for distribution to shareholders.	The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting.
Regulatory risk The Company operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments. Following authorisation under the Alternative Investment Fund Managers Directive ("AIFMD"), the Company and its appointed AIFM are subject to the risk that the requirements of this Directive are not correctly complied with.	The Investment Manager monitors investment movements, the level and type of forecast income and expenditure and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached and the results are reported to the Board at each meeting. The Board and the AIFM also monitor changes in government policy and legislation which may have an impact on the Company.
Operational risk In common with most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent on the control systems of the Manager and the Depositary.	The security of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements depend on the effective operation of these systems in place with third parties. These systems are regularly tested and monitored throughout the year through their industry-standard controls reports which provide assurance on the effective operation of internal controls. The controls reports are assessed independently by their reporting accountants.

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Risk	Mitigating Action
Market risk Market risk arises from volatility in the prices or valuation of the Company's investments. It represents the potential loss the Company might suffer through holding investments in the face of negative market movements. The Company invests in global assets across a range of countries and changes in general economic and market conditions in certain countries, such as interest rates, exchange rates, rates of inflation, industry conditions, competition, political events and trends, tax laws, national and international conflicts, economic sanctions and other factors can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price.	The Board considers the diversification of the portfolio, asset allocation, stock selection, unlisted investments and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager.
Financial risks The Company's investment activities expose it to a variety of financial risks which include foreign currency risk and interest rate risk.	Further details are disclosed in note 18 to the financial statements, together with a summary of the policies for managing these risks.

The Board regularly reviews emerging risks facing the Company, which are identified by a variety of means, including advice from the Company's professional advisors, the AIC, and Directors' knowledge of markets, changes and events. A failure to have in place appropriate procedures to assist in identifying emerging risks may cause reactive actions and, in the worst case, could cause the Company to become unviable or otherwise fail. During the year, the most prominent risk which emerged was COVID-19 which is considered above, under Performance Risk and is also covered in the Chairman's Statement.

The principal risks associated with an investment in the Company's shares can be found in the pre-investment disclosure document ("PIDD") published by the AIFM, which is available from the Company's website: **aberdeendiversified.co.uk.**

Gearing

As at 30 September 2020, the Company had in place structural gearing in the form of its Bonds. The Board is responsible for determining the gearing strategy for the Company, with day-to-day gearing decisions being made by the Manager within the remit set by the Board. The Board has set its gearing limit at a maximum of 20% of the net asset value at the time of draw down. The Board monitors the gearing position regularly and considers alternative financing options. See note 24 to the financial statements, 'Subsequent Events', for further information on the nominal amount of the Bonds following a partial repurchase in November 2020.

Board Diversity

The Board recognises the benefits, and is supportive, of diversity and the importance of having a range of skilled, experienced individuals with relevant knowledge in order to allow it to fulfil its obligations.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to, and participation in, the promotional programme (the "Programme") run by Aberdeen Standard Investments on behalf of a number of investment trusts under its management. The Company's financial contribution to the Programme is matched by Aberdeen Standard Investments. Aberdeen Standard Investments regularly reports to the Board giving analysis of the Programme as well as updates on the shareholder register and any changes in the composition of that register. In addition, the Board has approved additional bespoke promotional activities by the Manager focusing on specific initiatives.

The purpose of the Programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of the Company is key and therefore the Company also supports the Aberdeen Standard Investments' investor relations programme which involves regional roadshows, promotional and public relations campaigns.

Environmental, Social and Human Rights Issues

The Company has no employees as the Board has delegated the day to day management and administrative functions to the Manager. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is set out below.

Socially Responsible Investment Policy

The Directors review the Manager's policy that encourages companies in which investments are made to adhere to best practice in the area of corporate governance and socially responsible investing. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in both areas. The Manager's ultimate objective, however, is to deliver superior investment returns for its clients. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in these areas, this should not be to the detriment of the return on the investment portfolio. Further details on the Manager's Environmental, Social and Governance ("ESG") engagement process, including a case study, can be found on pages 39 and 40.

UK Stewardship Code and Proxy Voting as an Institutional Shareholder

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. The full text of the Company's response to the FRC's Stewardship Code may be found on its website.

Modern Slavery Act

Due to the nature of the Company's business, being an investment company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In addition, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. However, at the portfolio level, the Manager engages on environmental issues with underlying investments as part of its ESG policy.

Viability Statement

In accordance with the provisions of the UKLA's Listing Rules and the FRC's UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the "Going Concern" provision. The Board conducted this review for the period up to the AGM in 2026, being a five year period from the date of shareholders' approval of this Report. The five year review period was selected because it is aligned with the medium term performance period of five years over which the Company is assessed in its objective of target returns, net of fees, of LIBOR plus 5.5% per annum over rolling five-year periods. The Board considers that this period, which is equally applicable to the Company's proposed new investment objective as outlined in the Chairman's Statement, reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than five years.

In assessing the viability of the Company over the review period, the Directors have focused upon the following factors:

- the principal risks and uncertainties detailed on pages 13 to 16 and the steps taken to mitigate these risks;
- the relevance of the Company's investment objective and investment policy, especially in the current low yield environment, which targets a truly diversified multi-asset approach to generate highly attractive long-term income and capital returns;
- a material proportion of the Company's investment portfolio is invested in securities which are realisable within a short timescale;
- the Company's reduced cash outflows due to lower interest payments following the repurchase of the Bonds;
- the level of share buy backs carried out during the year;
- the annual continuation vote to be put to shareholders at the AGM on 23 February 2021; and
- the level of demand for the Company's shares.

Overview of Strategy Continued

The Directors also recognised, post year end, the reduction in the Company's gearing and lower cash outflows in terms of lower interest costs on the Bonds, both associated with the partial repurchase of the Company's Bonds.

The five-year review considers the Company's cash flow, cash distributions and other key financial ratios over the period. The five-year review also makes certain assumptions about the normal level of expenditure likely to occur and considers the impact on the financing facilities of the Company. Whilst the financial statements have been prepared on a going concern basis, there is a material uncertainty in respect of the passing of the continuation vote given the factors described in note 2 (a) to the financial statements.

In making this assessment, the Board has considered in particular the potential short and longer term impact of COVID-19, in the form of a large economic shock, a period of increased stock market volatility and/or markets at depressed levels, a significant reduction in the liquidity of the portfolio or changes in investor sentiment or regulation, and how these factors might affect the Company's prospects and viability in the future. The Board undertook scenario analysis in reaching its conclusions, but recognised that the Company's operating expenses are significantly lower than its total income.

The Board has also considered a number of financial metrics, including:

- the level of current and historic ongoing charges incurred by the Company;
- the share price premium or discount to NAV;
- the level of income generated by the Company;
- future income forecasts; and
- the liquidity of the Company's portfolio.

Considering the liquidity of the portfolio and the largely fixed overheads which comprise a small percentage of net assets, the Board has concluded that, even in exceptionally stressed operating conditions, the Company would be able to meet its ongoing operating costs as they fall due.

Taking into account the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this Report, subject to shareholders' approval of the continuation vote at each AGM.

Outlook

The Board's view on the general outlook for the Company can be found in the Chairman's Statement on page 10 under "Conclusion" while the Investment Manager's views on the outlook for the portfolio are included in its report on pages 23 to 29.

On behalf of the Board
Davina Walter
Chairman
16 December 2020

Promoting the Success of the Company

The Purpose of the Company and Role of the Board

The purpose of the Company is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. Investment trusts, such as the Company, are long-term investment vehicles and are typically externally managed, have no employees, and are overseen by an independent non-executive board of directors.

The Board, which during the year comprised between five and six independent non-executive Directors with a broad range of skills and experience across all major functions that affect the Company, retains responsibility for taking all decisions relating to the Company's investment objective and policy, gearing, corporate governance and strategy, and for monitoring the performance of the Company's service providers.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect as well as the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Manager operates at its regular meetings and receives regular reporting and feedback from the key service providers.

The Company's main stakeholders are its shareholders, the Manager, investee companies and funds, service providers and the holders of the Company's Bonds.

How the Board Engages with Stakeholders

The Board considers its stakeholders at Board meetings and receives feedback on the Manager's interactions with them.

Stakeholder	How the Board Engages
Shareholders	Shareholders are key stakeholders and the Board places great importance on communication with them, regularly meeting, in the absence of the Manager, with current and prospective shareholders to discuss performance and to receive shareholder feedback. The Board welcomes all shareholders' views and aims to act fairly between all shareholders. Regular updates are provided to shareholders through the Annual Report, Half Yearly Report, Manager's monthly factsheets, company announcements, including daily net asset value announcements, and the Company's website. The Company's AGM normally provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Manager. The Chairman's Statement sets out, on pages 9 and 10, the particular arrangements which the Company requires to adopt for the next AGM in light of COVID-19, and includes details of how Shareholders may submit questions to the Board and Manager in advance of the AGM.
Manager	The Investment Manager's Report on pages 23 to 29 details the key investment decisions taken during the year. The Investment Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with the oversight of the Board. The Board regularly reviews the Company's performance against its investment objective and the Board undertakes an annual strategy review to ensure that the Company is positioned well for the future delivery of its objective for its stakeholders. The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's strategy. The Board, through the Management Engagement Committee, formally reviews the performance of the Manager at least annually. More details are provided on pages 46 and 47.

Promoting the Success of the Company Continued

Stakeholder	How the Board Engages
Investee Companies and Funds	Responsibility for actively monitoring the activities of investee companies and funds has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. The Board has also given discretionary powers to the Investment Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on voting issues. The Board and Manager are committed to investing in a responsible manner and the Investment Manager integrates environmental, social and governance considerations into its research and analysis as part of the investment decision-making process. Through engagement and exercising voting rights, the Investment Manager actively works with companies to improve corporate standards, transparency and accountability. Further details are provided on page 39.
Service Providers	The Board seeks to maintain constructive relationships with the Company's suppliers, either directly or through the Manager, with regular communications and meetings. The Audit Committee conducts an annual review of the performance, terms and conditions of the Company's main service providers to ensure they are performing in line with Board expectations and providing value for money.
Debt Providers	On behalf of the Board, the Manager maintains a positive working relationship with Law Debenture Trust p.l.c. as trustee on behalf of the holders of the Company's Bonds, ensuring compliance with its covenants.

Specific Examples of Stakeholder Consideration During the Year

While the importance of giving due consideration to the Company's stakeholders is not new, and is considered as part of every Board decision, the Directors were particularly mindful of stakeholder considerations during the following decisions undertaken during the year ended 30 September 2020.

Review of Company's strategy and Bonds

The Board continues to evolve its strategy to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations. As a result, the Company engaged in a strategic review during September and October 2020. Subsequently, the Company announced on 2 November 2020 that it had bought back a total of £43.9m of its Bonds. Further information may be found in the Chairman's Statement on pages 7 and 8 and in note 24 to the Financial Statements.

Independent evaluation of the Board

During July 2020, the Company engaged Lintstock Ltd to undertake an independent external evaluation of the Board. Further information may be found in the Directors' Report on page 47.

Response to COVID-19

In response to the emergence of COVID-19 in March 2020, the Company sought and received more regular reporting from the Manager on its own operations, and via the Manager on the other key service providers to the Company, that each continued to be able to meet its obligations to the Company. Further information may be found on page 14.

Performance and Results

Performance (total return)

	31 March 2017[B] – 30 September 2020 % return	1 year % return	3 years % return	5 years % return
Net asset value – debt at par[A]	+7.6	–0.7	+4.2	+11.6
Net asset value – debt at fair value[A]	+7.6	–0.8	+2.7	+9.8
LIBOR +5.5%	+23.3	+6.1	+19.8	+34.7
Share price[A]	–6.2	–10.6	–12.3	–9.7

[A] Considered to be an Alternative Performance Measure. Total return represents the capital return plus dividends reinvested. Further details can be found on page 110.
[B] Change of Investment Objective and Investment Policy on 31 March 2017.
Source: Aberdeen Standard Investments, Morningstar and Lipper.

Ten Year Financial Record

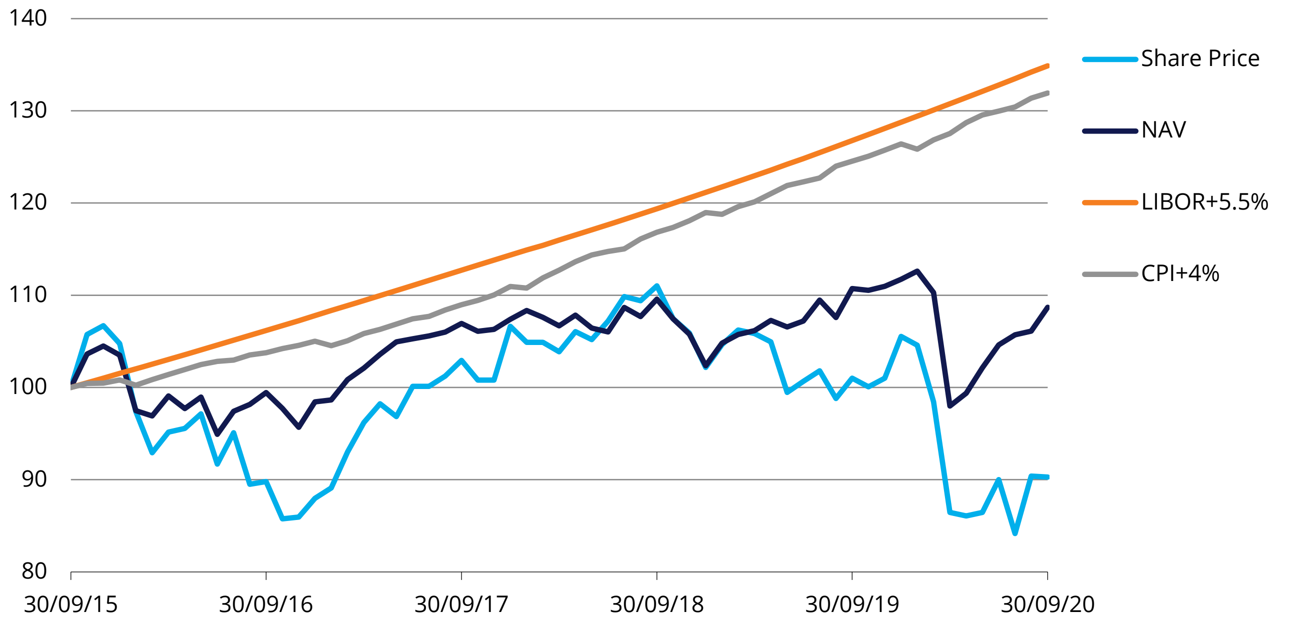
Year to 30 September	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total revenue (£'000)	19,166	21,887	22,382	23,608	23,120	23,265	17,961	23,262	22,106	20,783
Per Ordinary share (p)										
Net revenue return	5.7	6.6	6.6	7.0	7.1	7.6	5.3	6.2	5.7	5.6
Total return	(5.8)	19.6	19.3	9.3	(4.5)	1.3	8.0	2.8	2.6	(1.4)
Net dividends payable	6.112	6.112	6.252	6.44	6.54	6.54	5.89	5.24	5.36	5.44
Net asset value per Ordinary share (p)										
Debt at par value	117.9	131.4	144.5	147.5	136.6	131.6	132.7	130.3	128.1	121.7
Debt at fair value	114.8	125.1	139.3	143.3	131.0	123.6	126.4	124.2	119.9	113.4
Equity shareholders' funds (£'000)	**343,293**	**382,535**	**418,345**	**426,865**	**374,832**	**351,521**	**436,767**	**428,129**	**413,679**	**386,230**

Dividends

	Rate	xd date	Record date	Payment date
First interim 2020	1.36p	5 March 2020	6 March 2020	27 March 2020
Second interim 2020	1.36p	18 June 2020	19 June 2020	10 July 2020
Third interim 2020	1.36p	24 September 2020	25 September 2020	16 October 2020
Fourth interim 2020	1.36p	24 December 2020	29 December 2020	22 January 2021
2020	**5.44p**			
First interim 2019	1.34p	7 March 2019	8 March 2019	29 March 2019
Second interim 2019	1.34p	13 June 2019	14 June 2019	5 July 2019
Third interim 2019	1.34p	19 September 2019	20 September 2019	11 October 2019
Fourth interim 2019	1.34p	24 December 2019	27 December 2019	24 January 2020
2019	**5.36p**			

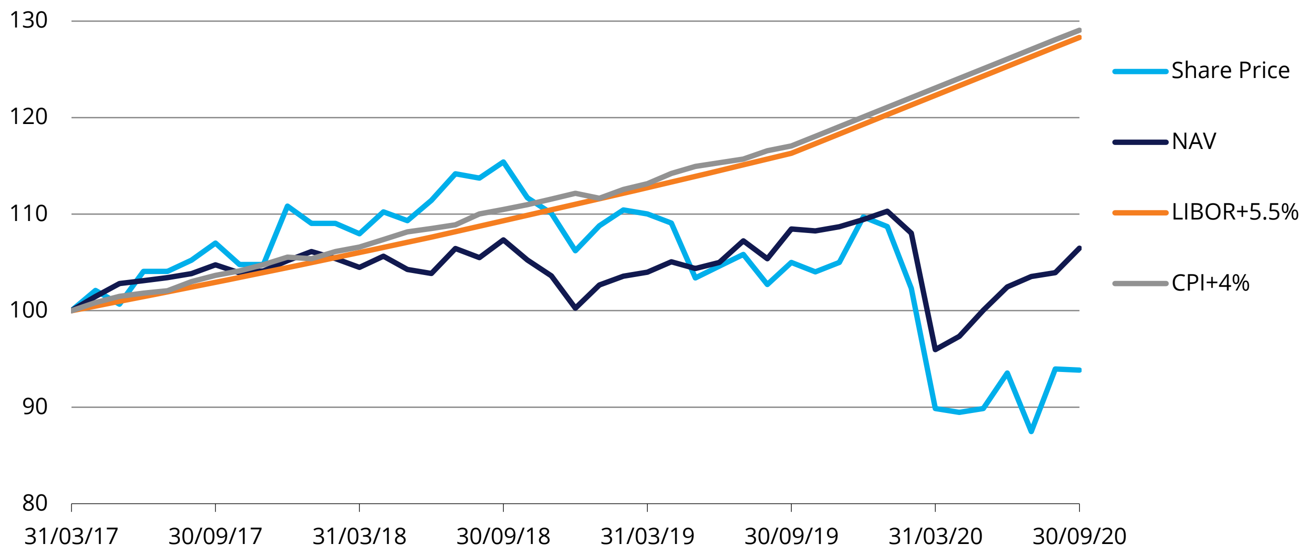
Performance and Results Continued

Total Return of NAV (debt at fair value) and Share Price vs LIBOR +5.5% and CPI +4%
Five years ended 30 September 2020 (all figures rebased to 100 at 30 September 2015)



Source: Morningstar & Lipper

Total Return of NAV (debt at fair value) and Share Price vs LIBOR +5.5% and CPI +4%
31 March 2017 to 30 September 2020 (all figures rebased to 100 at 31 March 2017)



Source: Morningstar & Lipper

Investment Manager's Report

Nalaka De Silva,
Head of Private Markets Solutions
Aberdeen Standard Investments

Overview

It is now more than a decade since the end of the Global Financial Crisis. Ever since 2009, global investment markets have faced periodic waves of uncertainty. Investors have fretted about the potential collapse of the Eurozone, the Brexit saga and the health of China's economy while, at the same time, always being aware of the impact of the eventual withdrawal of central bank liquidity support from markets. The COVID crisis of 2020 raised the 'threat level' to investors substantially. Even today, as the year approaches its end and in light of vaccine deployment, it is not at all clear what 'normal life' will look like in 2021.

Aberdeen Standard Investments' economists and market strategists have adapted to this particularly uncertain outlook by considering different 'paradigms' that might prevail in the post-COVID world. For example, global growth may accelerate as the technological changes of the past year become more widely embedded or, at the other extreme, there may be a deflationary slump, perhaps caused by a global trade war as economies struggle to adapt to the challenges they face. Some investment historians worry about 'financial repression' where higher inflation erodes government debts but interest rates are kept at low levels under government / central bank control, effectively eroding the purchasing power of investors' savings.

The Company's investment approach is designed to tackle these uncertainties by investing in a wide range of asset classes and types of investment which will respond in distinct ways to whichever paradigm (or paradigms) prevails. As the Chairman has highlighted, the existing focus on private markets investments will be developed further with new vehicles, including specialist private sector credit, being introduced. The portfolio will also adopt a core–satellite approach across asset classes with the aim of reducing risk exposures, particularly in Fixed Income and Credit where weightings in asset backed securities and emerging market debt will be scaled back. In each asset class group, such as Equity or Fixed Income & Credit, lower risk 'core' portfolio holdings will be complemented by potentially higher return, but higher risk, 'satellite' portfolio ideas, where the latter may be held over a shorter time frame as more attractive opportunities present themselves.

The latest five year asset class forecasts from Aberdeen Standard Investments' market strategists, which take into account the different paradigms, are used within a portfolio optimisation process to produce a 'strategic asset allocation' for the portfolio. This is designed to give the best risk-return trade-off from the mix of investments available to the Company:

Portfolio optimisation	Previous (%)	Revised (%)
Equity	17	9
Fixed Income: Emerging Market Bonds / Non-Investment Grade Corporate credit	32	23
Private Markets Investments	35	45
Alternatives (Other Alternatives / Hedge Funds / Absolute Return)	16	20
Cash	Nil	3
Total	**100**	**100**

Using Aberdeen Standard Investments' asset class forecasts (but not taking into account additional outperformance relating to the implementation in each segment), this asset mix is forecast to deliver an annual return of 5.7%, broadly in line with the new investment objective. However, when the additional return potential (or 'alpha') is included, the expected return on the portfolio is anticipated to increase to 7.5% p.a., with around 4.5% p.a. contribution from those investments generating an income. As discussed below, a number of the existing private markets investments are approaching the 'delivery' phase of their return profile as underlying investments reach full deployment / maturity. This will also enhance the portfolio's return potential.

The aim of the changes being introduced, which are evolutionary rather than revolutionary in nature, is to increase the portfolio's resilience to whatever economic / investment market difficulties lie ahead. Also, most importantly, it is to ensure that the portfolio will deliver on the Company's investment objective.

Performance

The portfolio delivered a NAV total return of -0.8%, that is, with dividends reinvested. To a large extent, how individual investments or asset classes contributed to overall performance depended on how they were impacted by the COVID-19 pandemic (and the responses to it from governments and central banks).

Investment Manager's Report Continued

After a generally buoyant start to the year under review, the COVID-19 sell-off in February and March impacted all asset classes. Global equities were the most notable casualty, reflected in a fall of 35% in the MSCI World Index in sterling terms, but, for a period of time, even defensive asset classes such as gold, government bonds and investment grade credit sold off as over-leveraged investors required to raise liquidity. The subsequent recovery was more focussed. Growth equities, particularly in technology companies, developed market government bonds and corporate credit were the notable beneficiaries of central bank liquidity injections. Across the year as a whole, in public investment markets, liquid asset classes mostly performed better than illiquid ones. The Company's investment approach has generally favoured the latter over the former which was one of the factors driving portfolio performance this year.

The Fixed Income & Credit segment of the portfolio was the major drag on performance, contributing -1.8% to the portfolio's overall return. This primarily reflected the weakness (followed by a relatively lacklustre recovery) of emerging market bonds and of funds investing in junior tranches of asset backed securities which were most exposed to any potential pick up in credit defaults.

The portfolio's listed equity investment also underperformed (-0.6% performance contribution) as discussed later.

In the Alternative Investments segment, which contributed +1.3% to the overall return, listed infrastructure (+0.8%) and royalties (+0.7%) were relative safe havens. The latter was boosted by the Hipgnosis Songs Fund, a beneficiary of the strong growth of music streaming. Elsewhere, the investments in market place lending performed well (as discussed later) but the listed aircraft leasing investments were notable disappointments, detracting 0.9% from portfolio performance. Even though Doric Nimrod Air Two, which leases A380 aircraft to the Emirates airline, continued to pay its quarterly dividend throughout the year, its share price halved and the valuation now implicitly assumes that its aircraft will be worth less than their scrap metal value when the leases expire in 2024.

In Private Markets investments (+0.1%), the main positive contribution from infrastructure (+0.8%) was broadly offset by the weak performance from private equity investments (-0.5%) and insurance linked securities (-0.3%). The next section of the report gives an update on each of the portfolio's private markets investments.

Looking back across the year as a whole, it is now clear that, in many cases, share prices and bond prices fell much further during the March sell-off than was warranted by the underlying fundamentals. In some small way, this was a positive: additions were made to a number of the portfolio's listed infrastructure and other investment company holdings at attractive valuations after shares sold off and discounts to net asset value widened. However, the impact of widening discounts among the portfolio's listed holdings was also an important contributor to the decline in the Company's net asset value (of around 16% from February's peak level) during this period. An important aim of the evolved investment strategy is to ensure greater NAV resilience during future periods of market volatility.

Private Markets

% of investments increased from 23.6% to 27.4%

Private markets investments are central to the Company's investment approach. Some asset classes, which offer attractive return potential with low correlation to investment markets, are only available to investors who can commit their capital over a period of years, or even decades. This long term investment approach is incompatible with the requirement for daily liquidity that underpins UCITS fund regulations. As an institutional investor, the Company has invested shareholders' capital in private markets vehicles which give direct access to attractive investment opportunities in areas such as development infrastructure, farmland and litigation finance. These funds are expected to deliver double digit percentage annual income returns for investors, net of fees, over the life of the investment.

The Manager identifies and assesses specialist managers in each asset class, and perform operational and legal due diligence, before seeking approval from the Board to make a new commitment to a long term, private markets vehicle. The Company deploys capital into each vehicle over an agreed investment period, typically 3-5 years, as its managers identify new investment opportunities for their portfolio. This flexibility to deploy capital over a number of years is a key advantage of the private markets approach to investment.

For some long term investments, the early costs of developing a new asset from scratch mean that the initial returns from the investment will be below the long term target and, in some cases, may even be negative. This is known as the J-curve effect as the return profile resembles the letter 'J'. For example, this has been the case in the farmland investment, ACM II, where the manager has acquired 13 farms and processing facilities in the western United States and Australia. As these citrus, nut, grape and blueberry farms reach full maturity and profitability they are expected to deliver mid-teen percentage annual income returns to ACM II's investors.

Following the Company's repurchase of a large portion of its Bonds after the year end, which was funded by the sale of equity, bond and other public markets investments, the proportion of the portfolio invested in private markets vehicles has increased to around 32%. The Directors have indicated that this will increase to up to 55% in the foreseeable future as existing fund commitments, which are listed in note 23 to the financial statements, are completed and new opportunities are identified. A number of these new opportunities will be in areas such as private credit which will deliver an attractive return and help to mitigate the effect of the J-curve.

The next section gives a brief update on each of the private markets investments in the portfolio as at 30 September 2020.

Infrastructure

Aberdeen Global Infrastructure Partners II

- Develops and operates long-term infrastructure in Australia / US: e.g. Perth Stadium, Canberra light rail, I-77 toll road
- Fund life ends in 2044 although there is a liquidity window enabling investors to exit at open market value in 2024-27
- Current yield of 1.7%, rising to 7-8% from 2022 (and 10+% from 2028), as projects achieve full cash flow potential
- AGIP II has delivered a return on investment in excess of 90% since 2017 from valuation uplifts as projects have de-risked

SL Capital Infrastructure Partners II

- Acquires stakes in operational economic infrastructure projects, primarily in energy and transport, in Europe / UK
- Initial fund life of 12 years (with potential extensions); target return to investors of 8–10% p.a. including 4–5% p.a. income
- Finnish district heating, UK rail rolling stock and Polish solar assets performing well. Energy storage impacted by COVID-19
- Strong pipeline of new investment opportunities (including accretive bolt-on acquisitions) to boost portfolio diversification

BlackRock Renewable Income - UK

- Owns 48 operational wind and solar energy projects in the UK (46% onshore wind, 37% solar and 17% offshore wind).
- Fund has raised over £1,100m from investors and offers redemption opportunities every three years (the next is in 2022)
- Has delivered in excess of its target income level of 7% p.a., with 6%-7% forecast in 2021/22 if power prices remain weak
- Latest NAV updates from the manager reflect Q2 power price weakness and OFGEM accreditation issues at one of its sites

Andean Social Infrastructure Fund I ("ASIF II")

- Is targeting 13%-15% p.a. returns from a portfolio of infrastructure assets in Central and South America
- Fund has raised $200m at its final close and has a remaining life of seven years with potential extensions until 2029
- Has acquired two projects (a Uruguayan custodial facility and, after the reporting year end, two oil refineries leased to a leading regional operator)
- The COVID-19 crisis has delayed several deals but has increased the opportunities open to ASIF II

Investment Manager's Report Continued

Private Equity

HarbourVest / Mesirow

- Eight funds launched from 2001–08 which hold a wide range of private equity interests (buy-out, venture and co-investments)
- ADIG receives regular capital distributions from over 250 funds and 5,000 portfolio companies as investments mature
- Funds in run-off and currently expected to conclude from 2020-25
- Delivered very attractive returns since acquisition in 2018 despite NAV reductions in H1 2020 on weak equity markets

Maj 4 / Maj 5

- Funds investing in small and medium-sized Scandinavian businesses with a focus on consumer and service industries
- Managers have a strong track record and Maj 4 which owns five businesses and concludes in 2022–25, has delivered attractive returns to ADIG from asset disposals. Fund 5, which concludes in 2026-30, currently owns seven businesses
- Fall in carrying value in Q2 reflected weakness in equity market comparators with a number of businesses, such as restaurant chain, Sticks'n'Sushi, being impacted by the pandemic restrictions

TrueNoord

- ADIG owns 1.8% of an unlisted aircraft leasing company which specialises in regional aircraft. The company, which has a fleet of 50 aircraft leased to airlines across the world including BA and KLM, is supported by a range of financial investors and lending banks. The strategy is to seek an exit via a trade sale or flotation on the stock market once the business achieves critical mass
- The business has developed strongly since ADIG's investment in 2017 and, following equity and debt funding rounds in 2019, is relatively well placed to weather the difficult market conditions facing the airline industry. A precautionary write down in ADIG's carrying value at the end of March 2020, when the near term outlook was particularly uncertain, was partially reversed in the summer after the completion of TrueNoord's annual audit

Aberdeen Standard Secondary Opportunities Fund IV ("SOF IV")

- Enables ADIG to gain diverse exposure to private equity deals sourced from Aberdeen Standard Investments' wide-range of third party private equity contacts. In part, SOF IV, which targets 15+% p.a., will be funded by distribution proceeds from HarbourVest / Mesirow
- SOF IV, which has $400m of investor commitments, can acquire new investments until 2023 and concludes in 2033-34
- Initial investments include stakes in Action, the European discount retailer backed by 3i, and Froneri, a leading manufacturer of ice cream which recently acquired Nestle's US ice cream business

Real Estate

Aberdeen European Residential Opportunities Fund

- Targets a return to investors of 12+% p.a. by converting low value commercial real estate into residential developments
- €275m fund invested in 14 sites across Scandinavia, Germany and the UK during its investment period, developing around 3,700 homes. These will be sold on completion and the profits returned to investors from 2023 - 25 when the fund closes
- At this stage in the fund's development, ADIG's carrying value is broadly in line with invested cost

Aberdeen Property Secondary Partners II ("APSPII")

- Owns stakes in ten funds (76 underlying properties) from a range of countries/market segments across Europe and Asia
- COVID-19 is having a modest impact on some investments which was reflected in an adjustment to ADIG's carrying value in May and subsequently confirmed by APSPII's Q2 2020 NAV update
- The fund has already delivered double digit returns from the run-off of investments in Nordic retail and UK distribution. This is in line with its target return. Further distributions are anticipated as the fund approaches its conclusion over 2021-24

Cheyne Social Property Impact Fund

- Is a £216m fund with a portfolio of 11 properties providing accommodation for disadvantaged or vulnerable groups
- ADIG made its initial investment in May 2016. With the fund scheduled to conclude in 2021, the manager has begun the process of realising assets. Social property has a number of attractive characteristics for income investors and, with ADIG's carrying value currently being close to invested cost, the realisation programme is likely to be value accretive

Natural Resources

Agriculture Capital Management II

- Is a vertically integrated agriculture fund. It currently owns / operates thirteen farms and production facilities in blueberries, citrus, grapes and nuts. These are based in the western United States and Australia
- The fund, which concludes in 2026-31, is targeting a double digit percentage annual income return over the next few years as farms reach full maturity and profitability
- ADIG's carrying value reflects costs of converting farms to organic production and initial operating losses

Alternatives

Burford Opportunity Fund ("BOF")

- Offers direct exposure to a diverse portfolio of litigation finance investments managed by Burford Capital
- Burford Capital's long term track record underpins the potential for BOF to deliver 15+% returns. Profits from successfully completed investments are classified as income in ADIG's financial accounts. Investments are typically around three years in duration and so the fund, which can make new investments until December 2021, concludes in 2023-25
- The latest valuation update, received shortly after the 30 September year end, highlighted favourable outcomes in a series of cases linked to US health insurance. This increased ADIG's carrying value by around 35%

Markel CATCo (2018 / 2019)

- Distributed $7.6m during the reporting period (and a further $5.3m shortly afterwards) as catastrophe insurance claims linked to wild fire and storm events in 2018 and 2019 were finalised and settled
- Markel CATCo closed to new claims at the end of 2019 and is expected to complete the run-off process by the end of 2022

Healthcare Royalty Partners IV

- Targets 10%+ p.a. income returns from investments and loans linked to royalty payments on pharmaceutical products
- The fund has an initial period to acquire new investments until 2024–25 and it concludes in 2030–32. While it is building its portfolio, HCR IV is also utilising a financing facility in order to enhance investment returns
- Initial investments include a high yielding royalty linked to a leading epilepsy drug and a royalty-linked loan to a listed company, which was repaid early at a premium after the borrower was taken over by a competitor

Investment Manager's Report Continued

Fixed Income & Credit

% of investments decreased from 43.6% to 35.7%

Emerging market bonds

After a strong start to the period under review, emerging market ("EM") investments performed poorly during the COVID-related sell-off in February and March. The 'flight to safety' saw sharp declines in EM bond prices and currencies as international investors deserted the asset class, concerned over how economies might struggle in the face of the pandemic. As the leading central banks boosted global liquidity over the summer, investor risk appetite increased once again and EM bond prices staged a sharp recovery. A number of emerging market central banks introduced quantitative easing programmes during this period and short term interest rates were also reduced widely. However, for the large part, emerging market currencies failed to regain the ground they lost during the Q1 sell-off.

Brazil was one of the weaker EM performers during the period, responding particularly poorly to the crisis. A number of EM economies outperformed the worst expectations of Q1. In particular, the resilience of China in this crisis is likely to continue to be supportive of sentiment and economic activity in EM, particularly in Asia.

The portfolio's EM bond exposure was reduced during Q1 and also after the end of the reporting period as part of the sales programme to fund the partial repurchase of the Company's debenture. The Manager's approach to hedging non-sterling investments helped ameliorate the weakness of the asset class during the sell-off in March. Nevertheless, over the year as a whole, the portfolio's EM exposure impacted overall performance by around –1.5%. Looking ahead, Aberdeen Standard Investment's latest medium term forecast for the EM bond asset class is for a return of around 4.5% p.a. Therefore, exposure to the asset class will be reduced to below 10% (from 15.2% at the end of September) as new investments in other segments of the portfolio are funded.

Credit-related investments

The portfolio's credit investments have endured a similar rollercoaster to that described for EM bonds. With its focus on medium – low risk securities backed by residential mortgages and corporate loans, Twenty Four Asset Backed Opportunities Fund ("TFABO") proved to be relatively resilient, delivering a small positive return over the year as a whole. The sharp sell-off in credit investments in March reflected concerns that corporate defaults would rise sharply as the pandemic developed. When central banks dramatically boosted financial market liquidity via quantitative easing programmes and interest rate cuts, these concerns abated. The ASI Global Loans fund performed well over the year as a whole. However, higher risk investments linked to corporate bonds, such as the Blackstone, Marble Point and Fair Oaks funds, performed poorly and suspended their dividends for short periods. The exposure to credit investments was increased during the Spring (via an addition to TFABO and the purchase of new holdings in the NB Global Loans Fund and GCP Asset Backed Income).

Equities

% of investments decreased from 18.3% to 14.5%

As noted in the Interim Report, portfolio exposure to equities was reduced during March in order to scale back portfolio risk. This reflected concerns over the sharply deteriorating outlook for corporate earnings which were central to the 35% decline in the MSCI World Index (hedged to GBP) over this period. The Multi-Factor Global Equity Income fund – which targets a low level of volatility and higher level of income than the global equity index – performed in line with its benchmark index during the initial part of the reporting period. However, as global equities rallied in April and through the Summer, the fund's stock selection focus on quality / value factors proved to be a drag on performance. This largely reflected the portfolio's low level of exposure to US equities and, in particular, technology shares.

Looking ahead, Aberdeen Standard Investments' central view is that the economic environment for equities is likely to remain benign. Corporate earnings will recover as the COVID-19 recession abates. As long as risk free rates remain near all-time lows, equity valuations are likely to remain high. Against this background, higher growth companies and markets are likely to remain in favour. However, the probability of tail risks is significantly higher than in the past. If economic growth stagnates, or in the opposite case, where uncontained fiscal and monetary stimulus result in much higher inflation, equity returns would suffer severely. For now at least, with central banks continuing to provide plentiful liquidity, these malign outcomes are relatively low probability events. As part of the strategic review, discussed in the Chairman's Statement, the portfolio's equity exposure will be reduced and realigned onto a core-satellite approach which will have a better balance between value and growth than the existing Multi-Factor Global Equity Income fund. The implementation will include thematic sub-portfolios managed by ASI equity teams and also allow a greater emphasis to be placed on companies with enhanced characteristics in areas such as sustainability and income.

Alternatives

% of investments increased from 14.5% to 22.4%

Investments in this segment of the portfolio derive income-focussed returns from a wide range of different sources. To date, the focus has been on listed investment companies, managed by specialist third party managers, in areas such as marketplace lending, social property and shipping. These funds target attractive returns (typically 6% - 8% p.a. or more) with idiosyncratic drivers and risk characteristics. Also, holdings in areas such as infrastructure, healthcare royalties and litigation finance allow the portfolio to maintain exposure until commitments to private markets investments are fully deployed.

During the year, portfolio exposure to listed alternative investments was increased, most notably during March / April when share prices of infrastructure companies such as HICL, 3i Infrastructure and Greencoat UK Wind fell sharply and traded at very attractive discounts to net asset value. New holdings in Hipgnosis Songs Fund, Aquila European Renewables and the platform lending vehicle, Honeycomb Investment Trust, were also acquired. At the same time, exposure to Alternative Credit Investments (formerly known as Pollen Street Secured Lending) was increased. Subsequently, these latter two companies were involved in merger talks prior to Alternative Credit Investments receiving a takeover approach. This led to a cash takeover offer being tabled after the reporting period ended.

Looking ahead, exposure to listed infrastructure will be scaled back as existing private markets investments are fulfilled and also new investments, in areas such as private market credit, are introduced to the portfolio. In addition, a new range of alternative investments will be introduced into the portfolio (in areas such as hedge funds, active systematic and global risk mitigation strategies). These will aim to improve portfolio resilience during periods of investment market weakness.

Nalaka De Silva, Head of Private Markets Solutions,
Aberdeen Standard Investments
Investment Manager
16 December 2020

Portfolio

The portfolio consists of a wide range of assets managed by specialist teams within Aberdeen Standard Investments and also by selected third party managers. Some of these investments are longer term in nature and are not otherwise readily available to private investors.

Wind turbines, forming part of the portfolio of investments within the BlackRock Renewable Income Fund - UK, which is owned by the Company.

Ten Largest Investments

As at 30 September 2020

	At 30 September 2020 % of Total investments	At 30 September 2019 % of Total investments
TwentyFour Asset Backed Opportunities Fund Investments in mortgages, SME loans originated in Europe	14.9	12.8
Multi-Factor Global Equity Income Fund (formerly Smart Beta Low Volatility Global Equity Income Fund)[A] Diversified global equity fund	14.5	18.3
SL Capital Infrastructure II[AB] European economic infrastructure	4.7	4.1
Burford Opportunity Fund[B]	3.3	1.5
Diverse portfolio of litigation finance investments initiated by Burford Capital		
Aberdeen Property Secondaries Partners II[AB] Realisation of value from property funds which are in run-off	3.2	3.2
BioPharma Credit Provides capital to the life sciences industry via loans backed by royalties on product sales	2.7	1.0
Alternative Credit Investments (formerly Pollen Street Secured Lending) Specialist credit investments originated by non-bank lending platforms	2.7	1.6
Aberdeen European Residential Opportunities Fund[AB] Conversion of commercial property into residential	2.6	1.8
Aberdeen Standard Alpha – Global Loans Fund[A] Portfolio of senior secured loans and corporate bonds	2.4	2.4
Aberdeen Standard SICAV I – Frontier Markets Bond Fund[A] Diverse portfolio of bonds issued by governments or other bodies in frontier market countries	2.3	2.6

[A] Denotes Standard Life Aberdeen managed products
[B] Unlisted holdings

Private Markets Investments

As at 30 September 2020

Company/Fund	Sub-sector	Valuation 2020 £'000	% of Total Investments 2020	Valuation 2019 £'000
Private Equity				
TrueNoord Co-Investment[B]		6,812	1.6	7,416
Aberdeen Standard Secondary Opportunities Fund IV[AB]		2,805	0.7	–
HarbourVest International Private Equity VI[B]		2,796	0.7	3,055
Maj Equity 4[B]		2,262	0.5	2,576
Mesirow Financial Private Equity IV[B]		1,451	0.3	1,806
Maj Equity 5[B]		828	0.2	1,020
HarbourVest VIII Buyout Fund[B]		529	0.1	703
Mesirow Financial Private Equity III[B]		371	0.1	473
Dover Street VII[B]		252	0.1	405
HarbourVest VIII Venture Fund[B]		177	–	236
HarbourVest International Private Equity V[B]		44	–	51
Total Private Equity		**18,327**	**4.3**	
Real Estate				
Aberdeen Property Secondaries Partners II[AB]		13,425	3.1	14,664
Aberdeen European Residential Opportunities Fund[AB]		11,248	2.6	8,241
Cheyne Social Property Impact Fund[B]		6,073	1.4	3,771
Total Real Estate		**30,746**	**7.2**	
Infrastructure				
SL Capital Infrastructure II[AB]		20,264	4.7	18,946
BlackRock Renewable Income – UK[B]		7,809	1.8	9,107
Aberdeen Global Infrastructure Partners II (USD)[AB]		6,899	1.6	3,489
Aberdeen Global Infrastructure Partners II (AUD)[AB]		4,785	1.1	4,085
Andean Social Infrastructure Fund I[AB]		1,629	0.4	17
Total Infrastructure		**41,386**	**9.6**	
Diversified Insurance-Linked Securities				
Markel CATCo Reinsurance Fund Ltd – LDAF 2018 SPI[B]		4,396	1.0	6,676
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 SPI[B]		3,405	0.8	–
Blue Capital Alternative Income[B]		280	0.1	1,504
Total Insurance-Linked Securities		**8,081**	**1.9**	
Other Alternatives				
Burford Opportunity Fund[B]	Litigation finance	14,092	3.3	6,660
Healthcare Royalty Partners IV[B]	Royalties	940	0.2	683
Total Other Alternatives		**15,032**	**3.5**	

Private Markets Investments Continued

As at 30 September 2020

Company/Fund	Sub-sector	Valuation 2020 £'000	% of Total Investments 2020	Valuation 2019 £'000
Natural Resources				
Agriculture Capital Management Fund II[B]	Agriculture	3,636	0.9	3,783
Total Natural Resources		**3,636**	**0.9**	
Total Private Markets		**117,208**	**27.4**	

[A] Denotes Standard Life Aberdeen managed products
[B] Unlisted holdings

Alternative Listed Investments

As at 30 September 2020

Company/Fund	Sub sector	Valuation 2020 £'000	% of Total Investments 2020	Valuation 2019 £'000
Listed Real Estate				
Triple Point Social Housing		4,171	1.0	3,674
PRS REIT		4,030	0.9	3,783
Residential Secure Income		3,338	0.8	3,428
Supermarket Income REIT		2,664	0.6	–
Total Listed Real Estate		**14,203**	**3.4**	
Listed Infrastructure				
International Public Partnerships		9,408	2.2	6,054
HICL Infrastructure		8,317	1.9	7,052
John Laing Group		5,991	1.4	7,011
Greencoat UK Wind		4,426	1.0	7,271
Greencoat Renewables		3,332	0.8	167
Aquila European Renewables		2,543	0.6	–
The Renewables Infrastructure Group		2,458	0.6	1,143
3i Infrastructure		1,563	0.4	–
Sequoia Economic Infrastructure Income		1,299	0.3	1,441
Total Listed Infrastructure		**39,337**	**9.2**	
Listed Diversified Insurance-Linked Securities				
CATCo Reinsurance Opportunities Fund		1,259	0.3	1,301
Blue Capital Reinsurance Holdings		25	–	586
Total Listed Diversified Insurance-Linked Securities		**1,284**	**0.3**	
Other Listed Alternatives				
BioPharma Credit	Royalties	11,608	2.7	4,804
Alternative Credit Investments (formerly Pollen Street Secured Lending)	Marketplace finance	11,441	2.7	7,266
Hipgnosis Songs Fund	Royalties	5,184	1.2	–
Honeycomb Investment Trust	Marketplace finance	4,517	1.1	–
Burford Capital	Litigation finance	2,830	0.7	3,733
Tufton Oceanic Assets	Shipping	2,661	0.6	1,692
Doric Nimrod Air Two	Aircraft leasing	1,403	0.3	4,117
Amedeo Air Four Plus	Aircraft leasing	949	0.2	–
SME Credit Realisation Fund	Marketplace finance	837	0.2	1,859
Total Other Listed Alternatives		**41,430**	**9.6**	
Total Alternatives		**96,254**	**22.4**	

Fixed Income & Credit Investments

As at 30 September 2020

Company/Fund	Valuation 2020 £'000	% of Total Investments 2020	Valuation 2019 £'000
Asset Backed Securities			
TwentyFour Asset Backed Opportunities Fund	63,837	14.9	58,719
Blackstone/GSO Loan Financing	6,504	1.5	8,819
GCP Asset Backed Income Fund	3,015	0.7	–
Marble Point Loan Financing	1,918	0.5	3,165
Fair Oaks Income Fund	1,433	0.3	2,418
Total Asset Backed Securities	**76,707**	**17.9**	
Emerging Market Bonds			
Aberdeen Standard SICAV I – Frontier Markets Bond Fund[A]	9,735	2.3	11,944
Mexico (United Mexican States) 6.5% 09/06/22	3,703	0.9	3,231
Russian Federation 6.9% 23/05/29	2,953	0.7	4,995
Brazil (Fed Rep of) 10% 01/01/27	2,950	0.7	3,615
Poland (Rep of) 2.5% 25/04/24	2,741	0.6	–
Indonesia (Rep of) 7% 15/05/22	2,609	0.6	3,055
South Africa (Rep of) 8% 31/01/30	2,061	0.5	1,344
Mexico Bonos Desarr Fix Rt 8.5% 18/11/38	1,890	0.4	3,927
Colombia (Rep of) 10% 24/07/24	1,797	0.4	3,791
Indonesia (Rep of) 8.125% 15/05/24	1,783	0.4	–
Malaysia (Govt of) 3.828% 05/07/34	1,715	0.4	–
Thailand (King of) 3.775% 25/06/32	1,691	0.4	2,275
Indonesia (Rep of) 8.375% 15/03/34	1,604	0.4	3,156
Uruguay (Rep of) 8.5% 15/03/28	1,532	0.4	–
Russian Federation 7.6% 14/04/21	1,390	0.3	–
Brazil (Fed Rep of) 10% 01/01/25	1,383	0.3	5,131
South Africa (Rep of) 10.5% 21/12/26	1,167	0.3	1,927
Mexico Bonos Desarr Fix Rt 10% 05/12/24	1,140	0.3	3,136
Peru (Rep of) 6.95% 12/08/31	1,080	0.3	2,185
Colombia (Rep of) 7% 30/06/32	1,073	0.3	1,450
Hungary (Rep of) 3% 27/10/38	1,013	0.2	–
South Africa (Rep of) 8.75% 31/01/44	980	0.2	3,245
South Africa (Rep of) 8.25% 31/03/32	900	0.2	1,116
Peru (Rep of) 5.7% 12/08/24	879	0.2	1,973
Colombia (Rep of) 7.5% 26/08/26	844	0.2	945
Secretaria Tesouro 10% 01/01/31	818	0.2	–
Mexico (United Mexican States) 7.75% 13/11/42	786	0.2	1,694

As at 30 September 2020

Company/Fund	Valuation 2020 £'000	% of Total Investments 2020	Valuation 2019 £'000
Indonesia (Rep of) 9% 15/03/29	772	0.2	3,297
Russian Federation 7.7% 23/03/33	765	0.2	2,299
Colombia (Rep of) 6% 28/04/28	729	0.2	1,448
Czech (Rep of) 2% 13/10/33	703	0.2	1,373
Egypt (Arab Rep of) 6.588% 21/02/28	687	0.2	–
Brazil (Fed Rep of) 10% 01/01/21	667	0.2	4,399
Romania (Rep of) 3.65% 28/07/25	606	0.1	–
Czech (Rep of) 4.2% 04/12/36	591	0.1	579
Malaysia (Govt of) 4.498% 15/04/30	590	0.1	1,739
Mongolia (Govt of) 10.875% 06/04/21	574	0.1	–
Ukraine (Rep of) 7.75% 01/09/22	573	0.1	–
Bonos Tesoreria Peso 4.7% 01/09/30	554	0.1	–
Central Bank of Tunisia 5.75% 30/01/25	540	0.1	–
Ivory Coast (Govt of) 6.375% 03/03/28	540	0.1	–
Russian Federation 7.65% 10/04/30	535	0.1	–
Ghana (Rep of) 7.625% 16/05/29	525	0.1	–
El Salvador (Rep of) 8.625% 28/02/29	505	0.1	–
Malaysia (Govt of) 4.048% 30/09/21	409	0.1	2,198
Poland (Rep of) 2.0% 25/04/21	364	0.1	–
Uruguay (Rep of) 9.875% 20/06/22	301	0.1	416
Thailand (King of) 3.625% 16/06/23	258	0.1	1,405
Petroleos Mexicanos 7.19% 12/09/24	227	0.1	269
Indonesia (Rep of) 6.125% 15/05/28	195	0.1	1,959
Malaysia (Govt of) 3.844% 15/04/33	180	–	890
Titulos De Tesoreria 7.25% 18/10/34	153	–	–
Total Emerging Market Bonds	**64,760**	**15.1**	
Loans			
Aberdeen Standard Alpha – Global Loans Fund[A]	10,347	2.4	11,078
NB Global Monthly Income (formerly known as NB Global Floating Rate Income Fund)	1,467	0.3	–
Total Loans	**11,814**	**2.7**	
Total Fixed Income & Credit	**153,281**	**35.7**	

[A] Denotes Standard Life Aberdeen managed products

Equity Investments and Net Assets Summary

Equity Investments

As at 30 September 2020

Company/Fund	Valuation 2020 £'000	% of Total Investments 2020	Valuation 2019 £'000
Listed Equities			
Multi-Factor Global Equity Income Fund (formerly Smart Beta Low Volatility Global Equity Income Fund)[A]	62,116	14.5	55,115
Total Listed Equities	**62,116**	**14.5**	
Total Investments	**428,859**	**100.0**	

[A] Denotes Standard Life Aberdeen managed products

Net Assets Summary

As at 30 September 2020

	Valuation 2020 £'000	Net assets 2020 %	Valuation 2019 £'000	Net assets 2019 %
Total investments	**428,859**	**111.1**	**458,522**	**110.8**
Cash and cash equivalents[A]	18,095	4.7	7,852	1.9
Forward contracts	(3,999)	(1.0)	3,195	0.7
6.25% Bonds 2031	(59,540)	(15.5)	(59,503)	(14.4)
Other net assets	2,815	0.7	3,613	1.0
Net assets	**386,230**	**100.0**	**413,679**	**100.0**

[A] Includes outstanding settlements

Manager's ESG Engagement

Responsible investing at Aberdeen Standard Investments

At Aberdeen Standard Investments, everything we do as an organisation is focused on generating the best long-term outcomes for our clients. In order to create the right outcomes, we invest with conviction across all asset classes. That conviction is informed by the research and engagement that we undertake. Environmental, Social and Governance ("ESG") factors are integral to the process for each of the investment teams within Aberdeen Standard Investments which manage investments on behalf of the Company. This is the case for investments in both public and private markets.

Investing responsibly for Aberdeen Diversified Income and Growth Trust plc

As portfolio managers, we analyse the risks and opportunities, including those influenced by ESG factors, for every investment that we make. Our approach considers ESG factors within asset classes as well as in the asset allocation process. It is supported by our centralised Stewardship and ESG Investment team.

To give an example of our approach, for the listed alternative investments in the portfolio, the Diversified Assets team produces a structured ESG research note. Each ESG factor is analysed and assigned a score from 1 to 5. The overall ESG rating for the company reflects a balance of the factors:

Environmental and social

We focus on three key areas that capture the management of environmental and social risks:

Policy and reporting

We believe that a company in which we invest should take ownership of its own ESG policy, and work to incorporate ESG issues into its investment analysis and decision-making process. An ESG policy, along with appropriate reporting, has the potential to encourage greater focus on the United Nations-supported Principles for Responsible Investment (UN PRI) and Sustainable Development Goals (UN SDGs).

Risk management

In our view, a company must recognise the importance of identifying and actively monitoring the financial and non-financial risks facing its business. It should pay regard to the materiality of relevant Environmental and Social ("E&S") risks. If a company identifies such risks, it needs to assess them in terms of probability of occurrence, potential effects on financial performance and movements in the relative significance of each risk from period to period. Then it should take appropriate action to improve its management of those risks.

Benefits and costs

We believe that what is measured tends to be managed. A company should attempt to report performance against what it sees as key E&S issues. This helps it to set targets and provides a clearer line of direction.

Governance

One of the advantages of the listed investment company structure is that the independent board is responsible for safeguarding investors' interests. Our preference is for companies to comply with the AIC Code of Corporate Governance. This complements the UK Corporate Governance Code and provides a framework of best practice.

When we evaluate governance, we consider a variety of factors including board/management engagement as well as policies towards shareholders. We review the board composition and governance structure. We assess whether the board is appropriately diverse in terms of background, experience and gender. We look at how the board and management are aligned with shareholders, assessing if there is appropriate "skin in the game" (via directors' shareholdings) and whether fees are appropriate and well structured. Policies on discount management and shareholder continuation votes are also evaluated.

ESG Case Study

Tufton Oceanic Investments

Tufton Oceanic Investments is a listed investment company which owns a portfolio of eighteen commercial vessels. Although many aspects of the investment proposition were viewed as attractive, we were aware of the environmental and regulatory risks surrounding the industry, given that international shipping emits around 2-3% of global greenhouse gas emissions. We engaged with the company on these issues, discussing the risks they pose to the business model and how the company proposed to combat these risks.

Following our discussions, and talks with other investors, Tufton Oceanic has joined the 'Getting to Zero Coalition' (the "Coalition") – a partnership between the Global Maritime Forum, the Friends of Ocean Action and the World Economic Forum. The Coalition prescribes that international shipping must reduce its total annual global greenhouse gas emissions by at least 50% of 2008 levels by 2050.

Governance

The Company is registered as a public limited company and has been approved by HM Revenue & Customs as an investment trust. The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance.

Your Board of Directors

The Directors supervise the management of the Company and represent the interests of shareholders.

The current Directors' details, all of whom are non-executive and independent of the Manager, are set out on pages 43 and 44, and include their individual contribution to the Company.

Davina Walter

Status:
Chairman

Experience:
Appointed a Director on 1 February 2019, Senior Independent Director on 27 February 2019 and Chairman on 26 February 2020, Davina is currently engaged as an investment consultant having started her career at Cazenove & Co where she spent more than 11 years involved in US equity research. She spent over 16 years as an investment manager of US equity portfolios, most recently as a Managing Director at Deutsche Asset Management. She has been actively involved with investment trusts since 1985 and is a director of JPMorgan Elect plc.

Length of service:
1 year, 10 months

Re-elected to the Board:
2020

Committee membership:
Management Engagement Committee (Chairman) and Nomination Committee (Chairman)

Contribution
The Nomination Committee, chaired by the Senior Independent Director, has reviewed the contribution of Davina Walter in light of her proposed re-election at the forthcoming AGM and has concluded that she continues to chair the Company expertly, fostering a collaborative spirit between the Board and Manager while ensuring that meetings remain focussed on the key areas of stakeholder relevance.

Julian Sinclair

Status:
Senior Independent Non-Executive Director

Experience:
Appointed a Director on 21 July 2015 and Senior Independent Director on 26 February 2020, Julian is currently Chief Investment Officer of Macdoch UK Ltd. He was formerly a Senior Portfolio Manager at BlueBay Asset Management plc, a Partner at Altima Partners LLP, Chief Investment Officer at Talisman Global Asset Management Limited and Chief Investment Officer at Adjuvo Network Limited. He started his career at Gartmore as an analyst and portfolio manager.

Length of service:
5 years

Re-elected to the Board:
2020

Committee membership:
Audit Committee, Management Engagement Committee and Nomination Committee

Contribution
The Nomination Committee has reviewed the contribution of Julian Sinclair in light of his proposed re-election at the forthcoming AGM and has concluded that, in addition to his position as Senior Independent Director, he continues to bring to the Board his extensive investment expertise.

Tom Challenor

Status:
Independent Non-Executive Director and Chairman of the Audit Committee

Experience:
Appointed a Director on 6 April 2017 and Chairman of the Audit Committee on 31 October 2018, Tom is Senior Independent Director of Euroclear (UK & Ireland) Limited and a former non-executive director of Aberdeen UK Tracker Trust plc, Cofunds Limited, Xtrakter Limited and Threadneedle Lux (SICAV). At Threadneedle Asset Management he was Director of Strategy and Risk from 2005 to 2009 and Chief Financial Officer from 1997 to 2005. He is also a non-executive director of Threadneedle India Fund Limited.

Length of service:
3 years

Re-elected to the Board:
2020

Committee membership:
Audit Committee (Chairman), Management Engagement Committee and Nomination Committee

Contribution
The Nomination Committee has reviewed the contribution of Tom Challenor in light of his proposed re-election at the forthcoming AGM and has concluded that he continues to chair the Audit Committee expertly as well as bringing to the Board his experience of internal controls and risk management in an investment setting.

Your Board of Directors Continued

Trevor Bradley

Status:
Independent Non-Executive Director

Experience:
Appointed a Director on 1 August 2019, Trevor Bradley was a partner and member of the Management Board at Ruffer LLP. He was responsible for growing and leading the firm's institutional investment business and managed over £1 billion of multi-asset portfolios for pension funds, charities and other institutions. Prior to Ruffer, he was a management consultant at McKinsey & Company and a UK equity portfolio manager at Mercury Asset Management.

Length of service:
1 year, 4 months

Elected to the Board:
2020

Committee membership:
Audit Committee, Management Engagement Committee and Nomination Committee

Contribution
The Nomination Committee has reviewed the contribution of Trevor Bradley in light of his proposed re-election at the forthcoming AGM and has concluded that he continues to bring to the Board his knowledge of investment management as well as experience in investment companies.

Anna Troup

Status:
Independent Non-Executive Director

Experience:
Appointed a Director on 1 August 2019, Anna Troup qualified as a solicitor with Slaughter and May. She has been employed in the financial services industry since 1997, having spent over 10 years at Goldman Sachs and more than 12 years as an investment management professional, most recently as head of UK Bespoke Solutions at Legal & General Investment Management. She is chairman of T Bailey Fund Services Ltd and a director of the Pension Protection Fund and MS Amlin Limited.

Length of service:
1 year, 4 months

Elected to the Board:
2020

Committee membership:
Audit Committee, Management Engagement Committee and Nomination Committee

Contribution
The Nomination Committee has reviewed the contribution of Anna Troup in light of her proposed re-election at the forthcoming AGM and has concluded that she continues to bring to the Board her expertise in investment management and the wider financial services sector.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30 September 2020.

Results and Dividends

The financial statements for the year ended 30 September 2020 are contained on pages 71 to 100. The Company's revenue return for the year ended 30 September 2020 was 5.58p per share compared to 5.68p per share in the previous year.

First, second and third interim dividends, each of 1.36p per Ordinary share, were paid on 27 March 2020, 10 July 2020 and 16 October 2020, respectively.

The Directors are declaring a fourth interim dividend of 1.36p per Ordinary share payable on 22 January 2021 to shareholders on the register on 29 December 2020. The ex-dividend date is 24 December 2020. The Company intends to pay four interim dividends each year and, in line with corporate governance best practice, a resolution in respect of this dividend policy will be put to shareholders at each Annual General Meeting.

Investment Trust Status

The Company is registered as a public limited company (registered in Scotland No. SC3721) and is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company has been approved by HM Revenue & Customs as an investment trust subject to it continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011. The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 September 2020 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

The Company has conducted its affairs in such a way as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Capital Structure and Voting rights

The issued Ordinary share capital at 30 September 2020 consisted of 317,330,238 Ordinary shares (2019 - 322,981,705) with voting rights and 48,080,636 Ordinary shares (2019 - 42,429,169) held in treasury. A total of 5,651,467 Ordinary shares were bought back into treasury during the year ended 30 September 2020. A total of 3,955,000 Ordinary shares were bought back into treasury between 1 October 2020 and the date of approval of this Annual Report resulting in 313,375,238 Ordinary shares in issue, with voting rights, and 52,035,636 Ordinary shares in treasury.

Each Ordinary share (excluding treasury shares) holds one voting right and shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares, excluding treasury shares, carry a right to receive dividends. On a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law.

Management Agreement

The Company has appointed Aberdeen Standard Fund Managers Limited ("ASFML"), a wholly-owned subsidiary of Standard Life Aberdeen plc, as its alternative investment fund manager.

ASFML has been appointed to provide investment management, risk management, administration and company secretarial services as well as promotional activities. The Company's portfolio is managed by Aberdeen Asset Managers Limited ("AAML") by way of a group delegation agreement in place between ASFML and AAML. In addition, ASFML has sub-delegated administrative and secretarial services to Aberdeen Asset Management PLC and promotional activities to AAML.

The Manager charges a monthly fee at the rate of one-twelfth of 0.50% on the first £300 million of NAV and 0.45% of NAV in excess of £300 million. In calculating the NAV, the 6.25% bonds due 2031 are valued at fair value. The value of any investments in ETFs, unit trusts, open ended and closed ended investment companies and investment trusts of which the Manager, or another company within the Standard Life Aberdeen plc group is the operator, manager or investment adviser, is deducted from net assets. Details of the management fee charged during the year are included in note 5 to the financial statements.

The management agreement has in place a six months' notice period. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period.

Corporate Governance

The Statement of Corporate Governance, which forms part of the Directors' Report, may be found on page 52.

Directors' Report Continued

Director	Scheduled Board Meetings	Audit Committee Meetings
Davina Walter [A]	4 (4)	1 (1)
Julian Sinclair	4 (4)	2 (2)
Tom Challenor	4 (4)	2 (2)
Trevor Bradley	4 (4)	2 (2)
Anna Troup	4 (4)	2 (2)
James Long [B]	2 (2)	- (-)

Notes:
[A] Davina Walter, as Chairman of the Board, is not a member of the Audit Committee (from 26 February 2020)
[B] Resigned as a Director on 26 February 2020 and was not a member of the Audit Committee

Directors

As at 30 September 2020, the Board comprised five non-executive Directors (2019 – six).

The Directors attended scheduled meetings of the Board and Audit Committee during the year ended 30 September 2020 as set out in the table (with their eligibility to attend the relevant meetings in brackets). Due to the holding of certain Committee meetings during September 2019 and October 2020, the Nomination Committee and Management Engagement Committee did not convene during the year ended 30 September 2020. The Directors meet more regularly when business needs require.

The names, biographies and contribution of each of the current Directors are shown on pages 43 and 44 and indicate their range of skills and experience as well as their length of service.

Each Director has the requisite high level and range of business and financial experience which enables the Board to provide clear and effective leadership and proper governance of the Company.

In line with best practice in corporate governance, all Directors offer themselves for re-election at the AGM. Accordingly, Davina Walter, Julian Sinclair, Tom Challenor, Trevor Bradley and Anna Troup each retire and, being eligible, each submits themselves for re-election at the AGM. The Board believes that all current Directors remain, and all Directors during the year ended 30 September 2020 were, and continue to be, independent of the Manager and free from any relationship which could materially interfere with the exercise of their judgement on issues of strategy, performance, resources and standards of conduct. In addition, the Board confirms that each Director demonstrates commitment to the role and their performance remains effective which supports their individual contribution to the role.

The Board therefore recommends, for approval by shareholders, the resolutions for the individual re-election as Directors at the AGM of each of Davina Walter, Julian Sinclair, Tom Challenor, Trevor Bradley and Anna Troup.

The Role of the Chairman and Senior Independent Director

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chairman and acts as an intermediary for other Directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Board Committees

The Board has appointed a number of Committees, as set out below. Copies of their terms of reference, which define the responsibilities and duties of each Committee, are available on the Company's website, or upon request from the Company. The terms of reference of each of the Committees are reviewed and re-assessed by the Board for their adequacy on an ongoing basis.

Audit Committee

The Audit Committee's Report is contained on pages 56 to 58.

Management Engagement Committee

The Management Engagement Committee consists of all the Directors and was chaired by James Long until 26 February 2020 and by Davina Walter thereafter. The terms and conditions of the Manager's appointment, including an evaluation of performance and fees, are reviewed by the Committee on an annual basis. The Committee also keeps under review the resources of Standard

Life Aberdeen plc, together with its commitment to the Company and its investment trust business. In addition, the Committee conducts an annual review of the performance, terms and conditions of the Company's key third party suppliers, by undertaking peer comparisons and reviewing reports from the Manager on the Depositary.

The Board conducts a formal evaluation of the performance of, and contractual relationship with, the Manager and those third parties appointed by the Manager on an annual basis. The evaluation includes consideration of the investment strategy and process of the Manager, noting performance against the benchmark over the long term and the quality of the support that the Company receives from the Manager. Having regard to the investment performance of the Manager since its appointment in March 2017, and further to a strategic review which the Board had undertaken and which is described in the Chairman's Statement on pages 7 and 8, the Board confirms that it is satisfied that the continuing appointment of the Manager, on the terms agreed, is in the interests of shareholders as a whole.

Nomination Committee

The Nomination Committee consists of all the Directors and was chaired by James Long until 26 February 2020 and by Davina Walter thereafter. The Committee reviews the effectiveness of the Board, succession planning, Board appointments, appraisals, training and the remuneration policy. As stated in the Directors' Remuneration Report on pages 53 to 55, the Nomination Committee determines the level of Directors' fees and there is no separate Remuneration Committee.

An external evaluation was undertaken in July 2020 by Lintstock Ltd, an independent external board evaluation service provider which has no other connection with the Company.

Assisted by Lintstock, the Board has assessed that it had in place the appropriate balance of skills, experience, length of service and knowledge of the Company while recognising the advantages of diversity. Details of the individual contribution provided by each Director during the year are set out on pages 43 and 44.

Potential new Directors are identified against the requirements of the Company's business and the need to have a balance of skills, experience, independence, diversity and knowledge of the Company within the Board.

Directors' and Officers' Liability Insurance

The Company maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company. Each Director is entitled to be indemnified out of the assets of the Company to the extent permitted by law against any loss or liability incurred by him in the execution of his duties in relation to the affairs of the Company. These rights are included in the Articles of Association of the Company.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has an actual or potential conflict of interest. As part of this process, each Director prepares a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to prevent or manage any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with their duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although all Directors are issued with letters of appointment. There were no contracts during, or at the end of the year, in which any Director was interested.

The Board takes a zero-tolerance approach to bribery and has adopted appropriate procedures designed to prevent bribery. The Manager also takes a zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption.

Going Concern

The Financial Statements of the Company have been prepared on a going concern basis. This conclusion is consistent with the Company's longer term Viability Statement on pages 17 and 18.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 13 to 16, including the major disruption caused by COVID-19, and have reviewed forecasts detailing revenue and liabilities. Notwithstanding the continuing uncertain economic outlook caused by COVID-19, the Directors are satisfied that: the Company is able to meet all of its liabilities from its assets, including its ongoing charges, so possesses sufficient resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of this Annual Report; the Company is financially sound; and the Company's key third party service providers had in place appropriate business continuity plans and had, and will, be able to maintain service levels despite the ongoing impact of COVID-19.

Directors' Report Continued

Whilst the Company is obliged to hold a continuation vote at the 2021 AGM, as ordinary resolution 11, the Directors do not believe this should automatically trigger the adoption of a basis other than going concern in line with the Association of Investment Companies ("AIC") Statement of Recommended Practice ("SORP") which states that it is more appropriate to prepare financial statements on a going concern basis unless a continuation vote has already been triggered and shareholders have voted against continuation. Additionally, the SORP guidance sets out that it is appropriate for the financial statements to be prepared on a going concern basis whilst making a material uncertainty disclosure as set out in accounting standards. After considering the factors listed in note 2 (a) to the financial statements, the Directors acknowledge that a material uncertainty therefore exists which may cast significant doubt about the Company's ability to continue as a going concern.

Substantial Interests

As at 30 September 2020, the following interests over 3% in the issued Ordinary share capital of the Company had been disclosed in accordance with the requirements of the FCA's Disclosure Guidance and Transparency Rules:

Shareholder	Number of shares held	% held [B]
Aberdeen Asset Managers Limited Retail Plans [A]	32,565,204	10.3
Interactive Investor	24,909,218	7.9
Aberdeen Standard Investments	21,988,807	6.9
Cazenove Capital	20,703,260	6.5
Hargreaves Lansdown [A]	18,460,632	5.8
Brewin Dolphin	10,849,006	3.4
Investec Wealth & Investment	10,226,332	3.2
Smith & Williamson Wealth Management	9,995,371	3.2
Charles Stanley	9,642,327	3.0

[A] Non-beneficial interest
[B] Based on 317,305,238 Ordinary shares in issue (excluding treasury shares) as at 30 September 2020

Relations with Shareholders

The Directors place great importance on communication with shareholders and regularly meet with current and prospective shareholders to discuss performance, including in the absence of the Manager. The Board receives quarterly investor relations updates from the Manager. Significant changes to the shareholder register, as well as shareholder feedback, are discussed by the Directors at each Board meeting.

Regular updates are provided to shareholders through the Annual Report, Half Yearly Report, monthly factsheets and daily net asset value announcements, all of which are available through the Company's website at: **aberdeendiversified.co.uk.** The Annual Report is also widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up-to-date information on the Company through its website or via Aberdeen Standard Investments' Customer Services Department (see page 119 for details).

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (either the Company Secretary or Aberdeen Standard Investments) in situations where direct communication is required and representatives from the Board offer to meet with major shareholders on an annual basis in order to gauge their views. The Company Secretary acts on behalf of the Board, not the Manager, and there is no filtering of communication. At each Board meeting the Board receives full details of any communication from shareholders to which the Chairman responds, as appropriate, on behalf of the Board.

In addition, in relation to institutional shareholders, members of the Board may either accompany the Manager or conduct meetings in the absence of the Manager.

The Company's Annual General Meeting ordinarily provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Investment Manager. The Notice of AGM included within the Annual Report is normally sent out at least 20 working days in advance of the meeting.

Criminal Finances Act 2017

The Criminal Finances Act 2017 introduced a corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in an honest and ethical manner. The Board takes a zero tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements appear on pages 59 and 67.

Each Director confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and they have taken all the steps that they could reasonably be expected to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Annual General Meeting

The Annual General Meeting will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Tuesday 23 February 2021 at 12.30 p.m. The Notice of the Meeting is included on pages 113 to 118. Resolutions including the following business will be proposed:

Continuation of the Company (Resolution 11)
In accordance with Article 178 of the Articles of Association of the Company adopted by shareholders on 30 March 2017, the Directors were required to propose an ordinary resolution at the AGM in 2020, and annually thereafter, that the Company continue as an investment trust. Accordingly, the Directors are proposing, as ordinary resolution 11, that the Company continues as an investment trust and recommend that shareholders support the continuation of the Company.

Amendment to the Investment Objective and Investment Policy (Resolution 12)
Following the review of the Company's strategy, as described in the Chairman's Statement on pages 7 and 8, the Board is seeking, under ordinary resolution 12, shareholders' approval of a revised investment objective and a change to the investment policy. Additional information may be found in Overview of Strategy, on pages 11 and 12, setting out the proposed amendments.

Allotment of Shares (Resolution 13)
Resolution 13 will be proposed as an ordinary resolution to confer an authority on the Directors, in substitution for any existing authority, to allot up to 10% of the issued Ordinary share capital of the Company (excluding treasury shares) as at the date of the passing of the resolution (up to a maximum aggregate nominal amount of £7.8m based on the number of Ordinary shares in issue as at the date of this Report) in accordance with Section 551 of the Companies Act 2006. The authority conferred by this resolution will expire at the next Annual General Meeting of the Company or, if earlier, 31 March 2022 (unless previously revoked, varied or extended by the Company in general meeting).

The Directors consider that the authority proposed to be granted by resolution 13 is necessary to retain flexibility.

Limited Disapplication of Pre-emption Provisions (Resolution 14)
Resolution 14 will be proposed as a special resolution and seeks to give the Directors power to allot Ordinary shares or to sell Ordinary shares held in treasury (see below) (i) by way of a rights issue (subject to certain exclusions); (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions); and (iii) to persons other than existing shareholders for cash up to a maximum aggregate nominal amount representing 10% of the Company's issued Ordinary share capital as at the date of the passing of the resolution (up to an aggregate nominal amount of £7.8m based on the number of Ordinary shares in issue as at the date of this Report), without first being required to offer such shares to existing shareholders pro rata to their existing shareholding.

This power will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 31 March 2022 (unless previously revoked, varied or extended by the Company in general meeting).

The Company may buy back and hold shares in treasury and then sell them at a later date for cash rather than cancelling them. Such sales are required to be on a pre-emptive, pro rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary share capital on a non pre-emptive basis, resolution 14 will also give the Directors power to sell Ordinary shares held in treasury on a non pre-emptive basis, subject always in both cases to the limitations noted above. Pursuant to this power, Ordinary shares would only be issued for cash, and treasury shares would only be sold for cash, at a premium to the net asset value per share (calculated after the deduction of prior charges at market value). Treasury shares are explained in more detail under the heading "Market Purchase of the Company's own Ordinary Shares" below.

Market Purchase of the Company's own Ordinary Shares (Resolution 15)
Resolution 15 will be proposed as a special resolution to authorise the Company to make market purchases of its own Ordinary shares. The Company may do either of the following things in respect of its own Ordinary shares which it buys back and does not immediately cancel but, instead, holds in treasury:

- sell such shares (or any of them) for cash (or its equivalent); or
- ultimately cancel the shares (or any of them).

Treasury shares may be resold quickly and cost effectively. The Directors therefore intend to continue to take advantage of this flexibility as they deem appropriate. Treasury shares also enhance the Directors' ability to manage the Company's capital base. No dividends will be paid on treasury shares and no voting rights attach to them.

Directors' Report Continued

The maximum aggregate number of Ordinary shares which may be purchased pursuant to the authority is 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of the resolution (approximately 47.6 million Ordinary shares). The minimum price which may be paid for an Ordinary share is 25p (exclusive of expenses). The maximum price (exclusive of expenses) which may be paid for the shares is the higher of a) 5% above the average of the middle market quotations of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase; and b) the higher of the price of the last independent trade and the highest current independent bid on the main market for the Ordinary shares.

This authority, if conferred, will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 31 March 2022 (unless previously revoked, varied or extended by the Company in general meeting) and will be exercised only if it would result in an increase in net asset value per Ordinary share for the remaining shareholders and if it is in the best interests of shareholders as a whole.

Holding General Meetings on not less than 14 days' clear notice (Resolution 16)

Under the Companies Act 2006, the notice period for all general meetings of the Company is 21 clear days' notice. Annual general meetings will always be held on at least 21 clear days' notice but shareholders can approve a shorter notice period for other general meetings. Resolution 16, which is a special resolution, seeks the authority from shareholders for the Company to be able to hold general meetings (other than Annual General Meetings) on not less than 14 clear days' notice. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Companies Act 2006 (as amended by the Shareholders' Rights Regulations) before it can call a general meeting on not less than 14 days' clear notice.

The Board believes that it is in the best interests of Shareholders to have the ability to call meetings on not less than 14 clear days' notice should an urgent matter arise. The Directors do not intend to hold a general meeting on less than 21 clear days' notice unless immediate action is required.

Adoption of new Articles of Association (Resolution 17)

Resolution 17, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the 'New Articles') in order to update the Company's current Articles of Association (the 'Existing Articles'). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include:

i. provisions enabling the Company to hold virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings); and

ii. changes in response to the introduction of international tax regimes (notably to take into account the broader obligations under the Common Reporting Standard) requiring the exchange of information.

A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice on page 118. Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for hybrid or virtual-only meetings to be held. Nothing in the New Articles will prevent the Company from holding physical general meetings. The changes under (ii) are being sought in response to challenges posed by government restrictions on social interactions as a result of COVID-19 which have made it impossible for shareholders to attend physical general meetings. In the Chairman's Statement, the Board recognises that the AGM is an important occasion where shareholders can meet and ask questions of the Board and the Manager.

The Board is committed to ensuring that future general meetings (including AGMs) incorporate a physical meeting when law and regulation permits and where shareholders can meet with the Board face to face. The potential to hold a general meeting through wholly electronic means is intended as a solution to be adopted as a contingency to ensure the continued smooth operation of the Company in extreme operating circumstances where physical meetings are prohibited. The Company has no present intention of holding a wholly electronic general meeting but wants to be prepared for the future.

The full terms of the proposed amendments to the Company's Articles of Association would have been made available for inspection as required under LR 13.8.10R (2) but for the Government restrictions implemented in response to the Coronavirus outbreak As an alternative, a copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection on the Company's website, aberdeendiversified.co.uk, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Coronavirus related restrictions are lifted before the AGM, a hard copy of these documents will be available for inspection at Bow Bells House, 1 Bread Street, London EC4M 9HH until the close of the AGM.

Recommendation
The Directors consider that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders and recommend that shareholders vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings, amounting to 416,740 Ordinary shares, representing 0.1% of the issued share capital.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
1 George Street
Edinburgh EH2 2LL
16 December 2020

Statement of Corporate Governance

Aberdeen Diversified Income and Growth Trust plc (the "Company") is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: **frc.org.uk**, and is first applicable for the Company's year ended 30 September 2020.

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: **theaic.co.uk**.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The Board confirms that, during the year, the Company has complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except for those provisions relating to:

- the role and responsibility of the chief executive;
- executive directors' remuneration; and
- the requirement for an internal audit function.

The Board considers that these provisions are not relevant to the position of the Company being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Information on how the Company has applied the AIC Code, the UK Code, the Companies Act 2006 and the FCA's DTR 7.2.6 is provided in the Directors' Report and Audit Committee's Report as follows:

- the composition and operation of the Board and its Committees are detailed on pages 46 and 47 and, in respect of the Audit Committee, on page 56;
- the Board's policy on diversity is on page 16;
- the Company's approach to internal control and risk management is detailed on pages 56 and 57;
- the contractual arrangements with, and annual assessment of, the Manager are set out on pages 45 and 47, respectively;
- the Company's capital structure and voting rights are summarised on page 45;
- the substantial interests disclosed in the Company's shares are listed on page 48;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are summarised on page 53. There are no agreements between the Company and its Directors concerning compensation for loss of office; and
- the powers to issue or buy back the Company's ordinary shares, which are sought annually, and any amendments to the Company's Articles of Association require a special resolution (75% majority) to be passed by shareholders and information on these resolutions may be found on pages 49 to 51.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
1 George Street
Edinburgh
EH2 2LL

16 December 2020

Directors’ Remuneration Report

This Directors’ Remuneration Report comprises three parts:

i. a Remuneration Policy which is subject to a binding shareholder vote every three years, or sooner if varied during this interval; most recently approved by shareholders at the AGM on 26 February 2020 where 99.1% of the votes were cast in favour of the relevant resolution while 0.9% were cast against; the resolution is due to be put to shareholders again at the AGM in 2023;

ii. an Implementation Report which is subject to an advisory vote on the level of remuneration paid during the year; and

iii. an Annual Statement.

The law requires the Company’s auditor to audit certain of the disclosures provided in the Directors’ Remuneration Report. Where disclosures have been audited, they are indicated as such. The auditor’s opinion is included in the report on pages 60 to 68.

Remuneration Policy

The Directors’ Remuneration Policy is determined by the full Board, chaired by Davina Walter, and a separate Remuneration Committee has not been established.

The Board’s policy is that the remuneration of non-executive Directors should be sufficient to attract and retain the Directors needed to oversee the Company properly and to reflect its specific circumstances. The remuneration should also reflect the nature of the Directors’ duties, responsibilities, the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, and have similar capital structures and similar investment objectives.

Fees paid to the directors of companies within the Company’s peer group are also taken into account and the Company Secretary provides the Directors with relevant comparative information.

The policy also provides that the Chairman of the Board and of each Committee may be paid a fee which is proportionate to the additional responsibilities involved in that position. In order to avoid conflicts of interest, each Director absents themselves from the consideration of their own fee. There were no changes to the Directors’ Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future.

No communications were received from shareholders regarding Directors’ remuneration during the year.

Limits on Directors’ Remuneration

Directors’ fees are set within the limits of the Company’s Articles of Association which limit the aggregate fees payable to the Board of Directors per annum. The current limit is £300,000 per annum which may only be increased by shareholder ordinary resolution.

The level of fees for the years ended 30 September 2020 and 2019 is set out in the following table. Fees are reviewed annually and increased, if considered appropriate.

	30 September 2020 £	30 September 2019 £
Chairman	43,750	43,000
Chairman of Audit Committee	31,500	30,000
Senior Independent Director	28,500	28,000
Director	26,500	26,000

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive and are appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to election at the first Annual General Meeting after their appointment, and be subject to re-election at least every three years thereafter. Notwithstanding this, the Board has agreed that all Directors shall retire and, if eligible, stand for re-election at each AGM.
- Any Director newly appointed to the Board will receive the fee applicable to each of the other Directors at the time of appointment together with any other fee then currently payable in respect of a specific role which the new Director is to undertake for the Company.
- No incentive or introductory fees will be paid to encourage a person to become a Director.
- Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses, which are considered to be taxable expenses.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties as a Director of the Company.

Directors' Remuneration Report Continued

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.
- Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.
- It is the Board's intention that this Remuneration Policy applies for the three year period ending 30 September 2022.

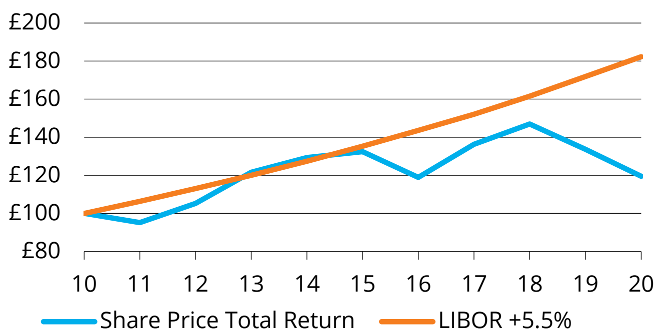
Implementation Report

Review of Directors' Fees

The level of Directors' fees was last revised with effect from 1 October 2019. The Board carried out a review of the level of Directors' fees during the year, including benchmarking against similar investment companies, and concluded that the Chairman's fee would remain unchanged at £43,750 per annum while other Directors' fees would change, with effect from 1 October 2020, to the following rates per annum: £32,000 (Audit Committee Chairman), £29,000 (Senior Independent Director) and £27,000 for each other Director.

Company Performance

The graph below shows the share price return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from LIBOR plus 5.5% over the ten year period ended 30 September 2020 (rebased to 100 at 30 September 2010). This index was chosen for comparison purposes as it is the objective used for investment performance measurement purposes.



Statement of Voting at General Meeting

At the Company's last AGM, held on 26 February 2020, shareholders approved, as Resolution 2, the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 30 September 2019. The proxy votes shown in the following table were received on the Resolution:

Resolution	For and Discretionary	Against	Withheld
2. Receive and adopt the Directors' Remuneration Report (excluding the Directors' Remuneration Policy)	72.9 (98.9%)	790,707 (1.1%)	428,255

Spend on Pay

As the Company has no employees, the Directors do not consider it meaningful to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown in the table.

Audited Information

The Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 30 September 2020 and 30 September 2019 had no interest in the share capital of the Company other than those interests, all of which are beneficial, shown in the following table.

Directors' Interests in the Company

There have been no changes to the Directors' interests in the share capital of the Company since the year end up to the date of approval of this Report other than the purchase by Tom Challenor of 216 shares on 19 October 2020 in relation to dividend reinvestment and the purchase by Trevor Bradley of 25,000 shares on 26 October 2020. In addition, no Director had any interest in the Company's 6.25% Bonds 2031 during the year under review or up to and including the date of approval of this Report.

	30 September 2020 Ordinary shares	30 September 2019 Ordinary shares
Davina Walter	17,008	17,008
Tom Challenor	157,418	156,651
Julian Sinclair	187,098	187,098
Trevor Bradley	25,000	25,000
Anna Troup	5,000	5,000
James Long	63,136 [A]	62,389

[A] As at date of resignation on 26 February 2020

Fees Payable
The Directors who served during the year received the following fees, which exclude employers' National Insurance contributions. Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties included in the fees referred to in the table. All fees are at a fixed rate and there is no variable remuneration. Taxable benefits refer to travel costs associated with Directors' attendance at Board and Committee meetings.

	Year ended 30 September 2020		
	Base fee £	Taxable benefits £	Total £
Davina Walter (Chairman) [A]	37,527	275	37,802
Julian Sinclair	27,684	247	27,931
Tom Challenor	31,500	267	31,767
Trevor Bradley	26,500	419	26,919
Anna Troup	26,500	625	27,125
James Long [B]	17,852	41	17,893
	167,563	**1,874**	**169,437**

[A] Appointed Chairman on 26 February 2020
[B] Resigned as a Director on 26 February 2020

	Year ended 30 September 2019		
	Base fee £	Taxable benefits £	Total £
James Long (Chairman)	43,000	198	43,198
Davina Walter [A]	18,506	-	18,506
Tom Challenor	29,677	-	29,677
Julian Sinclair	26,000	-	26,000
Trevor Bradley [B]	4,333	88	4,421
Anna Troup [B]	4,333	1,787	6,120
Jim Grover [C]	24,267	-	24,267
Kevin Ingram [D]	11,667	371	12,038
Ian Russell [E]	2,500	510	3,010
Paul Yates [E]	2,167	-	2,167
	166,450	**2,954**	**169,404**

[A] Appointed a Director on 1 February 2019
[B] Appointed a Director on 1 August 2019
[C] Resigned as a Director on 6 September 2019
[D] Resigned as a Director on 27 February 2019
[E] Resigned as a Director on 31 October 2018

Annual Percentage Change in Directors' Remuneration
The table below sets out the annual percentage change in Directors' remuneration for the past year.

	Year ended 30 September 2020	
	Fees %	Taxable Benefits %
Davina Walter (Chairman) [A]	+1.0	n/a
Julian Sinclair	+6.5	n/a
Tom Challenor	+6.1	n/a
Trevor Bradley [B]	+511.6	+376.1
Anna Troup [C]	+511.6	-185.9
James Long [D]	-41.1	-79.3

[A] Appointed Chairman on 26 February 2020
[B] Appointed a Director on 1 August 2019; in relation to Taxable Benefits, these are equivalent to 1.6% of the Directors' fees for the year ended 30 September 2020
[C] Appointed a Director on 1 August 2019; in relation to Taxable Benefits, these are equivalent to 2.4% of the Directors' fees for the year ended 30 September 2020
[D] Resigned as a Director on 26 February 2020

Annual Statement
On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, it is confirmed that the above Remuneration Report summarises, as applicable, for the year to 30 September 2020:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken, including management of any potential conflicts of interest arising and reflected any feedback from shareholders.

Davina Walter
Chairman
16 December 2020

Report of the Audit Committee

The Audit Committee presents its Report for the year ended 30 September 2020.

Committee Composition

An Audit Committee has been established which was chaired by Tom Challenor throughout the year and consisted of the whole Board with the exception of Davina Walter following her appointment as Chairman of the Board on 26 February 2020. Tom Challenor is a Fellow of the Institute of Chartered Accountants in England & Wales and the Directors take the view that the Committee as a whole has relevant financial experience and competence appropriate for the investment trust sector.

Functions of the Audit Committee

The principal role of the Audit Committee is to assist the Board in relation to the reporting of financial information, the review of financial controls and the management of risk. The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on at least an annual basis. Copies of the terms of reference are published on the Company's website and are available from the Company Secretary on request.

The Committee's main functions are listed below:

- to review and monitor the internal control systems and risk management systems (including review of non-financial risks) on which the Company is reliant (the Directors' statement on the Company's internal controls and risk management is set out below);
- to consider whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, half-yearly financial reports, announcements and related formal statements;
- to review the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to meet with the auditor to review the proposed audit programme of work and the findings of the auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the auditor to supply non-audit services;
- to review a statement from the Manager detailing the arrangements in place within the Manager whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the appointment of the auditor and to approve the remuneration and terms of engagement of the auditor; and
- to monitor and review the auditor's independence, objectivity, effectiveness, resources and qualification.

Activities During the Year

The Audit Committee met twice during the year when, amongst other matters, it considered the Annual Report and the Half-Yearly Financial Report. Representatives of Aberdeen Standard Investment's internal audit department and risk and compliance department reported to the Committee on matters such as internal control systems, risk and the conduct of the business in the context of its regulatory environment. Further information may be found on page 14 regarding the additional assurance sought and received by the Company from its key service providers covering the discharge of their obligations in light of COVID-19.

Internal Control

There is an ongoing process, for identifying, evaluating and managing the Company's significant business and operational risks, which has been in place for the year ended 30 September 2020 and up to the date of approval of the Annual Report, which is regularly reviewed by the Board and complies with the FRC's guidance on internal controls.

The Board has overall responsibility for ensuring that there is a system of internal controls in place and a process for reviewing its effectiveness. Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board, through the Audit Committee, has prepared its own risk controls self-assessment which lists potential risks relating to strategy; shareholders; Board; investment management; promotional activities; company secretarial; depositary; third party service providers and other external factors. The Board considers the potential cause and possible effect of these risks as well as reviewing the controls in place to mitigate these potential risks.

Clear lines of accountability have been established between the Board and the Manager. The Board receives regular reports covering key performance and risk indicators and considers control and compliance issues brought to its attention. In carrying out its review, the Board has had regard to the activities of the Manager, including its internal audit and compliance functions, and of the auditor.

The Board has reviewed the Manager's process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed. The Board has also reviewed the effectiveness of the Manager's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurances Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organisation".

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the FRC's guidance on internal controls and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control are outlined below:

- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board;
- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- as a matter of course the Manager's compliance department continually reviews its operations; and
- at its meeting in November 2020, the Audit Committee carried out an annual assessment of internal controls for the year ended 30 September 2020 by considering documentation from the Manager, including the internal audit and compliance functions, and taking account of events since 30 September 2020.

The Board has considered the need for an internal audit function. However, the Company has no employees and the day-to-day management of the Company's assets has been delegated to the Manager which has its own compliance and internal control systems. The Board has therefore decided to place reliance on those systems and internal audit procedures and has concluded that it is not necessary for the Company to have its own internal audit function.

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 30 September 2020, the Audit Committee considered, through review of reports and other documentation, the following significant issues, in particular those communicated by the auditor during its planning and reporting of the year end audit:

Valuation and Existence of Investments

How the issue was addressed - The Company's investments have been valued in accordance with the accounting policies, as disclosed in note 2 to the financial statements, which are consistent with the International Private Equity and Venture Capital Valuation Guidelines – Edition 2018. Within the FRS 102 Fair Value hierarchy, all investments are categorised as either Level 1 or 2 other than 25 investments (2019 - 24), totalling £117.2m (2019 - £108.2m), which are categorised as Level 3. The portfolio holdings and their pricing is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared for each Board meeting. The Audit Committee rigorously challenges the assumptions underlying valuation of unlisted investments. The Company engages the services of an independent Depositary to hold the assets of the Company. The Depositary checks the consistency of its records with those of the Manager on a monthly basis and reports to the Board on an annual basis.

Recognition of Investment Income

How the issue was addressed - The recognition of investment income is undertaken in accordance with the stated accounting policies. In addition, the Directors review the Company's income forecasts at each Board meeting.

Report of the Audit Committee Continued

Recognition of a Deferred Tax Asset
How the issue was addressed - as at 30 September 2020, the Company has recognised a deferred tax asset of £2.1m (2019 – £2.4) as it is considered likely that accumulated unrelieved management expenses and loan relationship deficits will be extinguished in future years. In arriving at the amount recognised, the Audit Committee has considered and adopted the Manager's estimate of the future levels of taxable income forecast to be generated by the Company and its utilisation of management expenses.

Maintenance of Investment Trust Status
How the issue was addressed - The Company has been approved as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010. Ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager and reported at each Board meeting.

Review of Auditor

The Audit Committee has reviewed the effectiveness of the auditor, PricewaterhouseCoopers LLP ("PwC") including:

- Independence - the auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards.
- Quality of audit work - including the ability to resolve issues in a timely manner (identified issues are satisfactorily and promptly resolved), its communications/presentation of outputs (the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible), and its working relationship with management (the auditor has a constructive working relationship with the Manager).
- Quality of people and service - including continuity and succession plans (the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the audit director).

In reviewing the auditor, the Committee also took into account the FRC's latest Audit Quality Inspection Report for PwC.

Audit Tender

This year's audit of the Company's Annual Report is the first performed by PwC since their appointment following an audit tender process held by the Company in 2019 and is therefore the initial year for which the senior statutory auditor, Shujaat Khan, has served.

Shareholders will have the opportunity to vote on the re-appointment of PricewaterhouseCoopers LLP as auditor, as Resolution 9, at the forthcoming AGM.

Provision of Non-Audit Services

The Committee has established a policy on the supply of non-audit services provided by the auditor. Such services are considered on an individual basis and may only be provided if the service is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest or prevent the auditor from remaining objective and independent. In addition, non-audit services will only be approved by the Committee if in compliance with the Financial Reporting Council's and EU Public Interest Entity's independence requirements. All non-audit services require the pre-approval of the Committee. Non-audit fees paid to the auditor during the year under review amounted to £17,500, comprising £13,500 (2019: £6,000) for the review of the Half-Yearly Financial Report and £4,000 (2019: £1,000) in relation to covenant compliance requirements for the Bond.

Tom Challenor
Chairman of the Audit Committee
16 December 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements, in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website but not for any information on the website that has been prepared or issued by third parties. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- in the opinion of the Directors, the Annual Report taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

On behalf of the Board,
Davina Walter
Chairman
16 December 2020

Independent Auditors' Report to the members of Aberdeen Diversified Income and Growth Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, Aberdeen Diversified Income and Growth Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its returns and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 30 September 2020; the Statement of Comprehensive Income; the Statement of Changes in Equity; the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

Other than those disclosed in note 6 to the financial statements, we have provided no non-audit services to the Company in the period from 1 October 2019 to 30 September 2020.

Material uncertainty related to going concern

In forming our opinion on the Company financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 (a) to the financial statements concerning the Company's ability to continue as a going concern. A continuation vote is due to take place at the 2021 AGM, which, if passed, will allow the Company to continue as an investment trust for a further year. However, the outcome of the vote is not yet known and cannot at this stage be determined with any certainty considering the performance of the Company compared with its benchmark and the Company's share price compared with its net asset value per share. These conditions, along with certain other matters explained in note 2 (a) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Audit procedures performed

In concluding that there is a material uncertainty related to the Company's ability to continue as a going concern, we performed the following procedures:

- evaluated the Company's updated risk assessment and considering whether it addresses the relevant threats presented by COVID-19;
- evaluated management's assessment of operational impacts, considering their consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements;
- obtained and evaluated the Directors' going concern assessment which reflects conditions up to the point of approval of the Annual Report. We obtained evidence to support the key assumptions and forecasts driving the Directors' assessment. This included reviewing the Directors' assessment of the Company's financial position and forecasts, their assessment of liquidity and Bond covenant compliance as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- assessed the disclosures presented in the Annual Report in relation to COVID-19 by reading the other information, including Principal Risks and Uncertainties, Viability Statement set out in the Strategic Report and the Going Concern Statement, and assessing its consistency with the financial statements and the evidence we obtained in our audit.

In addition, in relation to the continuation vote specifically, we considered:

- the recommendation of the Directors to support the continuation vote:
- the strategic review and changes to the future investment strategy of the Company;
- the stability and diversity of the Company's shareholder register and the type of shareholder on the register;
- the buy-back of the majority of the Company's issued debt instruments after the year end and the positive impact this has on the Company's cash flow;
- the Company's share price compared with its net asset value per share;
- the Company's recent performance compared with its benchmark, in particular during 2020; and
- the discussions with and/or feedback received by the Board and its professional advisers from a wide range of shareholders.

Our audit approach

Overview

Materiality

Overall materiality: £3.8 million, based on 1% of Net assets.

Audit Scope

- The Company is a standalone Investment Trust Company and engages Aberdeen Standard Fund Managers Limited (the "AIFM") to manage its assets.
- We conducted our audit of the financial statements using information from the AIFM to whom the Directors have delegated the provision of all administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment relevant to the Company's financial reporting and adopted a substantive testing approach using reports obtained from the AIFM.

Key Audit Matters

- Valuation and existence of investments.
- Income from investments.
- Consideration of impacts of COVID-19.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010 (see page 15), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with the AIFM and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Audit Committee
- Assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of unlisted investments (see related key audit matter below);
- Identifying and testing journal entries, in particular year end journal entries posted by the administrator during the preparation of the financial statements and any journals with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Independent Auditors' Report to the members of Aberdeen Diversified Income and Growth Trust plc Continued

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments	**Listed Investments**
Refer to the Audit Committee Report (page 57), the Accounting Policies (page 77) and the Notes to the Financial Statements (pages 83 and 84). Listed investments at the year-end are valued at £307.7 million. Unlisted investments at year end are valued at £117.2 million. We focused on the valuation and existence of listed and unlisted investments because they represent the principal element of the net asset value as disclosed on the Balance Sheet in the Financial Statements. In addition, the valuation of unlisted investments requires significant judgement to be applied by the Directors in considering the methodology and assumptions applied by underlying investment managers in valuing assets. Changes to key inputs to the estimates and/or the judgements made can result in a material change to the fair value of unlisted investments.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of the listed investment portfolio by agreeing investment holdings to an independent custodian confirmation. No material misstatements were identified. **Unlisted Investments** We understood and evaluated the valuation methodology applied by the Directors, in consultation with the Manager, by reference to the International Private Equity and Venture Capital Valuation guidelines (IPEV). Furthermore, our testing, included: · Obtaining a reconciliation of unlisted investments that summarised year on year movements including any drawdowns and distributions in the period; · We checked that the valuation used in the financial statements was consistent with the company's accounting records including the reconciliation; · We tested the existence of the unquoted investment portfolio by agreeing a sample of the holdings to independently obtained third party confirmations; · We tested a sample of distributions and drawdowns to underlying supporting documentations and ensured that the treatment of the distribution as either a return of capital or revenue was consistent with this documentation; · We checked the accuracy of the valuations recorded by the client to underlying investment manager valuation reports; · Where investment manager valuation reports were not available as at the reporting date, we considered the appropriateness of the valuation used by management and any material changes applied to the most recent valuation reports received;

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General

Key audit matter	How our audit addressed the key audit matter
	· We considered the methodology and valuation approach applied by investment managers to check that it was in line with the requirements of IPEV; · In addition, for a risk-based sample, we engaged our internal valuation experts to consider whether the valuations used by the company were considered to be within a reasonable range and whether any publicly available evidence contradicts the valuations recorded; · We assessed whether any adjustments to valuations would be required as a result of COVID-19 at the Balance Sheet date. We also read the minutes of meetings of the AIFM's internal Fair Value Pricing Committee where the valuations of certain unlisted investments were discussed and adjustments to fair value were agreed to check the consistency of discussions with our testing and understanding of the investments. We found that the Directors' valuations of unquoted investments were materially consistent with the IPEV guidelines and that the assumptions used to derive the valuations within the financial statements were reasonable based on the investee's circumstances or consistent with appropriate third party sources. No material misstatements were identified.
Income from investments Refer to the Audit Committee Report (page 57), the Notes to the Financial Statements (page 76) and the Accounting Policies (page 79). ISAs (UK) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve a certain objective. In this instance, we consider that 'income' refers to all the Company's income streams, both revenue and capital (including gains and losses on investments). Income from investments comprised dividend income, fixed interest income, distributions from unlisted investments, and gains and losses on investments. As the Company has a Balanced objective, there is no incentive to either over or understate income. We focused on the accuracy, completeness and occurrence of investment income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and return for the year. We also focused on the accounting policy for investment income recognition and the presentation of investment income in the Income Statement for compliance with the requirements of The Association of Investment Companies Statement of	We assessed the revenue recognition accounting policy applied for compliance with FRS 102 and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. **Dividend Income** We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. To test for completeness, we tested, for all listed equity investment holdings in the portfolio, that all dividends declared in the market had been recorded. We tested occurrence by testing that all dividends recorded in the year had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. **Fixed Interest income** We tested fixed interest income for a sample by recalculating the expected coupon interest and amortisation, using the opening

Independent Auditors' Report to the members of Aberdeen Diversified Income and Growth Trust plc Continued

Key audit matter	How our audit addressed the key audit matter
Recommended Practice (the "AIC SORP"), as incorrect application could indicate a misstatement in income recognition.	and closing portfolios and coupon rates and maturity dates obtained from independent third-party sources. We also tested for occurrence by agreeing the sample selected to bank statements. **Collective investment scheme income** For a sample of distributions from collective investment schemes recorded in the period we tested the accuracy and occurrence of the amounts by agreeing the amounts to distribution notices and bank statements. **Gains and losses on investments** The gains/losses on investments held at fair value comprise realised and unrealised gains/losses. For unrealised gains and losses, we tested 100% of the listed investments and sample tested the valuation of the unlisted portfolio at the year-end (see above), together with testing the reconciliation of opening and closing investments. For realised gains/losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains/losses.
Consideration of the Impact of COVID-19 Refer to the Chairman's Statement (page 10), Principal and Emerging Risks (pages 13 to 16), Viability Statement (pages 17 and 18) and the Going Concern Statement (page 47 and 48), which disclose the impact of the COVID-19 coronavirus pandemic. From a small number of cases of an unknown virus in 2019, the COVID-19 viral infection has become a global pandemic. It has caused disruption to supply chains and travel, slowed global growth and caused volatility in global markets and in exchange rates during the first quarter of 2020 and to date. The Directors have prepared the financial statements of the Company on a going concern basis, and believe this assumption remains appropriate. This conclusion is based on the assessment that, notwithstanding the significant market uncertainties, they are satisfied that the Company had adequate resources to continue in operational existence for the foreseeable future and that the Company and its key third-party service providers have in place appropriate business continuity plans and will be able to maintain service levels through the coronavirus pandemic.	Our procedures in respect of the Directors' going concern assessment are included in the "Material uncertainty related to going concern" section above. Our conclusions related to going concern are set out in the "Going Concern" section below.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£3.8 million
How we determined it	1% of Net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust company audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £190,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to other than the material uncertainty we have described in the material uncertainty related to going concern section above. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.
We are required to report if the Directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Independent Auditors' Report to the members of Aberdeen Diversified Income and Growth Trust plc Continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

The Directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 14 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

- The Disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.

- The Directors' explanation on page 14 and on pages 17 and 18 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions
We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 59, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.
- The section of the Annual Report on page 56 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities set out on page 59, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report to the members of Aberdeen Diversified Income and Growth Trust plc Continued

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 26 February 2020 to audit the financial statements for the year ended 30 September 2020 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

Shujaat Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
16 December 2020

Financial Statements

Retirement village developments in Australia owned by the TAMP GemLife Resorts Fund, which the Company invests in via its holding in Aberdeen Property Secondaries Partners II.

Statement of Comprehensive Income

		Year ended 30 September 2020			Year ended 30 September 2019		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	11	–	(25,724)	(25,724)	–	(353)	(353)
Foreign exchange gains/(losses)[A]	3	–	6,924	6,924	–	(8,823)	(8,823)
Income	4	20,783	–	20,783	22,106	–	22,106
Investment management fees	5	(536)	(803)	(1,339)	(613)	(919)	(1,532)
Administrative expenses	6	(826)	(11)	(837)	(927)	(8)	(935)
Net return/(loss) before finance costs and taxation		19,421	(19,614)	(193)	20,566	(10,103)	10,463
Finance costs	7	(1,516)	(2,273)	(3,789)	(1,512)	(2,268)	(3,780)
Net return/(loss) before taxation		17,905	(21,887)	(3,982)	19,054	(12,371)	6,683
Taxation	8	(65)	(370)	(435)	(348)	2,353	2,005
Return/(loss) attributable to equity shareholders		**17,840**	**(22,257)**	**(4,417)**	**18,706**	**(10,018)**	**8,688**
Return/(loss) per Ordinary share (pence)	10	**5.58**	**(6.96)**	**(1.38)**	**5.68**	**(3.04)**	**2.64**

[A] Figures for the year ended 30 September 2019 have been re-presented in accordance with guidance under the AIC SORP issued in October 2019. This has had no impact on the return/(loss) attributable to equity shareholders.

The total column of the Condensed Statement of Comprehensive Income is the profit and loss account of the Company. There has been no other comprehensive income during the year, accordingly, the return/(loss) attributable to equity shareholders is equivalent to the total comprehensive income/(loss) for the year.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

	Note	As at 30 September 2020 £'000	As at 30 September 2019 £'000
Non-current assets			
Investments at fair value through profit or loss	11	428,859	458,522
Deferred taxation asset	8	2,113	2,373
		430,972	460,895
Current assets			
Debtors	12	2,287	2,039
Derivative financial instruments		777	3,282
Cash and cash equivalents		17,413	7,809
		20,477	13,130
Creditors: amounts falling due within one year			
Derivative financial instruments		(4,776)	(87)
Other creditors	13	(903)	(756)
		(5,679)	(843)
Net current assets		14,798	12,287
Total assets less current liabilities		445,770	473,182
Non-current liabilities			
6.25% Bonds 2031	14	(59,540)	(59,503)
Net assets		**386,230**	**413,679**
Capital and reserves			
Called-up share capital	15	91,352	91,352
Share premium account		116,556	116,556
Capital redemption reserve		26,629	26,629
Capital reserve	16	109,551	137,509
Revenue reserve		42,142	41,633
Equity shareholders' funds		**386,230**	**413,679**
Net asset value per Ordinary share (pence)	17		
Bonds at par value		**121.71**	**128.08**
Bonds at fair value		**113.40**	**119.90**

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2020 and were signed on its behalf by:

Davina Walter
Chairman

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 September 2020

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2019		91,352	116,556	26,629	137,509	41,633	413,679
Return after taxation		–	–	–	(22,257)	17,840	(4,417)
Ordinary shares purchased for treasury	15	–	–	–	(5,701)	–	(5,701)
Dividends paid	9	–	–	–	–	(17,331)	(17,331)
Balance at 30 September 2020		**91,352**	**116,556**	**26,629**	**109,551**	**42,142**	**386,230**

For the year ended 30 September 2019

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2018		91,352	116,556	26,629	153,182	40,410	428,129
Return after taxation		–	–	–	(10,018)	18,706	8,688
Ordinary shares issued from treasury	15	–	–	–	2,662	–	2,662
Ordinary shares purchased for treasury	15	–	–	–	(8,317)	–	(8,317)
Dividends paid	9	–	–	–	–	(17,483)	(17,483)
Balance at 30 September 2019		**91,352**	**116,556**	**26,629**	**137,509**	**41,633**	**413,679**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

	Note	Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
Operating activities			
Net return/(loss) before finance costs and taxation		(193)	10,463
Adjustments for:			
Dividend income		(14,853)	(12,561)
Fixed interest income		(5,929)	(9,402)
Interest income		1	13
Treasury bill income		–	130
Treasury bill income received		–	(130)
Dividends received		10,911	9,844
Fixed interest income received		6,732	8,898
Interest received		(1)	(13)
Unrealised losses/(gains) on forward contracts		7,193	(3,055)
Foreign exchange losses/(gains)		51	(196)
Losses on investments		25,724	353
Decrease in other debtors		10	18
Increase/(decrease) in accruals		253	(29)
Corporation tax paid		(143)	(205)
Taxation withheld		(229)	(205)
Net cash flow from operating activities		29,527	3,923
Investing activities			
Purchases of investments		(101,549)	(124,840)
Sales of investments		108,475	140,737
Net cash flow from investing activities		6,926	15,897
Financing activities			
Purchase of own shares to treasury		(5,701)	(8,317)
Issue of own shares from treasury		–	2,662
Interest paid		(3,752)	(3,756)
Equity dividends paid	9	(17,345)	(17,483)
Net cash flow used in financing activities		(26,798)	(26,894)
Increase/(decrease) in cash and cash equivalents		**9,655**	**(7,074)**
Analysis of changes in cash and cash equivalents during the year			
Opening balance		7,809	14,687
Foreign exchange		(51)	196
Increase/(decrease) in cash and cash equivalents as above		9,655	(7,074)
Closing balance		**17,413**	**7,809**

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 September 2020

1. **Principal activity.** The Company is a closed-end investment company, registered in Scotland No SC003721, with its Ordinary shares having a premium listing on the London Stock Exchange.

2. **Accounting policies**

   (a) **Basis of preparation.** The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the Association of Investment Companies ("AIC") Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the "SORP") issued in October 2019. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

   Whilst the Company is obliged to hold a continuation vote at the 2021 AGM, the Directors do not believe this should automatically trigger the adoption of a basis other than going concern in line with the AIC SORP which states that it is more appropriate to prepare financial statements on a going concern basis unless a continuation vote has already been triggered and shareholders have voted against continuation.

   Additionally, the SORP guidance sets out that it is appropriate for the financial statements to be prepared on a going concern basis whilst making a material uncertainty disclosure as set out in accounting standards.

   The Directors considered a number of factors in determining unanimously that shareholders should vote in favour of continuation and have engaged in discussions with a number of shareholders with their advisers in reaching that conclusion. These matters included:

   – the strategic review and changes to the future investment strategy of the Company;

   – the stability and diversity of the Company's shareholder register and the type of shareholder on the register; and

   – the buy-back of the majority of the Company's issued debt instruments after the year end and the positive impact this has on the Company's cash flow.

   Based on this assessment the Directors have made the assumption that the continuation vote will pass, however recognise that the outcome of the vote is not yet known given the performance of the Company against its benchmark and the Company's share price compared with its net asset value per share.

   In accordance with the SORP guidance, the Directors note that these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern. Based on their assessment and considerations above, the Directors have concluded that the financial statements of the Company should continue to be prepared on a going concern basis and the financial statements have been prepared accordingly.

   A substantial proportion of the Company's assets are invested in equity shares in companies and fixed interest securities listed on recognised stock exchanges and in most circumstances, including in the current market environment, are realisable within a short timescale. The Board has set limits for borrowing and regularly reviews cash flow projections and compliance with banking covenants, including the headroom available. On 2 November 2020 the Company repurchased 73.2% of its Bonds which substantially reduced the level of gearing and interest costs payable in the future. Having taken these factors into account as well as the impact of COVID-19 and having assessed the principal risks and other matters set out in the Viability Statement on pages 17 and 18, the Directors believe that, after making enquiries, the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited) on pages 47 and 48.

Notes to the Financial Statements Continued

The financial statements are presented in sterling (rounded to the nearest £'000), which is the Company's functional and presentation currency. The Company's performance is evaluated and its liquidity is managed in sterling. Therefore sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which require Directors to exercise judgement in the process of applying the accounting policies. The areas where judgements, estimates and assumptions have the most significant effect on the amounts recognised in the financial statements is the determination of the fair value of unlisted investments, as disclosed in note 2(e) and the recognition of a deferred tax asset, details of which can be found in note 8(c) on page 82.

(b) Income. Dividend income receivable on equity shares is recognised on the ex-dividend date. Dividend income on equity shares where no ex-dividend date is quoted is brought into account when the Company's right to receive payment is established. Where the Company has elected to receive dividends in the form of additional shares rather than in cash the amount of the cash dividend foregone is recognised as income. Special dividends are credited to capital or revenue according to their circumstances. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income.

Distributions of non-recallable capital received from unlisted holdings during their investment phase, which have been funded through profits being generated, are allocated to revenue in alignment with the nature of the underlying source of income and in accordance with guidance in the AIC SORP.

The fixed returns on debt instruments are recognised using the time apportioned accruals basis and the discount or premium on acquisition is amortised or accreted on a straight line basis. Interest income is accounted for on an accruals basis. Underwriting commission is recognised when the issue underwritten closes.

(c) Expenses. All expenses are recognised on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:

– expenses which are incidental to the acquisition or disposal of an investment are treated as capital and separately identified and disclosed in note 11;

– the Company charged, during the year under review, 60% of investment management fees and finance costs to capital, in accordance with the Board's view at that time of the expected long term return in the form of capital gains and income respectively from the investment portfolio of the Company.

In accordance with the investment management agreement, where applicable, an amount equivalent to the management fee received by the Manager on the underlying holding which is managed by the Group in the normal course of business, is either removed from or offset against the management fee payable by the Company to ensure that no double counting occurs.

(d) Taxation. The tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year. The SORP recommends that the benefit of that tax relief should be allocated to capital and a corresponding charge made to revenue. The Company does not apply the marginal method of allocation of tax relief as any allocation of tax relief between capital and revenue would have no impact on shareholders' funds. Had this allocation been made, the charge to revenue and corresponding credit to capital for the year ended 30 September 2020 would have been £1,641,000 (2019 – £1,894,000).

(e) Investments. The Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU) and investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis.

Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are valued at fair value through profit or loss. For listed investments, this is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange.

Unlisted investments, including those in Limited Partnerships ("LPs") are valued by the Directors at fair value using International Private Equity and Venture Capital Valuation Guidelines – Edition 2018.

The Company's investments in LPs are subject to the terms and conditions of the respective investee's offering documentation. The investments in LPs are valued based on the reported Net Asset Value ("NAV") of such assets as determined by the administrator or General Partner of the LP and adjusted by the Directors in consultation with the Manager to take account of concerns such as liquidity so as to ensure that investments held at fair value through profit or loss are carried at fair value. The reported NAV is net of applicable fees and expenses including carried interest amounts of the investees and the underlying investments held by each LP are accounted for, as defined in the respective investee's offering documentation. While the underlying fund managers may utilise various model-based approaches to value their investment portfolios, on which the Company's valuations are based, no such models are used directly in the preparation of fair values of the investments. The NAV of LPs reported by the administrators may subsequently be adjusted when such results are subject to audit and audit adjustments may be material to the Company.

Gains and losses arising from changes in fair value are treated in net profit or loss for the period as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

(f) Borrowings. Borrowings are measured initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest rate method. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and have been charged 40% to revenue and 60% to capital in the Statement of Comprehensive Income up to 30 September 2020 to reflect the Company's investment policy and prospective income and capital growth.

(g) Nature and purpose of reserves

Called up share capital. The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve. This reserve is not distributable.

Capital redemption reserve. The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital. This reserve is not distributable.

Notes to the Financial Statements Continued

Capital reserve. This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences. Additionally, expenses, including finance costs, are charged to this reserve in accordance with (c) and (f) above. The capital reserve is distributable to the extent unrealised gains/losses arising from unlisted investments are excluded.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(h) Valuation of derivative financial instruments. Derivatives are classified as fair value through profit or loss – held for trading. Derivatives are initially accounted and measured at fair value on the date the derivative contract is entered into and subsequently measured at fair value. The gain or loss on re-measurement is taken to the Statement of Comprehensive Income. The sources of the return under the derivative contract are allocated to the revenue and capital column of the Statement of Comprehensive Income in alignment with the nature of the underlying source of income and in accordance with guidance in the AIC SORP.

(i) Dividends payable. Dividends payable to equity shareholders are recognised in the financial statements when they have been approved by shareholders and become a liability of the Company. Interim dividends are recognised in the financial statements in the period in which they are paid.

(j) Foreign currency. Monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the reporting date. Transactions during the year involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Gains or losses arising from a change in exchange rates subsequent to the date of a transaction are included as a currency gain or loss in revenue or capital in the Statement of Comprehensive Income, depending on whether the gain or loss is of a revenue or capital nature.

(k) Treasury shares. When the Company purchases the Company's equity share capital to be held as treasury shares, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects, and is recognised as a deduction from the capital reserve. When these shares are sold subsequently, the amount received is recognised as an increase in equity, and any resulting surplus on the transaction is transferred to the share premium account and any resulting deficit is transferred from the capital reserve.

(l) Cash and cash equivalents. Cash comprises cash in hand and demand deposits. Cash equivalents includes bank overdrafts repayable on demand and short term, highly liquid, investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

(m) Segmental reporting. The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

3. **Foreign exchange losses.** The Company has re-presented figures for the year ended 30 September 2019 in accordance with guidance under the AIC SORP ("the SORP") issued in October 2019. In place of separately disclosing amounts relating to realised and unrealised gains and losses on foreign exchange movements and amounts relating to realised and unrealised gains and losses on forward contracts, the Company has chosen to present these amounts in aggregate under guidance of the SORP. This has had no impact on the return/(loss) attributable to equity shareholders as shown below.

As presented in the 30 September 2019 Annual Report	£'000
Realised foreign exchange losses	(413)
Unrealised foreign exchange gains	196
Realised losses on forward contracts	(11,661)
Unrealised gains on forward contracts	3,055
	(8,823)

As presented in the 30 September 2020 Annual Report	£'000
Foreign exchange losses	**(8,823)**

4. **Income**

	2020 £'000	2019 £'000
Income from investments		
UK listed dividends	4,353	3,389
Overseas listed dividends	4,709	5,384
Unquoted/LP income	3,880	1,027
Stock dividends	1,911	2,761
Fixed interest income	5,929	9,402
Treasury bill income	–	130
	20,782	22,093
Other income		
Interest	1	13
	1	13
Total income	**20,783**	**22,106**

Notes to the Financial Statements Continued

5. Investment management fees

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Investment management fee	536	803	1,339	613	919	1,532

The investment management fee has been levied by ASFML at the following tiered levels:

– 0.50% per annum in respect of the first £300 million of the net asset value (with the 6.25% Bonds 2031 at fair value); and
– 0.45% per annum in respect of the balance of the net asset value (with the 6.25% Bonds 2031 at fair value).

The Company also receives rebates in respect of underlying investments in other funds managed by the Group (where an investment management fee is charged by the Group on that fund) in the normal course of business to ensure that no double counting occurs. Any investments made in funds managed by the Manager which themselves invest directly into alternative investments including, but not limited to, infrastructure and property are charged at the Manager's lowest institutional fee rate. To avoid double charging, such investments are excluded from the overall management fee calculation.

At the year end, an amount of £428,000 (2019 – £241,000) was outstanding in respect of management fees due by the Company.

6. Administrative expenses

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Directors' remuneration	169	–	169	169	–	169
Custody fees	74	–	74	102	–	102
Depositary fees	47	–	47	51	–	51
Shareholders' services[A]	202	–	202	203	–	203
Registrar's fees	55	–	55	61	–	61
Transaction costs	–	11	11	–	8	8
Legal and professional fees	77	–	77	102	–	102
Auditor's remuneration:						
– statutory audit	44	–	44	29	–	29
– other non-audit services						
review of Bond compliance certificate	4	–	4	1	–	1
review of Half-yearly Report	14	–	14	6	–	6
Other expenses	140	–	140	203	–	203
	826	**11**	**837**	**927**	**8**	**935**

[A] Includes registration, savings scheme and other wrapper administration and promotional expenses, of which £200,000 (2019 – £200,000) was payable to ASFML to cover promotional activities during the year. There was £150,000 (2019 – £50,000) due to ASFML in respect of these promotional activities at the year end.

7. Finance costs

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
6.25% Bonds 2031	1,515	2,272	3,787	1,510	2,264	3,774
Overdraft interest	1	1	2	2	4	6
	1,516	**2,273**	**3,789**	**1,512**	**2,268**	**3,780**

8. Taxation

		2020			2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a)	**Analysis of charge for the year**						
	Current UK tax	107	–	107	338	–	338
	Double taxation relief	(107)	–	(107)	(129)	–	(129)
	Corporation tax prior year adjustment	(66)	–	(66)	(61)	–	(61)
	Overseas tax suffered	131	110	241	200	20	220
	Current tax charge for the year	65	110	175	348	20	368
	Movement in deferred tax asset	–	260	260	–	(2,373)	(2,373)
	Total tax charge for the year	**65**	**370**	**435**	**348**	**(2,353)**	**(2,005)**

(b) **Factors affecting the tax charge for the year.** The tax assessed for the year is lower than the standard rate of corporation tax of 19.0% (2019 – same). The differences are explained as follows:

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before taxation	**17,905**	**(21,887)**	**(3,982)**	**19,054**	**(12,371)**	**6,683**
Net return before taxation multiplied by the standard rate of corporation tax of 19.0% (2019 -same)	3,402	(4,159)	(757)	3,620	(2,351)	1,269
Effects of:						
Non taxable (gains)/losses on investments held at fair value through profit or loss	–	6,254	6,254	–	(513)	(513)
Exchange gain/(loss) not taxable	–	(2,683)	(2,683)	–	2,257	2,257
Non taxable UK dividend income	(383)	–	(383)	(139)	–	(139)
Non taxable overseas dividend income	(1,276)	–	(1,276)	(1,249)	–	(1,249)
Disallowable expenses	4	3	7	–	–	–
Overseas tax suffered	131	110	241	200	20	220
Double taxation relief	(106)	–	(106)	(129)	–	(129)
Corporation tax prior year adjustment	(66)	–	(66)	(61)	–	(61)
Utilisation of excess management expenses	–	(1,056)	(1,056)	–	(1,287)	(1,287)
Effect of not applying the marginal method of allocation of tax relief	(1,641)	1,641	–	(1,894)	1,894	–
Movement in deferred tax asset	–	260	260	–	(2,373)	(2,373)
	65	**370**	**435**	**348**	**(2,353)**	**(2,005)**

Notes to the Financial Statements Continued

(c) Factors that may affect future tax charges. As at 30 September 2020, the Company has recognised a deferred tax asset of £2,113,000 (2019 – £2,373,000) as it is considered likely that accumulated unrelieved management expenses and loan relationship deficits will be extinguished in future years. In arriving at the amount recognised, the Company has estimated the future levels of taxable income forecast to be generated and the utilisation of management expenses.

9. Ordinary dividends on equity shares

	2020 £'000	2019 £'000
Third interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,342	4,304
Fourth interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,300	4,332
First interim dividend for 2020 – 1.36p (2019 – 1.34p)	4,352	4,431
Second interim dividend for 2020 – 1.36p (2019 – 1.34p)	4,337	4,416
	17,331	**17,483**

Set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 and 1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £17,840,000 (2019 – £18,706,000).

	2020 £'000	2019 £'000
First interim dividend for 2020 – 1.36p (2019 – 1.34p)	4,352	4,431
Second interim dividend for 2020 – 1.36p (2019 – 1.34p)	4,337	4,416
Third interim dividend for 2020 – 1.36p (2019 – 1.34p)	4,317	4,342
Fourth interim dividend for 2020 – 1.36p[A] (2019 – 1.34p)	4,262	4,300
	17,268	**17,489**

[A] The amount reflected above for the cost of the fourth interim dividend for 2020 is based on 313,375,238 Ordinary shares, being the number of Ordinary shares in issue, excluding shares held in treasury, at the date of this Report.

10. Return per Ordinary share

	2020 p	2019 p
Revenue return	5.58	5.68
Capital return	(6.96)	(3.04)
Total return	**(1.38)**	**2.64**

The figures above are based on the following:

	2020 £'000	2019 £'000
Revenue return	17,840	18,706
Capital return	(22,257)	(10,018)
Total return	**(4,417)**	**8,688**
Weighted average number of shares in issue[A]	**319,818,316**	**329,526,431**

[A] Calculated excluding shares held in treasury.

11. Investments

	2020 £'000	2019 £'000
Held at fair value through profit or loss		
Opening valuation	458,522	472,496
Opening investment holdings losses	10,202	8,014
Opening book cost	468,724	480,510
Movements during the year:		
Purchases at cost	105,254	125,649
Sales – proceeds	(109,114)	(139,412)
Sales – (losses)/gains	(18,551)	1,835
(Accretion)/amortisation of fixed income book cost	(79)	142
Closing book cost	446,234	468,724
Closing investment holdings losses	(17,375)	(10,202)
Closing valuation of investments	**428,859**	**458,522**

The portfolio valuation	2020 £'000	2019 £'000
UK equities	174,403	135,016
Overseas equities	62,141	88,620
Fixed interest	64,760	115,570
Loan investments	10,347	11,078
Unlisted holdings	117,208	108,238
	428,859	**458,522**

Losses on investments	2020 £'000	2019 £'000
Realised (losses)/gains	(18,551)	1,835
Net movement in investment holdings losses	(7,173)	(2,188)
	(25,724)	**(353)**

The Company received £109,114,000 (2019 – £139,412,000) from investments sold in the period. The book cost of these investments when they were purchased was £127,665,000 (2019 – £137,577,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of investments.

Transaction costs. During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within losses on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2020 £'000	2019 £'000
Purchases	154	22
Sales	35	65
	189	**87**

Notes to the Financial Statements Continued

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

Substantial holdings. At the year end the Company held more than 3% of a share class in the following investees:

Investee	Class	% of Class
Aberdeen Standard SICAV I – Multi-factor Global Equity Income Fund[A]	Z QInc	100
Aberdeen Global Infrastructure Partners II	AUD	11
Aberdeen Global Infrastructure Partners II	USD	11
Aberdeen Standard Alpha – Global Loans Fund[A]	Z Inc	43
Aberdeen Standard SICAV I – Frontier Markets Bond Fund	I MInc	31
Aberdeen European Residential Opportunities Fund	B	6
Aberdeen Property Secondaries Partners II	A-1	21
Andean Social Infrastructure Fund I	USD	13
Blue Capital Alternative Income Fund	USD	5
Burford Opportunity Fund	USD	8
Maj Equity Fund 4	DKK	3
Markel CATCo Reinsurance Fund Ltd – LDAF 2018 SPI	B	3
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 Liq[B]	B	3
Secondary Opportunities Fund	USD	6
SL Capital Infrastructure II	EUR	5
TwentyFour Asset Backed Opportunities Fund[C]	I-1	51

The registered addresses for investment holdings where the Company holds greater than 20% of their net assets attributable are as follows:

[A] 35a Avenue John F Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
[B] Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda
[C] Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

12. Debtors

	2020 £'000	2019 £'000
Amounts due from brokers	682	43
Prepayments and accrued income	1,450	1,932
Taxation recoverable	47	64
Corporation tax recoverable	108	–
	2,287	**2,039**

13. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Interest on 6.25% Bonds 2031	208	208
Corporation tax payable	–	106
Other creditors	695	442
	903	**756**

14. Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
6.25% Bonds 2031[A]		
Balance at beginning of year	59,503	59,479
Amortisation of discount and issue expenses	37	24
Balance at end of year	**59,540**	**59,503**

[A] The fair value of the 6.25% Bonds using the last available quoted offer price from the London Stock Exchange as at 30 September 2020 was 143.2082p, a total of £85,925,000 (2019 – 143.21019p, total of £85,926,000).

At the year end the Company had in issue £60 million Bonds 2031 which were issued at 99.343%. The Bonds have been accounted for in accordance with FRS 102, which require any discount or issue costs to be amortised over the life of the Bonds. The Bonds are secured by a floating charge over all of the assets of the Company.

Under the covenants relating to the Bonds, the Company is to ensure that, at all times, the aggregate principal amount outstanding in respect of monies borrowed by the Company does not exceed an amount equal to its share capital and reserves. All covenants were met during the year and also during the period from the year end to the date of this Report.

15. Called up share capital

	Ordinary shares (number)	Treasury shares (number)	Total shares (number)	£'000
Allotted, called up and fully paid				
Ordinary shares of 25p each				
At 30 September 2019	322,981,705	42,429,169	365,410,874	91,352
Shares purchased for treasury	(5,651,467)	5,651,467	–	–
At 30 September 2020	**317,330,238**	**48,080,636**	**365,410,874**	**91,352**

During the year 5,651,467 (2019 – 7,720,000) Ordinary shares of 25p each were purchased to be held in treasury at a cost of £5,701,000 (2019 – £8,317,000). There were no Ordinary shares of 25p issued from treasury during the year (2019 – 2,150,000 for a consideration of £2,662,000).

Since the year end 3,955,000 Ordinary shares of 25p each have been purchased to be held in treasury by the Company for a total cost of £3,772,000.

Notes to the Financial Statements Continued

16. Capital reserve

	2020 £'000	2019 £'000
At 1 October	137,509	153,182
Movement in investment holding gains	(7,173)	(2,188)
(Losses)/gains on realisation of investments at fair value	(18,551)	1,835
Foreign exchange gains/(losses)	6,924	(8,823)
Transaction and other costs	(11)	(8)
Finance costs	(2,273)	(2,268)
Issue of own shares from treasury	–	2,662
Purchase of own shares to treasury	(5,701)	(8,317)
Investment management fees	(803)	(919)
Overseas tax suffered	(110)	(20)
Deferred tax	(260)	2,373
At 30 September	**109,551**	**137,509**

17. Net asset value per share. The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the year end were as follows:

Debt at par	**2020**	**2019**
Net asset value attributable (£'000)	**386,230**	**413,679**
Number of Ordinary shares in issue excluding treasury (note 15)	**317,330,238**	**322,981,705**
Net asset value per share (p)	**121.71**	**128.08**

Debt at fair value	**£'000**	**£'000**
Net asset value attributable	386,230	413,679
Add: Amortised cost of 6.25% Bonds 2031	59,540	59,503
Less: Market value of 6.25% Bonds 2031	(85,925)	(85,926)
	359,845	**387,256**
Number of Ordinary shares in issue excluding treasury (note 15)	**317,330,238**	**322,981,705**
Net asset value per share (p)	**113.40**	**119.90**

18. Financial instruments

Risk management. The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances, liquid resources, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures and options, subject to Board approval, for the purpose of enhancing portfolio returns and for hedging purposes in a manner consistent with the Company's broader investment policy.

As at 30 September 2020 there were 12 open positions in derivatives transactions (2019 – 24).

Risk management framework. The directors of Aberdeen Standard Fund Managers Limited ("ASFML") collectively assume responsibility for ASFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

ASFML is a fully integrated member of Standard Life Aberdeen plc (the "Group"), which provides a variety of services and support to ASFML in the conduct of its business activities, including the oversight of the risk management framework for the Company. ASFML has delegated the day to day administration of the investment policy to Aberdeen Asset Managers Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website). ASFML has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Audit Committee of the Group's Board of Directors and to the Group's CEO. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Head of Risk, who reports to the CEO of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SHIELD").

The Group's corporate governance structure is supported by several committees to assist the board of directors of ASFML, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described in the committees' terms of reference.

Risk management. The main risks the Company faces from these financial instruments are (i) market risk (comprising interest rate, foreign currency and other price risk), (ii) liquidity risk and (iii) credit risk.

In order to mitigate risk, the investment strategy is to select investments for their fundamental value. Asset selection is therefore based on disciplined accounting, market and sector analysis. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular asset class. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy. Current strategy is detailed in the Chairman's Statement on pages 7 to 10 and in the Investment Manager's Report on pages 23 to 29.

The Board has agreed the parameters for net gearing/cash, which was 10.7% of net assets as at 30 September 2020 (2019 – 12.5%). The Manager's policies for managing these risks are summarised below and have been applied throughout the current and previous year. The numerical disclosures in the tables listed below exclude short-term debtors and creditors.

Notes to the Financial Statements Continued

Market risk. The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective as set out on page 11. Adherence to investment guidelines and to investment and borrowing powers set out in the management agreement mitigates the risk of exposure to any particular security or issuer. Further information on the investment portfolio is set out in the Investment Manager's Report on pages 23 to 29.

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's operations. It represents the potential loss the Company might suffer through holding market positions as a consequence of price movements. It is the Board's policy to hold investments in the portfolio in a broad spread of asset classes in order to reduce the risk arising from factors specific to a particular asset class.

Interest rate risk. Interest rate movements may affect:

– the level of income receivable on cash deposits; and

– the fair value of any investments in fixed interest rate securities.

Management of the risk. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions. Details of the 6.25% Bonds 2031 and interest rates applicable can be found in note 14 on page 85.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

Financial assets. The interest rate risk of the portfolio of financial assets at the reporting date was as follows:

			2020			2019
	Within 1 year £'000	More than 1 year £'000	Total £'000	Within 1 year £'000	More than 1 year £'000	Total £'000
Exposure to fixed interest rates						
Fixed interest investments	3,404	51,621	55,025	9,312	87,170	96,482
Exposure to floating interest rates						
Fixed interest investments[A]	–	9,735	9,735	–	19,088	19,088
Loan investments[A]	–	10,347	10,347	–	11,078	11,078
Cash and cash equivalents	17,413	–	17,413	7,809	–	7,809
	20,817	**71,703**	**92,520**	**17,121**	**117,336**	**134,457**

[A] Variable distributions received from investment holdings, which have an underlying portfolio of fixed interest securities.

Financial liabilities. The Company has borrowings by way of a bond issue, held at amortised cost of £59,540,000 (2019 – £59,503,000) details of which are in note 14 on page 85. The fair value of this loan has been calculated at £85,925,000 as at 30 September 2020 (2019 – £85,926,000).

Interest rate sensitivity. A sensitivity analysis demonstrates the sensitivity of the Company's results for the year to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity of the profit/(loss) for the year is the effect of the assumed change in interest rates on:

– the net interest income for the year, based on the floating rate financial assets held at the Statement of Financial Position date; and
– changes in fair value of investments for the year, based on revaluing fixed rate financial assets and liabilities at the Statement of Financial Position date.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net interest for the year ended 30 September 2020 would increase/decrease by £87,000 (2019 – increase/decrease £39,000). This is attributable to the Company's exposure to interest rates on its floating rate cash balances at 30 September 2020.

If interest rates had been 50 basis points higher and all other variables were held constant, a change in fair value of the Company's fixed rate financial assets and floating rate financial assets, which have an exposure to fixed interest securities, at the year ended 30 September 2020 of £75,107,000 (2019 – £126,648,000) would result in a decrease of £946,000 (2019 – £1,659,000). If interest rates had been 50 basis points lower and all other variables were held constant, a change in fair value of the Company's fixed rate financial assets at the year ended 30 September 2020 would result in an increase of £631,000 (2019 – £1,735,000).

Foreign currency risk. A proportion of the Company's investment portfolio is invested in overseas securities whose values are subject to fluctuation due to changes in foreign exchange rates. In addition, the impact of changes in foreign exchange rates upon the profits of investee companies can result, indirectly, in changes in their valuations. Consequently the Statement of Financial Position can be affected by movements in exchange rates.

Management of the risk. The revenue account is subject to currency fluctuations arising on dividends receivable in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. The Company has entered into derivative transactions, in the form of forward foreign currency contracts, to ensure that exposure to foreign denominated investments and cashflows is appropriately hedged.

Foreign currency risk exposure by currency of denomination excluding other debtors and receivables and other payables falling due within one year:

	30 September 2020			30 September 2019		
	Investments £'000	Net monetary items £'000	Total currency exposure £'000	Investments £'000	Net monetary items £'000	Total currency exposure £'000
US Dollar	152,720	(2,633)	150,087	170,986	741	171,727
Euro	60,156	(994)	59,162	53,943	1,626	55,569
Other	58,956	1,363	60,319	104,164	4,083	108,247
	271,832	**(2,264)**	**269,568**	**329,093**	**6,450**	**335,543**

Notes to the Financial Statements Continued

Foreign currency sensitivity. The following table details the impact on the Company's net assets to a 10% decrease (in the context of a 10% increase the figures below should all be read as negative) in sterling against the foreign currencies in which the Company has exposure. The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. This sensitivity excludes forward foreign currency contracts entered into for hedging short term cash flows.

	2020 £'000	2019 £'000
US Dollar	15,009	17,172
Euro	5,916	5,557
Other	6,032	10,825
	26,957	**33,554**

Forward foreign currency contracts. The following forward foreign currency contracts were outstanding at the Statement of Financial Position date:

Date of contract	Buy Currency	Sell Currency	Settlement date	Amount '000	Contracted rate	Unrealised gain/(loss) 30 September 2020 £'000
3 September 2020	GBP	NOK	9 December 2020	14,598	12.0993	331
3 September 2020	JPY	GBP	9 December 2020	11,869	136.3636	423
10 September 2020	USD	GBP	9 December 2020	3,083	1.2933	23
15 September 2020	USD	GBP	9 December 2020	73	1.2933	–
						777
3 September 2020	GBP	AUD	9 December 2020	21,056	1.8041	(179)
3 September 2020	GBP	CAD	9 December 2020	14,583	1.7271	(106)
3 September 2020	GBP	EUR	9 December 2020	67,535	1.1012	(1,158)
3 September 2020	GBP	NZD	9 December 2020	14,379	1.9567	(124)
3 September 2020	GBP	SEK	9 December 2020	14,299	11.5658	(28)
3 September 2020	GBP	USD	9 December 2020	121,677	1.2933	(3,180)
18 September 2020	GBP	USD	9 December 2020	402	1.2933	(1)
						(4,776)

Date of contract	Buy Currency	Sell Currency	Settlement date	Amount '000	Contracted rate	Unrealised gain/(loss) 30 September 2019 £'000
6 September 2019	GBP	AUD	12 December 2019	29,804	1.8282	412
6 September 2019	GBP	CAD	12 December 2019	25,415	1.6345	89
6 September 2019	GBP	EUR	12 December 2019	64,344	1.1274	971
6 September 2019	GBP	JPY	12 December 2019	20,544	132.8838	268
6 September 2019	GBP	NOK	12 December 2019	24,214	11.2167	269
6 September 2019	GBP	NZD	12 December 2019	24,031	1.9677	559
6 September 2019	GBP	SEK	12 December 2019	24,443	12.0925	452
6 September 2019	GBP	USD	12 December 2019	47,971	1.2359	60
6 September 2019	GBP	USD	12 December 2019	47,971	1.2359	60
9 September 2019	GBP	EUR	12 December 2019	6,365	1.1274	73
12 September 2019	USD	GBP	12 December 2019	232	1.2359	–
18 September 2019	GBP	EUR	12 December 2019	1,390	1.1274	3
18 September 2019	USD	GBP	12 December 2019	1,494	1.2359	17
20 September 2019	USD	GBP	12 December 2019	2,352	1.2359	39
25 September 2019	USD	GBP	12 December 2019	1,923	1.2359	10
						3,282
9 September 2019	EUR	GBP	12 December 2019	4,074	1.1274	(43)
10 September 2019	GBP	USD	12 December 2019	3,626	1.2359	(14)
12 September 2019	USD	GBP	12 December 2019	2,108	1.2359	(4)
16 September 2019	EUR	GBP	12 December 2019	243	1.1274	(1)
17 September 2019	EUR	GBP	12 December 2019	192	1.1274	(1)
17 September 2019	GBP	USD	12 December 2019	1,102	1.2359	(7)
18 September 2019	GBP	USD	12 December 2019	827	1.2359	(10)
20 September 2019	GBP	USD	12 December 2019	420	1.2359	(7)
						(87)

The fair value of forward exchange contracts is based on forward exchange rates at the Statement of Financial Position date.

Other price risk. Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

Management of the risk. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets to international markets and the stock selection process, as detailed in the section "Investment Process" on page 103, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy.

Other price risk sensitivity. If market prices at the reporting date had been 10% higher or lower on investments held at fair value while all other variables remained constant, the return attributable to Ordinary shareholders and equity for the year ended 30 September 2020 would have increased/decreased by £35,229,000 (2019 – £33,188,000).

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Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

	Within 1 year £'000	Within 1-3 years £'000	Within 3-5 years £'000	More than 5 years £'000	Total £'000
6.25% Bonds 2031	–	–	–	60,000	60,000
Interest cash flows on 6.25% Bonds 2031	3,750	7,500	7,500	22,500	41,250
	3,750	**7,500**	**7,500**	**82,500**	**101,250**

Management of the risk. The Company's assets comprise sufficient readily realisable securities which can be sold to meet funding commitments if necessary.

Credit risk. This is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Management of the risk

– where the Manager makes an investment in a bond, corporate or otherwise, the credit ratings of the issuer are taken into account so as to manage the risk to the Company of default;

– investments in quoted bonds are made across a variety of industry sectors and geographic markets so as to avoid concentrations of credit risk;

– transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;

– investment transactions are carried out with a number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;

– the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the daily review of failed trade reports. In addition, both stock and cash reconciliations to the custodian's records are performed daily to ensure discrepancies are investigated in a timely manner. The Manager's Compliance department carries out periodic reviews of the custodian's operations and reports its finding to the Manager's Risk Management Committee; and

– cash is held only with reputable banks with acceptable credit quality. It is the Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties.

Credit risk exposure. In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 30 September 2020 and 30 September 2019 was as follows:

		2020		2019
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Securities at fair value through profit or loss	428,859	75,107	458,522	126,649
Current assets				
Other debtors	187	187	92	29
Amounts due from brokers	682	682	43	43
Accrued income	1,418	1,418	1,904	1,904
Derivatives	777	777	3,282	3,282
Cash and short term deposits	17,413	17,413	7,809	7,809
	449,336	**95,584**	**471,652**	**139,716**

None of the Company's financial assets are secured by collateral or other credit enhancements and none of the Company's financial assets are past due or impaired (2019 – £nil).

Credit ratings. The following table provides a credit rating profile using Standard and Poor's credit ratings for the bond portfolio at 30 September 2020 and 30 September 2019:

	2020 £'000	2019 £'000
A	3,105	5,862
A–	2,217	18,748
B	1,834	–
B–	1,030	–
BB+	–	8,932
BB	5,108	–
BB–	5,000	13,145
BBB+	7,746	–
BBB	4,760	10,384
Non-rated	33,960	58,499
	64,760	**115,570**

Whilst a substantial proportion of the fixed interest portfolio does not have a rating provided by a recognised credit ratings agency, the Manager undertakes an ongoing review of their suitability for inclusion within the portfolio.

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19. **Fair value hierarchy**. FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (ie as prices) or indirectly (ie derived from prices).

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 30 September 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Equity investments	109,124	125,953	117,208	352,285
Loan investments	1,467	10,347	–	11,814
Fixed interest instruments	–	64,760	–	64,760
Forward currency contracts – financial assets	–	777	–	777
Forward currency contracts – financial liabilities	–	(4,776)	–	(4,776)
Net fair value	**110,591**	**197,061**	**117,208**	**424,860**

As at 30 September 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Equity investments	80,784	142,852	108,238	331,874
Loan investments	–	11,078	–	11,078
Fixed interest instruments	–	115,570	–	115,570
Forward currency contracts – financial assets	–	3,282	–	3,282
Forward currency contracts – financial liabilities	–	(87)	–	(87)
Net fair value	**80,784**	**272,695**	**108,238**	**461,717**

Level 3 Financial assets at fair value through profit or loss	As at 30 September 2020 £'000	As at 30 September 2019 £'000
Opening fair value	108,238	82,055
Purchases including calls (at cost)	25,895	48,170
Disposals and return of capital	(15,886)	(14,348)
Transfers from level 1	–	–
Transfers from level 2	–	–
Total gains or losses included in losses on investments in the Statement of Comprehensive Income:		
– assets disposed of during the year	(10,142)	2,908
– assets held at the end of the year	9,103	(10,547)
Closing balance	**117,208**	**108,238**

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The fair value of Level 3 financial assets has been determined by reference to primary valuation techniques described in note 2(e) of these financial statements. The Level 3 equity investments comprise the following:

	As at 30 September 2020 £'000	As at 30 September 2019 £'000
Aberdeen European Residential Opportunities Fund	11,248	8,241
Aberdeen Global Infrastructure Partners II (USD)	6,899	3,489
Aberdeen Global Infrastructure Partners II (AUD)	4,785	4,085
Aberdeen Property Secondaries Partners II	13,425	14,664
Aberdeen Standard Secondary Opportunities Fund IV	2,805	–
Agriculture Capital Management Fund II	3,636	3,783
Andean Social Infrastructure Fund I	1,629	17
BlackRock Renewable Income – UK	7,809	9,107
Blue Capital Alternative Income	280	1,504
Burford Opportunity Fund	14,092	6,660
Cheyne Social Property Impact Fund	6,073	3,771
Dover Street VII	252	405
HarbourVest International Private Equity V	44	51
HarbourVest International Private Equity VI	2,796	3,055
HarbourVest VIII Buyout Fund	529	703
HarbourVest VIII Venture Fund	177	236
Healthcare Royalty Partners IV	940	683
Maj Equity 4	2,262	2,576
Maj Equity 5	828	1,020
Markel CATCo Reinsurance Fund Ltd – LDAF 2018 SPI	4,396	6,676
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 SPI	3,405	8,871
Mesirow Financial Private Equity III	371	473
Mesirow Financial Private Equity IV	1,451	1,806
SL Capital Infrastructure II	20,264	18,946
TrueNoord Co-Investment	6,812	7,416
	117,208	**108,238**

There were no transfers between levels for financial assets and financial liabilities during the period recorded at fair value as at 30 September 2020 and 30 September 2019.

For all other assets and liabilities (i.e. those not included in the hierarchy table) carrying value approximates to fair value with the exception of the 6.25% Bonds 2031. The basis of their fair value is detailed in note 14 on page 85.

20. Related party transactions and transactions with the Manager

Related party transactions – Directors' fees and interests. Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 53 to 55. The balance of fees due to Directors at the year end was £13,000 (2019 – £15,000).

Transactions with the Manager. The Company has an agreement with Aberdeen Standard Fund Managers Limited ("ASFML") for the provision of management services. The investment management fee is levied by ASFML at the following tiered levels, payable monthly in arrears:

– 0.50% per annum in respect of the first £300 million of the net asset value (with debt at fair value); and
– 0.45% per annum in respect of the balance of the net asset value (with debt at fair value).

Details of transactions during the year and balances outstanding at the year end are disclosed in note 5 on page 80.

In accordance with the investment management agreement, where applicable, an amount equivalent to the management fee received by the Manager on the underlying holding which is managed by the Group in the normal course of business, is either removed from or offset against the management fee payable by the Company to ensure that no double counting occurs. Any investments made in funds managed by the Group which themselves invest directly into alternative investments including, but not limited to, infrastructure and property will be charged at the Group's lowest institutional fee rate. To avoid double charging, such investments will be excluded from the overall management fee calculation.

The table below details all investments held at 30 September 2020 that were managed by the Group. For the period to 30 September 2020 no fees were levied in respect of these funds.

	30 September 2020 £'000
Aberdeen Standard SICAV I – Multi-Factor Global Equity Income Fund[A]	62,116
SL Capital Infrastructure II[B]	20,264
Aberdeen Property Secondaries Partners II[C]	13,425
Aberdeen European Residential Opportunities Fund[B]	11,248
Aberdeen Standard Alpha – Global Loans Fund[A]	10,347
Aberdeen Standard SICAV I – Frontier Markets Bond Fund[C]	9,735
Aberdeen Global Infrastructure Partners II (USD)[D]	6,899
Aberdeen Global Infrastructure Partners II (AUD)[D]	4,785
Aberdeen Standard Secondary Opportunities Fund IV[C]	2,805
Andean Social Infrastructure Fund I[B]	1,629
	143,253

[A] The Company is invested in a share class which is not subject to a management charge from the Group.
[B] The value of this holding is removed from the management fee calculation to ensure that no double counting occurs.
[C] An amount equivalent to the management fee received by the Manager on the underlying is offset against the management fee payable by the Company to ensure that no double counting occurs.
[D] The invested capital commitment is removed from the management fee calculation to ensure than no double counting occurs.

The Company also has an agreement with ASFML for the provision of secretarial, accounting and administration services and promotional activities. Details of transactions during the year and balances outstanding at the year end are disclosed in note 5 and note 6 on page 80.

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21. **Capital management policies and procedures.** The current investment objective of the Company is to target a total portfolio return (net of fees) of LIBOR (London Interbank Offered Rate) plus 5.5% per annum over rolling five-year periods.

The capital of the Company consists of debt (comprising Bonds) and equity (comprising issued capital, reserves and retained earnings). The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

– the planned level of gearing which takes into account the Investment Manager's views on the market (net gearing at the reporting period end is disclosed on page 3 and the calculation basis is set out on page 111);

– the level of equity shares in issue; and

– the revenue account, shareholder distributions and the extent to which the balance is either accretive or dilutive of the revenue reserves.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

At the year end a covenant relating to the issue of the Bonds provides that the Company is to ensure that, at all times, the aggregate principal amount outstanding in respect of monies borrowed by the Company does not exceed an amount equal to its share capital and reserves. This covenant was met during the year and also during the period from the year end to the date of this report. The Company is not subject to any other externally imposed capital requirements.

22. **Analysis of changes in net debt**

	At 30 September 2019 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 30 September 2020 £'000
Cash and cash equivalents	7,809	17,459	(7,855)	–	17,413
Forward contracts	3,195	(7,194)	–	–	(3,999)
Debt due after one year	(59,503)	–	–	(37)	(59,540)
Total	**(48,499)**	**10,265**	**(7,855)**	**(37)**	**(46,126)**

	At 30 September 2018 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 30 September 2019 £'000
Cash and cash equivalents	14,687	(5,586)	(1,292)	–	7,809
Forward contracts	140	3,055	–	–	3,195
Debt due after one year	(59,479)	–	–	(24)	(59,503)
Total	**(44,652)**	**(2,531)**	**(1,292)**	**(24)**	**(48,499)**

23. Commitments and contingent liabilities. At 30 September 2020 the Company had commitments of £216,278,000 of which £81,078,000 remained outstanding (2019 – £104,897,000). Further details are given below. There were no contingent liabilities as at 30 September 2020 (2019 – £nil).

	Undrawn commitments 30 September 2020 £'000
Healthcare Royalty Partners IV	18,301
Andean Social Infrastructure Fund I	16,559
Aberdeen Standard Secondary Opportunities Fund IV	16,455
Aberdeen Global Infrastructure Partners II (AUD)	8,357
Burford Opportunity Fund	7,809
SL Capital Infrastructure II	5,960
Aberdeen European Residential Opportunities Fund	2,644
Aberdeen Property Secondaries Partners II	1,363
Maj Equity 5	1,306
Agriculture Capital Management Fund II	927
Maj Equity 4	445
TrueNoord Co-Investment	201
Mesirow Financial Private Equity IV	193
Dover Street VII	171
HarbourVest International Private Equity VI	161
Mesirow Financial Private Equity III	98
HarbourVest VIII Buyout Fund	67
HarbourVest International Private Equity V	30
Aberdeen Global Infrastructure Partners II (USD)	23
HarbourVest VIII Venture Fund	8
	81,078

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	Undrawn commitments 30 September 2019 £'000
Aberdeen Standard Secondary Opportunities Fund IV	20,287
Andean Social Infrastructure Fund I	19,992
Healthcare Royalty Partners IV	19,590
Burford Opportunity Fund	13,431
Aberdeen Global Infrastructure Partners II (AUD)	8,250
SL Capital Infrastructure II	6,550
Cheyne Social Property	4,881
Aberdeen European Residential Opportunities Fund	4,560
Aberdeen Property Secondaries Partners II	2,496
Maj Equity Fund 5	1,597
Agriculture Capital Management Fund II	1,483
Maj Equity Fund 4	547
TrueNoord Co-Investment	488
Mesirow Financial Private Equity IV	183
Dover Street VII	179
HarbourVest International Private Equity VI	126
HarbourVest VIII Buyout Fund	106
Mesirow Financial Private Equity III	102
Aberdeen Global Infrastructure Partners II (USD)	25
HarbourVest International Private Equity V	16
HarbourVest VIII Venture Fund	8
	104,897

24. Subsequent events. On 26 October 2020 the Company announced that it had agreed terms with holders of the Bonds to repurchase and cancel in full £43,904,000 principal amount of the Bonds, equivalent to 73.2% of the total issue.

The agreed purchase price of 154.094491% was calculated using a credit spread of 0.80% above the redemption yield on the United Kingdom 6% Treasury Stock due 7 December 2028 on 26 October 2020. The consideration payable by the Company, not including accrued interest, was approximately £67,654,000.

Following the repurchase and cancellation of the Bonds there remains £16,096,000 Bonds in issue with interest payable thereon half yearly at the coupon rate of 6.25%.

Corporate Information

The Company's Investment Manager is based at Aberdeen Standard Investments' offices in St. Andrew Square, Edinburgh.

Information about the Manager

Aberdeen Standard Fund Managers Limited

The Company's Manager is Aberdeen Standard Fund Managers Limited, a subsidiary of Standard Life Aberdeen plc which manages a combined £511.8 billion (as at 30 June 2020) in assets for a range of clients, including individuals and institutions, through mutual and segregated funds.

The Investment Team

Nalaka De Silva
Head of Private Markets Solutions

Nalaka has 18 years' experience in developing, implementing and managing strategies across the Public and Private Markets spectrum. This includes investments across Private Equity, Infrastructure, Real Estate, Natural Resources and Private Credit on a global basis. Solutions based strategies are designed around client outcomes including growth, income and proactive ESG strategies.

Nalaka joined Aberdeen Standard Investments in 2012. Prior to this, Nalaka held senior roles at Australian and European Investment management firms. He has lead M&A activity, off-market acquisitions and divestments of assets together with offshore and onshore capital raising in debt and equity markets. Nalaka is a qualified Chartered Accountant and holds a postgraduate degree in Commercial Law and Accounting.

Tony Foster
Senior Investment Manager

Tony joined Aberdeen Standard Investments following the SWIP acquisition in April 2014 where he was responsible for the £390 million Halifax Fund of Investment Trusts OEIC from 2009 to 2012. He also researches closed-end funds for the Aberdeen Diversified Growth Fund and other multi-asset clients. Prior to joining SWIP in 2000, Tony spent nearly 12 years with Baillie Gifford where his investment trust experience included periods managing Pacific Horizon (1992-95) and the UK equity portfolio of Scottish Mortgage (1996-2000). Tony holds a BA (Hons) in Metallurgy, Economics and Management from the University of Oxford and is an Associate of the UK Society of Investment Professionals.

Emma Scott
Investment Manager

Emma joined Aberdeen Standard Investments in 2014 on the Graduate Scheme, gaining experience in the Private Equity, Property and Solutions teams. Emma joined the Diversified Assets team in October 2016. Her current research responsibilities include monitoring sector developments and providing regular updates of client investments in renewable infrastructure, property, private equity, insurance-linked securities and special opportunities including aircraft leasing and shipping. She is also involved in portfolio management, marketing and client reporting. Emma holds an MA (Hons) in Management from the University of St Andrews and is a CAIA Charterholder.

The Investment Process

Risk management is embedded in the Investment Manager's process. The approach is based around four pillars: Diversification principles, Risk models, Scenario analysis and Peer review. In addition, liquidity risk is also actively monitored, both by the Investment Manager and via regular independent stress tests.

Further detail on each of the pillars is provided below:

- **Diversification principles**
  The Investment Manager believes that diversification is a necessary element of any robust multi-asset portfolio, reducing portfolio volatility in the short term and reducing the reliance on any one asset class over the medium to long-term. Diversification benefits arise from the range of assets that are considered within the Company's portfolio; the longer-term modelling that is used to establish the strategic framework; and they are also actively considered as part of the day to day decision making for the portfolio. The Investment Manager seeks to ensure that there is not a disproportionate exposure or contribution to portfolio risk from any one asset class or investment.

- **Risk models**
  The second pillar of the risk management approach is the use of quantitative risk models. Although the Investment Manager acknowledges that risk models can have their limitations, it believes that they are a valuable input into the broader process. In particular, they can provide an efficient, clear and objective view on the portfolio's risk exposures at any given time.

- **Scenario analysis**
  While the risk models include certain historic stress test scenarios in their analysis, it is important to also consider how investments in the portfolio might be expected to behave in various hypothetical scenarios. The scenario analysis harnesses both the experience of the investment team and the broader insights gained from across Aberdeen Standard Investments. Recent discussions have addressed, for example, the potential for a trade war between the US and China and improving international relations with North Korea. In each case, the Investment Manager is seeking to gain comfort that the potential risk of, and impact from, any given scenario is acceptable. This helps to ensure that the portfolio is resilient to the wide range of scenarios that might play out over time.

- **Peer review**
  To ensure that the Investment Manager is capturing the best ideas within the portfolio, the investment process has been designed to source views from across the business and reflect back its own insights. On a formal basis, the peer review process also includes oversight from a monthly meeting of the Investment Manager's Diversified Asset Review Group as well as input from Aberdeen Standard Investments' independent risk team and liquidity stress tests undertaken by the dealing desk.

Investor Information

Pre-investment Disclosure Document ("PIDD")
The Alternative Investment Fund Managers Directive ("AIFMD") requires Aberdeen Standard Fund Managers Limited, as the alternative investment fund manager ("AIFM") of Aberdeen Diversified Income and Growth Trust plc, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under AIFMD are published in the Company's Pre-Investment Disclosure Document ("PIDD") which can be found on its website. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 109.

Investor Warning: Be alert to share fraud and boiler room scams
Aberdeen Standard Investments has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment trust shares, purporting to work for Aberdeen Standard Investments.

Aberdeen Standard Investments has also been notified of emails claiming that certain investment companies under our management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for Aberdeen Standard Investments and any third party making such offers/claims has no link with Aberdeen Standard Investments.

Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over whether a caller is genuine, do not offer any personal information, end the call and contact the Customer Services Department (see page 119 for contact details).

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams: **fca.org.uk/consumers/scams**

Keeping You Informed
Further information on the Company can be found on its own dedicated website: aberdeendiversified.co.uk. This provides access to information on the Company's share price performance, capital structure, stock exchange announcements and a Manager's monthly factsheet. Alternatively you can call 0808 500 0040 (free when dialling from a UK landline) for information.

If you have any questions about the Company, the Manager or performance, please telephone the Customer Services Department (direct private investors) on 0808 500 0040.

Alternatively, please send an email to inv.trusts@aberdeenstandard.com or write to Aberdeen Standard Investments, PO Box 11020, Chelmsford, Essex CM99 2DB.

In the event of queries regarding holdings of shares, lost certificates, dividend payments or registered details, shareholders holding their shares in the Company directly should contact the Registrar, Computershare Investor Services PLC (see page 119 for contact details). Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the Registrar in writing.

Dividend Tax Allowance
The annual tax-free personal allowance for dividend income is £2,000 for the 2020/21 tax year (2019/20 tax year; £2,000). Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

How to Invest in the Company
Individual investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail investors, shares can be bought directly through Aberdeen Standard Investments' Plan for Children, Investment Trust Share Plan or Investment Trust ISA.

Aberdeen's Investment Plan for Children
Aberdeen Standard Investments runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable. Selling costs are £10 + VAT, if applicable. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAML in writing at any time.

Aberdeen Standard Investments Share Plan

Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable. Selling costs are £10 + VAT, if applicable. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAML in writing at any time.

Stocks and Shares ISA

Aberdeen Standard Investments operates an investment trust ISA ("ISA") through which an investment in the Company may be made of up to £20,000 in the 2020/21 tax year.

The annual ISA administration charge is £24 + VAT, if applicable, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the ISA, from the sale of investments held in the ISA. Under current legislation, investments in ISAs can grow free of capital gains tax.

Nominee Accounts and Voting Rights

All investments in the Aberdeen Standard Investments Children's Plan, Investment Trust Share Plan and Investment Trust ISA are held in nominee accounts and investors are provided with the equivalent of full voting and other rights of share ownership.

How to Attend and Vote at Company Meetings

Investors who hold their shares in the Company via the Children's Plan, Share Plan or ISA and would like to attend and vote at Company meetings (including AGMs) will be sent for completion and return a Letter of Direction in connection with the relevant meeting.

Investors who hold their shares via another platform or share plan provider (for example Hargreaves Lansdown, Interactive Investor or AJ Bell) and would like to attend and vote at Company meetings (including AGMs) should contact their platform or share plan provider directly to make arrangements. Further details of how to attend and vote if you hold your shares via a platform or share plan provider are available at
theaic.co.uk/aic/shareholder-voting-consumer-platforms

ISA Transfer

You can choose to transfer previous tax year investments to Aberdeen Standard Investments which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Contact Details and Literature Request Service

For information on the Investment Plan for Children, Plan, ISA or ISA Transfer please contact:

Aberdeen Standard Investments
PO Box 11020
Chelmsford
Essex CM99 2DB

Telephone: **0808 500 0040**
(free when dialling from a UK landline.)

Terms and conditions for the Aberdeen Standard Investments managed savings products can also be found under the literature section of **invtrusts.co.uk**.

For literature and application forms for Aberdeen Standard Investments' products, please contact:

Telephone: **0808 500 4000**
Website: **invtrusts.co.uk/en/investmenttrusts/literature-library**

There are a number of other ways in which you can buy and hold shares in this Company.

Online dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

- AJ Bell Youinvest
- Barclays Stockbrokers / Smart Investor
- Canaccord Genuity
- Charles Stanley Direct
- Equiniti
- Halifax Share Dealing
- Hargreaves Lansdown
- iDealing
- Interactive Investor
- The Share Centre
- Stocktrade

Investor Information Continued

Discretionary private client stockbrokers
If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management & Financial Advice Association at **pimfa.co.uk.**

Financial advisers
To find an adviser on investment trusts, visit unbiased.co.uk.

Regulation of stockbrokers
Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: **0800 111 6768** or
at **fca.org.uk/firms/systems-reporting/register/search**
Email: **register@fca.org.uk**

Key Information Document
Investors should be aware that the PRIIPs Regulation requires the Investment Manager, as PRIIP manufacturer, to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the Investment Manager to retail investors prior to them making any investment decision and it may be viewed on the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Suitable for Retail/NMPI Status
The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who wish to target a total portfolio return (net of fees) of LIBOR (London Interbank Offered Rate) plus 5.5% per annum over rolling five-year periods and who understand and are willing to accept the risks of exposure to investing via a flexible multi-asset approach. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that its shares can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments.

The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Note
Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

The information on pages 104 to 106 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Glossary

Aberdeen Standard Investments
A brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

AIC
The Association of Investment Companies.

AIFMD
The Alternative Investment Fund Managers Directive - the AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' ("AIFs"). It is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF.

Alternative Performance Measure or APM
An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Closed-End Fund
A collective investment scheme which has a fixed number of shares which are not redeemable from the fund itself. Unlike open-ended funds, new shares/units are not created by managers to meet demand from investors; instead, shares are purchased (or sold) only in the market. Closed-end funds are normally listed on a recognised stock exchange, such as the London Stock Exchange, and shares can be bought and sold on that exchange.

Discount
The amount by which the market price per share of an Investment Trust is lower than the Net Asset Value per share. The discount is normally expressed as a percentage of the Net Asset Value per share.

Dividend Cover
Earnings per share divided by dividends per share expressed as a ratio.

Dividend Yield
The annual dividend expressed as a percentage of the share price.

FCA
Financial Conduct Authority.

Gearing
Net gearing is calculated by dividing total borrowings less cash or cash equivalents, by shareholders' funds expressed as a percentage.

Investment Manager or AAML
Aberdeen Asset Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Company's investment manager. It is authorised and regulated by the FCA.

Investment Trust
A type of Closed-End Fund which invests in other securities, allowing shareholders to share the risks, and returns, of collective investment.

Leverage
For the purposes of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its Net Asset Value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

LIBOR
London Interbank Offered Rate - is a benchmark rate which represents the interest rate at which banks offer to lend funds to one another. The Financial Conduct Authority and the Bank of England expects that firms will transition away from the use of LIBOR by the end of 2021.

Manager, AIFM or ASFML
Aberdeen Standard Fund Managers Limited (formerly Aberdeen Fund Managers Limited) is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the alternative investment fund manager for the Company. It is authorised and regulated by the FCA.

Net Asset Value or NAV
The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The Net Asset Value divided by the number of shares in issue produces the Net Asset Value per share.

Ongoing Charges
Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.

Premium
The amount by which the market price per share of an Investment Trust exceeds the Net Asset Value per share. The premium is normally expressed as a percentage of the Net Asset Value per share.

Glossary Continued

Price/Earnings Ratio
The ratio is calculated by dividing the market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.

Prior Charges
The name given to all borrowings including debentures, loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.

Standard Life Aberdeen plc or Group
Standard Life Aberdeen plc, a company listed on the London Stock Exchange.

Total Assets
Total Assets as per the balance sheet less current liabilities (before deducting Prior Charges as defined above).

Total Return
Total Return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date the dividend was earned.

AIFMD Disclosures (Unaudited)

Aberdeen Standard Fund Managers Limited and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which can be found on the Company's website.

There have been no material changes to the disclosures contained within the PIDD since its most recent update in December 2020.

The periodic disclosures as required under the AIFMD to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report, note 23 to the financial statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC, on request (see page 119 for contact details) and the remuneration disclosures in respect of the AIFM's reporting period ended 31 December 2019 is available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	3.50:1	2.50:1
Actual level at 30 September 2020	2.00:1	2.00:1

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There have been no changes to the circumstances in which the Company may be required to post assets as collateral and no guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which ASFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Alternative Performance Measures

Alternative Performance Measures ("APMs") are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Total return. NAV and share price total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves investing the net dividend in the NAV of the Company on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the years ended 30 September 2020 and 30 September 2019 and total returns.

2020	**Dividend rate**	**NAV (debt at par)**	**NAV (debt at fair value)**	**Share price**
30 September 2019	N/A	128.08p	119.90p	108.00p
24 December 2019	1.34p	127.09p	119.77p	111.50p
5 March 2020	1.36p	125.17p	116.81p	108.00p
18 June 2020	1.36p	117.76p	109.31p	96.60p
24 September 2020	1.36p	118.20p	109.88p	89.20p
30 September 2020	N/A	121.71p	113.40p	91.50p
Total return		**–0.7%**	**–0.8%**	**–10.6%**

2019	**Dividend rate**	**NAV (debt at par)**	**NAV (debt at fair value)**	**Share price**
30 September 2018	N/A	130.31p	124.17p	124.50p
27 December 2018	1.31p	120.75p	114.29p	112.00p
7 March 2019	1.34p	123.24p	116.78p	117.50p
13 June 2019	1.34p	123.46p	116.31p	112.00p
19 September 2019	1.34p	126.23p	118.41p	104.50p
30 September 2019	N/A	128.08p	119.90p	108.00p
Total return		**+2.6%**	**+1.1%**	**–9.0%**

Net asset value per Ordinary share – debt at fair value (capital basis)

	As at 30 September 2020 £'000	**As at 30 September 2019 £'000**
Net asset value attributable	386,230	413,679
Add: Amortised cost of 6.25% Bonds 2031	59,540	59,503
Less: Market value of 6.25% Bonds 2031	(85,925)	(85,926)
Less: Revenue return for the period	(17,840)	(18,706)
Add: Interim dividends paid	8,689	8,847
	350,694	**377,397**
Number of Ordinary shares in issue excluding treasury shares	**317,330,238**	**322,981,705**
Net asset value per share (p)	**110.51**	**116.85**

Discount to net asset value per Ordinary share – debt at fair value (capital basis). The discount is the amount by which the Ordinary share price of 91.50p (2019 – 108.0p) is lower than the net asset value per Ordinary share – debt at fair value (capital basis) of 110.51p (2019 – 116.85p), expressed as a percentage of the net asset value – debt at fair value (capital basis). The Board considers this to be the most appropriate measure of the Company's discount.

Dividend cover. Earnings per share of 5.58p (2019 – 5.68p) divided by dividends per share of 5.44p (2019 – 5.36p) expressed as a ratio.

Net gearing – debt at par value. Net gearing with debt at par value measures the total borrowings of £59,540,000 (2019 – £59,503,000) less cash and cash equivalents of £18,095,000 (2019 – £7,852,000) divided by shareholders' funds of £386,230,000 (2019 – £413,679,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due from brokers at the period end of £682,000 (2019 – £43,000), in addition to cash and short term deposits per the Statement of Financial Position of £17,413,000 (2019 – £7,809,000).

Net gearing – debt at fair value. Net gearing with debt at fair value measures the total borrowings of £85,925,000 (2019 – £85,926,000) less cash and cash equivalents of £18,095,000 (2019 – £7,852,000) divided by shareholders' funds of £359,845,000 (2019 – £387,256,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due from brokers at the period end of £682,000 (2019 – £43,000), in addition to cash and short term deposits per the Statement of Financial Position of £17,413,000 (2019 – £7,809,000).

Ongoing charges. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2020 £	2019 £
Investment management fees	1,339,000	1,532,000
Administrative expenses	837,000	935,000
Less: non-recurring charges[A]	(10,000)	(50,000)
Ongoing charges	**2,166,000**	**2,417,000**
Average net assets with debt at fair value	**362,978,000**	**390,389,000**
Ongoing charges ratio (excluding look-through costs)	**0.60%**	**0.62%**
Look-through costs[B]	**0.24%**	**0.22%**
Ongoing charges ratio (including look-through costs)	**0.84%**	**0.84%**

[A] Professional services considered unlikely to recur.
[B] Costs associated with holdings in collective investment schemes as defined by the Committee of European Securities Regulators' guidelines on the methodology for the calculation of the ongoing charges figure, issued on 1 July 2010.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations, which includes financing and transaction costs. This can be found within the literature library section of the Company's website: **aberdeendiversified.co.uk.**

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General

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Aberdeen Diversified Income and Growth Trust plc (the "Company") will be held at 12.30 p.m. on 23 February 2021 at Bow Bells House, 1 Bread Street, London EC4M 9HH for the following purposes:

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive the Directors' Report, the Auditor's Report and the audited financial statements for the year ended 30 September 2020.
2. To receive and adopt the Directors' Remuneration Report (other than the Directors' Remuneration Policy) for the year ended 30 September 2020.
3. To approve the Company's dividend policy to continue to pay four quarterly interim dividends per year.
4. To re-elect Trevor Bradley as a Director of the Company*.
5. To re-elect Tom Challenor as a Director of the Company*.
6. To re-elect Julian Sinclair as a Director of the Company*.
7. To re-elect Anna Troup as a Director of the Company*.
8. To re-elect Davina Walter as a Director of the Company*.
9. To re-appoint PricewaterhouseCoopers LLP as auditor of the Company to hold office from the conclusion of the Annual General Meeting of the Company until the conclusion of the next general meeting at which financial statements and reports are laid before the Company.
10. To authorise the Directors to fix the remuneration of the auditor.

Continuation of the Company

11. To approve the continuation of the Company as an investment trust.

Amendment to Investment Objective and Investment Policy

12. That the Company's investment objective that "The Company seeks to provide income and capital appreciation over the long term through investment in a globally diversified multi-asset portfolio" be approved and adopted as the new investment objective of the Company in substitution for, and to the exclusion of, any existing investment objective with effect from the conclusion of the Annual General Meeting; and that the Company's investment policy be amended as set out under "Proposed Change to Investment Policy" on page 12 of the Annual Report for the year ended 30 September 2020.

Authority to Allot

13. That the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £7,834,380 (representing 10% of the total Ordinary share capital of the Company in issue as at the date of notice, excluding treasury shares, or, if less, the number representing 10% of the issued Ordinary share capital of the Company, excluding treasury shares, as of the date of the passing of this resolution) during the period expiring on the date of the next annual general meeting of the Company or on 31 March 2022, whichever is the earlier, but so that this authority, unless previously revoked, varied or renewed, shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares and grant rights in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, pass the following resolutions as special resolutions:

Disapplication of Pre-emption Rights

14. That the Directors be and they are hereby empowered, pursuant to sections 570 and 573 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority given in accordance with section 551 of the Act by resolution number 13 above as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

Notice of Annual General Meeting Continued

- during the period expiring on the date of the next annual general meeting of the Company or on 31 March 2022, whichever is earlier, but so that this power shall, unless previously revoked, varied or renewed, enable the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after the expiry of this power and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
- up to an aggregate nominal amount of £7,834,380 (representing 10% of the total Ordinary share capital of the Company in issue, excluding treasury shares, as at the date of this notice, or, if less, the number representing 10% of the issued Ordinary share capital of the Company, excluding treasury shares, as of the date of the passing of this resolution); and
- at a price greater than the net asset value per share from time to time (as determined by the Directors and calculated excluding treasury shares).

  This power applies to a sale of treasury shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words "pursuant to the authority given in accordance with section 551 of the Act by resolution number 13 above" were omitted.

Authority to Make Market Purchases of Shares

15. That the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of fully paid Ordinary shares on such terms and in such manner as the Directors from time to time determine, and to cancel or hold in treasury such shares, provided always that:
    - the maximum number of shares hereby authorised to be purchased shall be an aggregate of 46,974,948 Ordinary shares or, if less, the number representing 14.99% of the Ordinary shares in issue (excluding shares already held in treasury) as at the date of the passing of this resolution;
    - the minimum price which may be paid for a share shall be 25 pence;
    - the maximum price (exclusive of expenses) which may be paid for a share shall be the higher of (a) an amount equal to 105% of the average of the middle market quotations for a share taken from, and calculated by reference to, the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the share is purchased; and (b) the higher of the price of the last independent trade and the highest current independent bid at the time the purchase is carried out;
    - the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or on 31 March 2022, whichever is earlier, unless such authority is previously revoked, varied or renewed prior to such time; and
    - the Company may make a contract or contracts to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract or contracts notwithstanding such expiry above.

Authority to Call General Meetings on not less than 14 Clear Days' Notice

16. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

Adoption of New Articles of Association

17. That the Articles of Association contained in the document produced to the meeting and signed by the Chairman for the purposes of identification, be approved and adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association, with effect from the conclusion of the 2021 Annual General Meeting.

1 George Street
Edinburgh EH2 2LL
16 December 2020

By order of the Board
Aberdeen Asset Management PLC
Secretary

* The biographies of the Directors offering themselves for re-election may be found on pages 43 and 44.

NOTES:

(1) Only those Shareholders registered in the Register at close of business on 19 February 2021 shall be entitled to attend and/or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time (the "specified time"). If the Annual General Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of shareholders to attend and/or vote at the adjourned meeting. If the Annual General Meeting is adjourned for a longer period, the time by which a person must be entered on the Register in order to have the right to attend and/or vote at the adjourned meeting is close of business two days (excluding non-working days) prior to the time of the adjourned meeting. Changes to entries on the Register after the relevant deadline shall be disregarded in determining the rights of any person to attend and/or vote at the Annual General Meeting.

(2) Holders of Ordinary shares are entitled to attend and vote at the Annual General Meeting or any adjournment thereof. If you wish to attend, there will be a members' register to sign on arrival.

(3) As at 15 December 2020 (being the last practicable day prior to the date of approval of this Report) the Company's issued share capital consisted of 365,410,874 Ordinary shares (52,035,636 which were held in treasury). Each Ordinary share carries the right to one vote at general meetings. Therefore the total voting rights in the Company at 15 December 2020 are 313,375,238.

(4) A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him or her, provided that if two or more proxies are appointed, each proxy must be appointed to exercise the rights attaching to different shares. A Form of Proxy is enclosed with this Notice. A proxy need not be a Shareholder of the Company. Completion and return of the Form of Proxy will not preclude Shareholders from attending or voting at the Annual General Meeting, if they so wish. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to the proxy. In the event that a Form of Proxy is returned without an indication as to how the proxy shall vote on the resolutions, the proxy will exercise his or her discretion as to whether, and if so how, he or she votes.

(5) To be valid, the Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power or authority) must be deposited with the Company's Registrar, for this purpose being Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event not later than 48 hours (excluding non-working days) before the time fixed for the Annual General Meeting. If you have any queries relating to the completion of the Form of Proxy, please contact Computershare Investor Services on 0330 303 1184 (lines are open 8.30am to 5.30 p.m. Monday to Friday, excluding public holidays). Computershare Investor Services PLC cannot provide advice on the merits of the business to be considered nor give any financial, legal or tax advice. Alternatively, if the Shareholder holds his or her shares in uncertificated form (i.e. in CREST) they may vote using the CREST System (see note (11) below).

(6) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office or the address specified in note 5 above before the commencement of the Annual General Meeting or adjourned meeting at which the proxy is used.

(7) Where there are joint holders of any share, any one of such persons may vote at any Meeting, and if more than one of such persons is present at any meeting personally or by proxy, the vote of the senior holder who tenders the vote shall be accepted to the exclusion of the votes of other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the Register.

(8) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the Shareholder who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that Shareholder, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interests in the Company (including any administrative matter). The statement of the rights of Shareholders in relation to the appointment of proxies in notes (4) to (6) does not apply to Nominated Persons. The rights described in these notes can only be exercised by Shareholders of the Company.

Notice of Annual General Meeting Continued

(9) Any corporation which is a Shareholder may authorise such person as it thinks fit to act as its representative at the Annual General Meeting. Any person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Shareholder (provided, in the case of multiple corporate representatives of the same corporate Shareholder, they are appointed in respect of different shares owned by the corporate Shareholder or, if they are appointed in respect of the same shares, they vote the shares in the same way). To be able to attend and vote at the Annual General Meeting, corporate representatives will be required to produce prior to their entry to the Annual General Meeting evidence satisfactory to the Company of their appointment.

(10) To allow effective constitution of the Annual General Meeting, if it is apparent to the Chairman that no Shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.

(11) Notes on CREST Voting. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual, which is available to download from the Euroclear UK & Ireland ("Euroclear") website (euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

1. In order for a proxy appointment or instruction made using the CREST system to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent 3RA50 by 12.30 p.m. on 19 February 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications Host) from which the issuer's agent is able to retrieve the message.
2. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or CREST sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) takes(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by a particular time. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.
3. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case, a proxy form must be received by the Company's Registrar no later than 12.30 p.m. on 19 February 2021.

(12) The attendance at the Annual General Meeting of Shareholders and their proxies and representatives is understood by the Company to confirm their agreement to receive any communications made at the Annual General Meeting.

(13) Shareholders are advised that unless otherwise provided, the telephone numbers and website addresses which may be set out in this Notice or the Form of Proxy/Form of Direction are not to be used for the purpose of serving information or documents on the Company including the service of information or documents relating to proceedings at the Annual General Meeting. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's shares already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result any person holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

(14) In accordance with Section 311A of the Companies Act 2006, the contents of this notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website, **aberdeendiversified.co.uk**.

(15) Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the Annual General Meeting which is put by a Shareholder attending the Annual General Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered or if to do so would involve the disclosure of confidential information.

(16) Shareholders should note that it is possible that, pursuant to requests made by Shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid out before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006, that the shareholders propose to raise at the Annual General Meeting. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later that the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on the website.

(17) The "Vote Withheld" option on the Form of Proxy is provided to enable a member to abstain on any particular resolution. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a particular resolution.

(18) Participants in the Aberdeen Standard Investments Children’s Plan, Plan or ISA are entitled to vote by completing the enclosed Form of Direction and returning it in the accompanying envelope no later than 16 February 2021.

(19) The full terms of the proposed amendments to the Company's articles of association would have been made available for inspection as required under LR 13.8.10R (2) but for the Government restrictions implemented in response to COVID-19. As an alternative, a copy of the proposed new articles of association of the Company, together with a copy of the existing articles of association of the Company marked to show the changes being proposed, will instead be available for inspection on the Company's website, **aberdeendiversified.co.uk**, from the date of the Notice of the Annual General Meeting until the close of the meeting. These documents will also be available for inspection at the meeting venue from 15 minutes before and during the Annual General Meeting. In the event that the current restrictions related to COVID-19 are lifted before the Annual General Meeting, a hard copy of the proposed new articles of association of the Company, together with a copy of the existing articles of association of the Company marked to show the changes being proposed, will also be available for inspection at 1 George Street, Edinburgh, EH2 2LL until the close of the meeting.

(20) Given the risks posed by the spread of COVID-19 and in accordance with Government guidance in place at the date of this notice, physical attendance at the Annual General Meeting is unlikely to be possible. If the law or Government guidance so requires at the time of the meeting, the Chairman will limit, in his or her sole discretion, the number of individuals in physical attendance at the meeting. If the Government guidance in place as at the date of this notice is in place at the time of the meeting, such attendance is likely to be limited to two persons. Should the Government measures be relaxed by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the Annual General Meeting in order to ensure the safety of those attending the meeting. As set out in the Chairman’s Statement, shareholders are encouraged to submit questions in advance of the AGM to **diversified.income@aberdeenstandard.com**

Appendix to Notice of Annual General Meeting

Summary of the principal amendments to the Company's articles of association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 17 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments which are likely to be of interest to shareholders. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, aberdeendiversified.co.uk, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Hybrid/virtual-only shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. This should make it easier for the Company's shareholders to attend shareholder meetings if the Board elects to conduct meetings using electronic means. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for a hybrid or virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

International tax regimes requiring the exchange of information

The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate with it in respect of the exchange of information to comply with the Company's international tax reporting obligations.

The Hiring Incentives to Restore Employment Act 2010 of the United States of America (commonly known as the Foreign Account Tax Compliance Act) and all associated regulations and official guidance ('FATCA') imposes a system of information reporting on certain entities including foreign financial institutions such as the Company following the enactment of the UK International Tax Compliance (United States of America) Regulations 2013 on 1st September 2013 (as replaced by the International Tax Compliance Regulations 2015 (the "Regulations")).

The Board is proposing to make amendments to the Existing Articles to ensure that: (i) the Company has the ability to require shareholders to co-operate with it so that the Company is able to comply with its obligations under the Regulations in order to avoid being deemed to be a 'Non-participating Financial Institution' for the purposes of FATCA (and consequently having to pay withholding tax to the US Internal Revenue Service); (ii) the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, as such liability would be to the detriment of shareholders as a whole: and (iii) the Company has the ability to require shareholders to co-operate and provide further information in respect of the broader obligations under the OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (the "Common Reporting Standard").

Minor amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including (i) clarifying that the consideration (if any) received by the Company upon the sale of any Share which is forfeited by a shareholder pursuant to the New Articles will belong to the Company; (ii) removing the requirement for the Company to publish newspaper advertisements in relation to the untraced shareholders procedure; and (iii) providing the Directors with the ability to require additional security, access and safety measures to be put in place at general meetings of the Company. These changes reflect modern best practice and are intended to relieve certain administrative burdens on the Company.

Corporate Information

Directors
Davina Walter (Chairman)
Julian Sinclair (Senior Independent Director)
Tom Challenor (Audit Committee Chairman)
Trevor Bradley
Anna Troup

Company Secretaries & Registered Office
Aberdeen Asset Management PLC
1 George Street
Edinburgh EH2 2LL

Company Number
Registered in Scotland under Company Number SC003721

Website
aberdeendiversified.co.uk

United States Internal Revenue Service FATCA Registration Number ("GIIN")
E3M4K6.99999.SL.826

Legal Entity Identifier Number ("LEI")
2138003QINEGCHYGW702

Points of Contact
The Chairman or Company Secretaries at the Registered Office of the Company

twitter.com/AberdeenTrusts

linkedin.com/company/aberdeen-standard-investment-trusts

Customer Services and Aberdeen Standard Investments Children's Plan/Share Plan/ISA enquiries
Aberdeen Standard Investments
PO Box 11020
Chelmsford
Essex CM99 2DB

Freephone: **0808 500 00 40**
Brochure Request Line Freephone: **0808 500 4000**
Lines are open 9.00 a.m. to 5.00 p.m. Monday to Friday, excluding public holidays

Email: **inv.trusts@aberdeenstandard.com**

Alternative Investment Fund Manager
Aberdeen Standard Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH

Authorised and regulated by the Financial Conduct Authority

Investment Manager
Aberdeen Asset Managers Limited
1 George Street
Edinburgh EH2 2LL

Authorised and regulated by the Financial Conduct Authority

Registrar (for direct shareholders)
Computershare Investor Services PLC operates a secure online website where shareholdings can be managed quickly and easily, including changing address or arranging to pay dividends directly into a bank account or receive electronic communications:

investorcentre.co.uk

Alternatively, please contact the registrar:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

E-mail is available via the above website
Telephone: **0330 303 1184**
(UK calls cost 10p per minute plus network extras)
Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding public holidays

Independent Auditor
PricewaterhouseCoopers LLP

Depositary
The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

Solicitors
Dickson Minto W.S.

Stockbrokers
Cenkos Securities plc

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