

Aberdeen Diversified Income and Growth Trust plc

The diversified multi-asset investment trust



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Visit our website

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

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Overview

Financial Highlights

Aberdeen Diversified Income and Growth Trust plc (the "Company" or "ADIGT") is an investment trust, targeting a total portfolio return (net of fees) of LIBOR (London Interbank Offered Rate) plus 5.5% per annum over rolling five-year periods. In addition to the performance objective, the Company is characterised by:

- a genuinely diversified portfolio with access to 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.

Net asset value total return^{AB}

+1.1%

2018

+2.5%

Revenue return per share

5.68p

2018

6.15p

Ongoing charges^A

0.84%

2018

0.88%

Share price total return^A

-9.0%

2018

+7.9%

Dividend per share

5.36p

2018

5.24p

(Discount)/premium to net asset value (capital basis)^{AB}

(7.6%)

2018

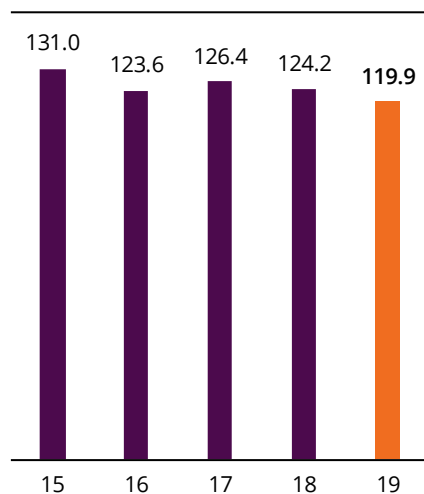
3.2%

^A Considered to be an Alternative Performance Measure (see page 13 and pages 102 to 104 for more information).

^B Debt at fair value.

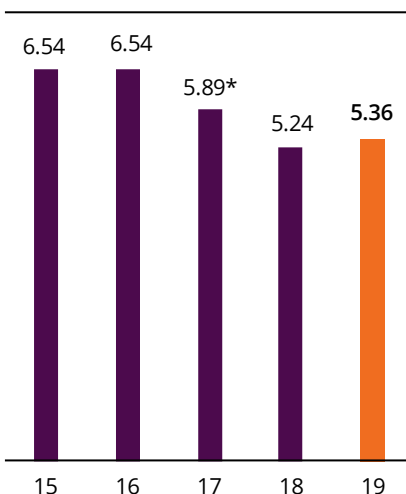
Net asset value per Ordinary share with debt at fair value

At 30 September – pence



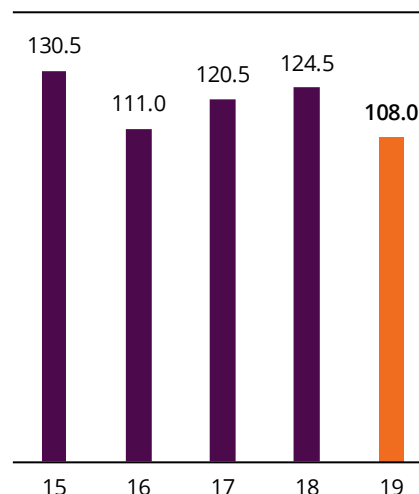
Dividends per Ordinary share

Year ended 30 September - pence



Mid-market price per Ordinary share

At 30 September – pence



*denotes policy change on 30 March 2017

Overview

Chairman's Statement



James M Long, TD
Chairman

Performance

Over the year ended 30 September 2019, the Company's net asset value ("NAV") per share, with debt at fair value, rose by 1.1% on a total return basis. Reflecting this performance against a backdrop of rising equity and bond markets, the Company's shares moved from a premium to NAV (with debt at fair value) of 3.2% to a discount of 7.6% which saw the Company's share price end the year at 108.0 pence, compared to 124.5 pence at 30 September 2018, resulting in a disappointing total return to shareholders over the year of -9.0%.

It has been a frustrating period for performance. The portfolio has delivered a high level of income in line with the Board's expectations but the capital value has been impacted by our exposure to insurance linked securities and to a lesser extent by the recent short selling attack on Burford Capital. Further information on these results and portfolio strategy may be found in the Investment Manager's report which follows.

I am conscious that this reporting period marks the end of the first half of the initial five year period against which our investment objective will be measured. For the period starting from our adoption of the new investment objective, that is from 31 March 2017 to 30 September 2019, the Company's share price total return (net of fees) was 5.0% and net asset value total return (calculated with debt at fair value) was 8.5% whilst LIBOR plus 5.5% per annum was 16.3%.

Portfolio

As I relayed in my Chairman's Statement twelve months ago, the Board believes that your Company offers shareholders an attractive longer term investment proposition through its investment in a broad range of asset classes, both listed and unlisted. This is especially so in the continuing investment climate of low bond yields and volatile global equity markets.

It is worth highlighting, therefore, the progress made by the Investment Manager towards achieving the target asset allocation, in particular the increase in longer term, unlisted investments. The portfolio now includes 16 such investments, equivalent to 40% of net assets, the majority of which are opportunities not otherwise open to many investors.

The losses incurred by insurance linked securities due to storms and wildfires in California were disappointing, but it is pleasing to see valuation uplifts for other investments and asset classes including, as examples, Truenoord (aircraft leasing) and the HarbourVest and Mesirow private equity funds. The portfolio consists of a diverse range of assets which should, over the medium term, deliver more consistent returns whilst supporting income and the quarterly dividends which are paid.

Earnings and Dividends

The Company's revenue return for the year ended 30 September 2019 was 5.68 pence per share, compared to 6.15 pence per share for the prior year.

Three interim dividends of 1.34 pence per share were paid to shareholders on 29 March 2019, 5 July 2019 and 11 October 2019, respectively. The Board is declaring a fourth interim dividend of 1.34 pence per share to be paid on 24 January 2020 to shareholders on the register on 27 December 2019. The ex-dividend date is 24 December 2019. Total dividends for the year are 5.36 pence per share, 2.3% higher than the 5.24 pence per share paid in the prior year.

For the year to 30 September 2020, the Board currently intends to declare four quarterly dividends of 1.36 pence per share or 5.44 pence per share in total. This would represent an increase of 1.5% which is broadly similar to consumer prices inflation over the year ended 30 September 2019. The Company's policy, as stated in its March 2017 prospectus, is to "pay an attractive dividend consistent with the underlying portfolio yield".

The Board believes this to be the case, with a current dividend yield of 5.0% based on the year end share price of 108.0 pence and substantial revenue reserves held by the Company to smooth payments in future years, if required, which should give shareholders a level of comfort regarding regular income payments.

As in previous years, the Board intends to put to shareholders at the next Annual General Meeting ("AGM") on 26 February 2020 a resolution in respect of its current policy to declare four interim dividends each year.

Policy on Discount Management and Issuance of Shares or Sale of Shares from Treasury

As a result of changing market demand, the Company's shares moved from a premium of 3.2% at 30 September 2018 to a discount of 7.6% at 30 September 2019 (all figures calculated with debt at fair value and excluding income).

Despite issuing 2.2 million shares with a value of £2.7 million from treasury over the year ended 30 September 2018 and further issuance into November 2018, a total of 7.9 million shares were repurchased for a value of £8.5 million over the last four months of the year ended 30 September 2019. This is in line with the Board's discount management policy which is to seek to maintain the Company's share price discount to net asset value (ex income, with debt at fair value) at less than 5%, subject to normal market conditions, the prevailing gearing level and the composition of the Company's portfolio.

Since the year end, an additional 2.1 million shares have been bought back into treasury at a cost of £2.2 million. The Board, alongside the Investment Manager, is frustrated by the de-rating of the Company's shares. Recent meetings held by the Investment Manager with institutional shareholders, who invest on behalf of their clients, suggest that, despite challenging performance for one or two of our holdings as highlighted in the Investment Manager's report, shareholders are supportive of the mandate which gives access to a wide selection of alternative asset classes and understand the time that it can take for commitments to be made and returns to be achieved.

The Board continues to monitor closely the Company's discount or premium and will seek to buy back shares in line with this policy, or indeed issue shares, if this is considered to be in shareholders' best interests.

Gearing

The Company has in place a legacy from its British Assets Trust days in the form of a £60m Bond which carries a coupon of 6.25% and does not mature until 2031. When valuing the bond at market value, net gearing, after taking account of cash balances held, increased to 12.5% at 30 September 2019, from 10.3% at 30 September 2018.

Board Composition

In line with the Board succession plan, set out in the 2018 Annual Report, Ian Russell, Paul Yates and Kevin Ingram all left the Board during the year and the other Directors and I thank them for their collective service and considerable individual contributions to the Company. Davina Walter was appointed a Director on 1 February 2019, bringing to the Board strong investment trust board leadership and investment management skills. Davina succeeded Kevin Ingram as Senior Independent Director.

Anna Troup and Trevor Bradley were appointed Directors on 1 August 2019 following a formal search undertaken by an independent search consultancy. Anna qualified as a lawyer with Slaughter and May and 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. Trevor Bradley was a partner and member of the Management Board at Ruffer LLP, responsible for growing and leading the firm's institutional investment business and managing multi-asset portfolios for pension funds, charities and other institutions. The Board is pleased to have attracted Directors of the calibre of Anna and Trevor who will bring relevant experience to the Company and help oversee its development.

Jim Grover retired from the Board on 6 September 2019 after serving since 2013. Jim leaves the Board with its thanks for the strategic focus which he brought to its deliberations and his pursuit of clarity in the Company's shareholder communications.

The AGM on 26 February 2020 will mark my own retirement and I shall be succeeded as Chairman by Davina Walter. Julian Sinclair will succeed Davina as Senior Independent Director. I know that I leave the Company and its future in good hands.

Aberdeen Standard Investments Plans

Since April 2017 it has been possible to acquire shares in the Company via Aberdeen Standard Investments' Plan for Children, Investment Trust Share Plan and

Investment Trust ISA. Further details on these plans may be found on the Company's website at: aberdeendiversified.co.uk.

AGM and Continuation

This year's AGM, which will be held at the Manager's offices at Bow Bells House, 1 Bread Street, London EC4M 9HH from 12.30pm on Wednesday 26 February 2020, will provide shareholders with an opportunity to receive a presentation from the Investment Manager and to ask any questions that they may have. The formal Notice of AGM, which may be found in the published Annual Report, includes Resolution 12 relating to the continuation of the Company. As the portfolio takes shape and the attractive investment opportunities that it offers start to deliver increased value, the Board encourages shareholders to vote in favour of the Company's continuation such that the Investment Manager's wide range of resources may be brought to bear in the delivery of the investment objective. I look forward to meeting shareholders and Aberdeen Standard Investments Planholders at the AGM.

Action to be Taken

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 might be received no later than 12.30pm on 24 February 2020. Completion of a Form of Proxy does not prevent you from attending and voting in person at the AGM if you wish to do so.

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 that 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: www.theaic.co.uk/aic/shareholder-voting-consumer-platforms

Replacement for LIBOR

As mentioned last year, the Company's investment objective contains a reference to LIBOR, the London Interbank Offered Rate. The FCA announced that LIBOR will be phased out in 2021 and the Manager continues to engage with relevant market participants whilst seeking to identify an alternative measure. As market practice continues to develop, the Board will approach shareholders to seek approval of a resulting change to the investment objective.

Conclusion

The Board remains supportive of the Investment Manager's long-term strategy of developing a diversified portfolio of assets, each with differing return drivers and risk characteristics, offering a sound proposition for investors against an often volatile global equities backdrop. The Board recognises that carefully building such a diverse portfolio of assets takes time, but should see fruitful results in the medium and longer term, rather than the short term, as many of the unlisted investments mature and start to return cash. The key to creating demand for the Company's shares ultimately lies in sustained investment performance over varying cycles and the Board continues to believe that the Investment Manager is pursuing the correct strategy to unlock the portfolio's long-term potential whilst also providing investors with an ever important and appealing source of income in this low interest rate environment.

James M Long
Chairman

12 December 2019



Strategic Report

The Company is an investment trust with a premium listing on the London Stock Exchange. It is classified within the Flexible Investment sector by the Association of Investment Companies.

The Company invests globally using a flexible multi-asset approach via listed and unlisted investments. This section of the Annual Report outlines how the Board and the Investment Manager aim to meet the Company's objective.

Triple Point Social Housing REIT, a portfolio company, invests in social housing assets, with a particular focus on supported housing

Strategic Report

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 will be put to shareholders at each Annual General Meeting, starting in February 2020.

The Company invests globally using a flexible multi-asset approach via quoted and unlisted 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.

Investment Objective

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

Investment Policy

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.

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.

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 16 to 23 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. A schematic of the investment process is included on page 93 of this Report along with a description of the Investment Manager's risk control process.

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 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 pages 13 to 15.

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 Company's portfolio, the Company has implemented a discount control mechanism to seek to maintain the Company's share price discount to net asset value per share (calculated ex 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 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 13.

Principal Risks and Uncertainties

The Board has in place a robust process to assess and monitor the principal 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 which is within the risk appetite set by the Board.

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 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 2019.

The principal risks associated with an investment in the Company's shares are published monthly in the Company's factsheet and they can also be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website. The following is a summary of the principal risks and uncertainties faced by the Company in relation to its day-to-day operations.

Risk	Mitigating Action
<p>Performance risk</p> <p>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.</p>	<p>To manage these risks the Board regularly reviews the Company's investment mandate and long term strategy, and has put in place appropriate limits over levels of unlisted alternative assets and gearing. No more than 40% of the Company's total assets, at the time of investment, may be invested in aggregate in unlisted alternative assets.</p> <p>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.</p>
<p>Portfolio risk</p> <p>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.</p>	<p>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.</p>
<p>Gearing risk</p> <p>The Company has the authority to borrow money or increase levels of market exposure through the use of derivatives and does so 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. In addition, the Company has in place fixed borrowings in the form of a £60 million 6.25% Bond 2031 (the "Bond").</p>	<p>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%.</p>
<p>Income/dividend risk</p> <p>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 dividends received by shareholders.</p>	<p>The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting.</p>
<p>Regulatory risk</p> <p>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</p>	<p>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</p>

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 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 Bank of New York Mellon (International) Limited (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 are regularly tested and monitored throughout the year which is evidenced through their industry-standard controls reports to provide assurance regarding the effective operation of internal controls which are reported on by their reporting accountants and give assurance regarding the effective operation of controls.

Market risk

Market risk arises from volatility in the prices 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 equities 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 17 to the financial statements, together with a summary of the policies for managing these risks.

Gearing

The Company has in place structural gearing in the form of a £60m 6.25% Bond 2031. 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. Additional gearing may be used to leverage the Company's portfolio in order to enhance returns where and to the extent considered appropriate. The Board monitors the gearing position regularly and considers alternative financing options.

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 fulfill its obligations. The Board initiated independent searches for new Directors following which Davina Walter was appointed a Director with effect from 1 February 2019 while Trevor Bradley and Anna Troup were appointed as Directors on 1 August 2019.

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.

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 2025, 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 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 8, 9 and 10 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 level of share buy backs carried out during the year;
- the annual continuation vote to be put to shareholders at the AGM on 26 February 2020; and
- the level of demand for the Company’s shares.

In making its assessment, the Board is also aware that there are other matters that could have an impact on the Company’s prospects or viability in the future, including a large economic shock or significant stock market volatility, and changes in regulation or investor sentiment.

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 the AGM in 2020 and at each AGM thereafter.

Outlook

The Board’s view on the general outlook for the Company can be found in the Chairman’s Statement on pages 2 to 4 while the Investment Manager’s views on the outlook for the portfolio are included in their report on pages 16 to 23.

On behalf of the Board

James M Long
Chairman

12 December 2019

Financial Highlights

	2019	2018	% change
Total assets less current liabilities (before deducting prior charges)	£473,182,000	£487,608,000	-3.0
Equity shareholders' funds (Net Assets)	£413,679,000	£428,129,000	-3.4
Market capitalisation	£348,820,000	£409,047,000	-14.7
Ordinary share price (mid market)	108.00p	124.50p	-13.3
Net asset value per Ordinary share (debt at fair value)(capital basis) ^A	116.85p	120.64p	-3.1
(Discount)/premium to net asset value on Ordinary shares (debt at fair value)(capital basis) ^A	(7.57%)	3.20%	
Gearing (ratio of borrowings less cash to shareholders' funds)			
Net gearing ^A	12.5%	10.6%	
Dividends and earnings per Ordinary share			
Revenue return per share	5.68p	6.15p	-7.6
Dividends per share ^B	5.36p	5.24p	+2.3
Dividend cover (including proposed fourth interim dividend) ^A	1.06	1.17	
Revenue reserves ^C	£41,633,000	£40,410,000	+3.0
Ongoing charges^A	0.84%	0.88%	

^A Considered to be an Alternative Performance Measure. Details of the calculation can be found on pages 102 to 104.

^B The figure for dividends per share reflects the years to which their declaration relates (see note 8 on page 73).

^C The revenue reserve figure does not take account of the third and fourth interim dividends amounting to £4,340,000 and £4,301,000 respectively (2018 – £4,304,000 and £4,332,000).

Performance (total return)

	31 March 2017 ^B – 30 September 2019 % return	1 year % return	3 years % return	5 years % return
Net asset value – debt at par ^A	+8.3	+2.6	+10.9	+9.0
Net asset value – debt at fair value ^A	+8.5	+1.1	+11.4	+6.3
LIBOR +5.5%	+16.3	+6.4	+19.7	+34.9
Share price ^A	+5.0	-9.0	+12.5	+3.4

^A Considered to be an Alternative Performance Measure. Total return represents the capital return plus dividends reinvested. Further details can be found on page 102.

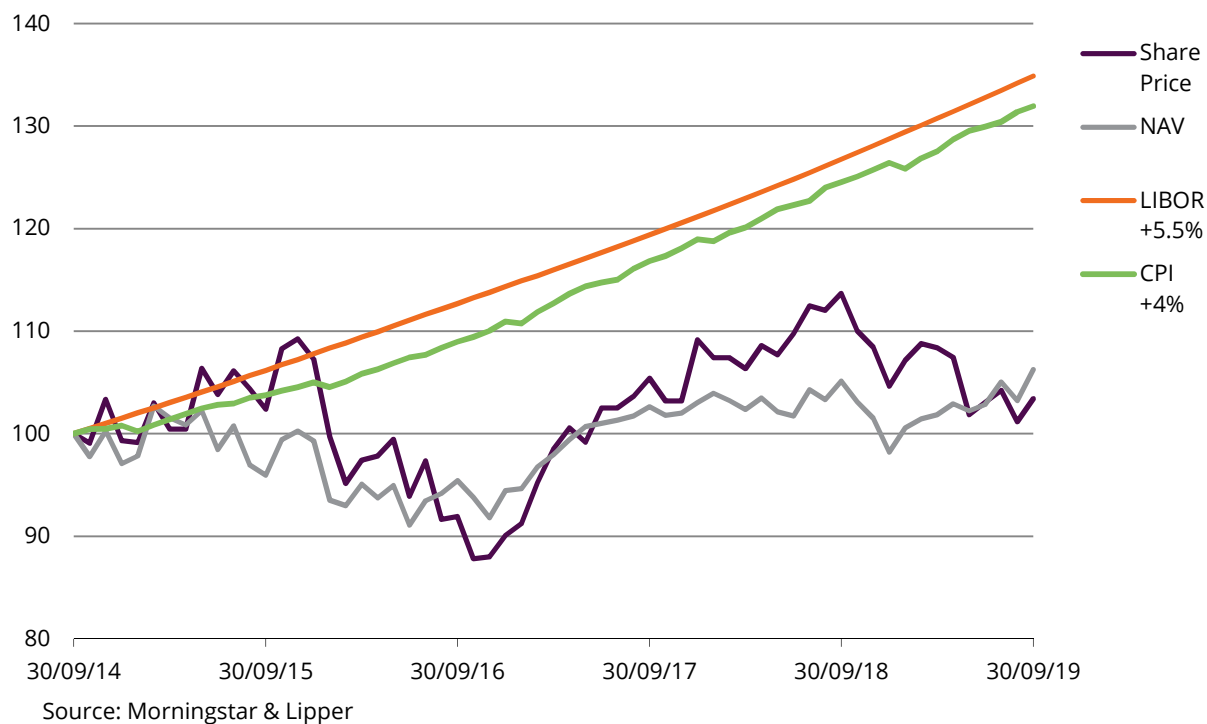
^B Change of Investment Objective and Investment Policy on 31 March 2017.

Source: Aberdeen Standard Investments, Morningstar and Lipper.

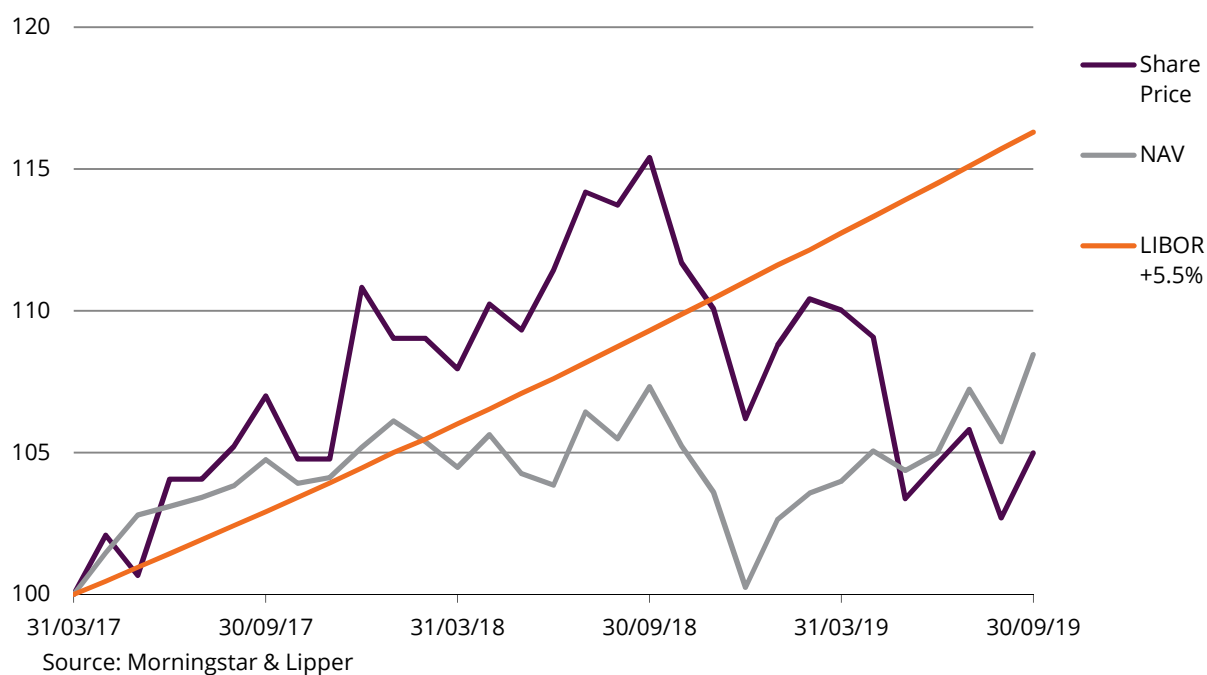
Strategic Report

Performance

Total Return of NAV (debt at fair value) and Share Price vs LIBOR +5.5% and CPI +4%
Five years ended 30 September 2019 (all figures rebased to 100 at 30 September 2014)



31 March 2017 to 30 September 2019 (all figures rebased to 100 at 31 March 2017)



On 30 March 2017 shareholders approved a change in the Company's investment objective from targeting a total portfolio return of UK Consumer Prices Index ("CPI") plus 4% per annum (before ongoing charges) over a 5 to 7 year cycle to targeting a total portfolio return, net of fees, of LIBOR (London Interbank Offered Rate) plus 5.5% per annum over rolling five-year periods.

Ten Year Financial Record

Year to 30 September	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total revenue (£'000)	17,156	19,166	21,887	22,382	23,608	23,120	23,265	17,961	23,262	22,106
Per Ordinary share (p)										
Net revenue return	5.0	5.7	6.6	6.6	7.0	7.1	7.6	5.3	6.2	5.7
Total return	14.0	(5.8)	19.6	19.3	9.3	(4.5)	1.3	8.0	2.8	2.6
Net dividends payable	6.112	6.112	6.112	6.252	6.44	6.54	6.54	5.89	5.24	5.36
Net asset value per Ordinary share (p)										
Debt at par value	129.8	117.9	131.4	144.5	147.5	136.6	131.6	132.7	130.3	128.1
Debt at fair value	127.0	114.8	125.1	139.3	143.3	131.0	123.6	126.4	124.2	119.9
Equity shareholders' funds (£'000)	377,793	343,293	382,535	418,345	426,865	374,832	351,521	436,767	428,129	413,679

Dividends

	Rate	xd date	Record date	Payment date
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			
First interim 2018	1.31p	15 March 2018	16 March 2018	29 March 2018
Second interim 2018	1.31p	28 June 2018	29 June 2018	27 July 2018
Third interim 2018	1.31p	20 September 2018	21 September 2018	12 October 2018
Fourth interim 2018	1.31p	27 December 2018	28 December 2018	25 January 2019
2018	5.24p			

Strategic Report

Investment Manager's Report

Portfolio strategy

- Exposure to litigation finance, healthcare royalties and Latin American infrastructure was added to the portfolio via longer term, private market style investments which target highly attractive returns, including a high level of income, and have significant diversification benefits
- Traditional asset classes such as listed equities and developed market government bonds have performed well over recent years and are generally trading on high valuations. As a consequence, our preference is for alternative asset classes which enhance portfolio returns and diversification

We are conscious that this reporting period marks the end of the first half of the initial five year period against which our investment performance is being measured. The forthcoming general meeting also allows shareholders to vote on the continuation of the Company. In recent weeks, we have met a number of our larger, institutional shareholders – those who invest their clients' savings in the Company in order to gain unique access to the longer term investments that we have identified. All of them have been pleased with the alternative asset classes that the Company provides access to and the developing shape of the portfolio. As a measure of the progress we have made, the table overleaf splits the portfolio into broader asset groupings – equity, physical assets, fixed income & credit, and other – and also shows our exposure to unlisted investments. The table also shows the target allocation on full deployment of our long term fund investments which underpin our expectation of an attractive return (including a high level of income) from the portfolio.

The investment background over the year to 30 September 2019 can be best characterised by a combination of weak global economic growth, unruly political discourse and accommodative monetary policy. The investment performance of the mainstream asset classes was driven, to a large extent, by the interaction of these parameters. Government bonds were viewed as a safe haven amid a worsening growth outlook and the period ended with UK 10 year gilt yields at less than 0.5%, close to a record low. This level of "risk-free" interest rates fed through to increased demand for investment grade corporate bonds and some longer term assets such as physical infrastructure. Further up the risk curve, emerging market bonds also fared well. Global equities, on the other hand, made very little progress. Equity indices fell sharply at the end of 2018 – ostensibly in response to a weakening corporate earnings outlook and also to rising trade tensions between the US, China and Europe – before embarking on a steady recovery as policy makers signalled clearly that they were no longer looking to raise interest rates. Indeed, by the end of our reporting

period, the US Federal Reserve had eased monetary policy twice.

Our portfolio allocation approach is underpinned by the medium term return prospects for each asset class. The factors highlighted above are typical of the main drivers of short term returns, but, over a more sensible time frame, valuation – the price paid for an asset – plays an important role in determining the future return on an investment. In our view, mainstream assets – such as developed market government bonds, corporate credit and listed equities – appear fully valued and do not currently have attractive medium term return prospects. As at September 2019, the Manager's published five year forecasts for sterling investors for these three asset classes were +0.2%, +0.6% and +3.5% p.a. respectively. This underpins our preference for alternative asset classes: we hold no developed market government bonds or investment grade credit and our listed equity allocation remains low compared to other multi-asset funds.

As we have noted in previous reports, the Company's multi-asset approach, combined with its flexible investment policy, allows it to invest in the widest range of alternative asset classes. This enables the Company's shareholders to access funds and managers that are not otherwise open to individuals or, indeed, UCITS-regulated funds. During the year, we identified four new, longer term investments and made initial allocations to three of these – in litigation finance, healthcare royalties and Andean social infrastructure. Including this additional £78m, our commitment to sixteen longer term investments now totals just over 40% of net assets. As the managers of these investments identify assets that meet their investment criteria, they request capital from us (up to the limit of our commitment) which we fund by selling other assets or from cash. Each long term investment has a pre-defined period during which the manager can acquire new assets and then a subsequent period to develop and sell these assets. This type of structure enables our chosen managers to invest over periods of several years which, in most cases, allows them to target double digit percentage annual returns over the life of the investment.

Outside of the natural evolution of the portfolio, dictated by the continued progression of our longer term investments, we made only a small number of changes to the portfolio structure over the year. Our allocation to infrastructure and also to special opportunities – which comprises smaller asset classes such as litigation finance and healthcare royalties – has increased as a result of our new deployments. Our allocation to emerging market bonds has risen as a result of the strong performance of our sub-portfolio of bonds. Very disappointingly, our exposure to insurance linked securities has reduced because of losses caused by storm and fire events since 2017. We report on these developments below.

Performance

- The portfolio delivered an NAV total return (with debt at fair value) of +1.1% over the year ended 30 September 2019
- Emerging market bonds and infrastructure contributed strong gains but these were largely offset by losses from insurance linked securities and, to a lesser extent, listed equities

The share price total return of –9.0% was adversely impacted by a lower rating for the Company's shares, resulting in a premium of 3.2% at 30 September 2018 turning to a discount of 7.6% at 30 September 2019.

The period under review began with a sharp fall in risk assets in the final quarter of 2018 – the MSCI World Index hedged to GBP fell by 17.5% and the FTSE All Share Index

by 12.2% – as global investors reacted to the uncertain outlook for economic growth and corporate profits as well as a breakdown in US – Sino trade relations. In 2019, as policymakers signalled a willingness to adopt a supportive stance on monetary policy, asset prices began a gradual recovery. By the end of the reporting period, the US Federal Funds rate had been reduced by 0.5% which prolonged the rally and enabled global and UK equities to deliver returns of 1.3% and 2.6% respectively on the above indices over the year to 30 September 2019. Developed market bonds performed especially well – for example, the FTA Conventional Gilts All Stocks Index returned +13.4% – but were trumped by emerging market bonds where the JPMorgan GBI-EM Local Currency Index returned +16.6% in sterling terms over the reporting period.

Allocation across Asset Categories and Classes

Asset Category	Asset Class	Allocation on full deployment of existing commitments (excluding ILS) %	%age of Net Assets					
			30 Sept. 2019	31 March 2019	30 Sept. 2018	31 March 2018	30 Sept. 2017	31 March 2017
Equity	Listed equity	20.0	20.3	21.4	22.0	20.2	26.0	50.5
	Private equity	6.0	4.3	4.1	3.8	2.7	2.8	1.3
Physical assets	Property/Infrastructure/Transport/Agriculture /Gold	31.0	27.3	22.4	20.9	18.3	13.1	11.0
Fixed Income & credit	Emerging market bonds/Asset-backed securities/Loans/High Yield/Developed Government bonds	42.5	48.3	48.6	46.9	52.5	52.5	33.8
Other assets	Insurance-linked/Litigation finance/Healthcare royalties/Direct lending/Absolute return	11.5	10.6	13.9	16.8	15.7	14.8	7.1
Total investments		111.0	110.8	110.4	110.4	109.4	109.2	103.7
Net borrowings		(11.0)	(10.8)	(10.4)	(10.4)	(9.4)	(9.2)	(3.7)
Net Assets		100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unlisted investments		42.5	26.3	18.3	19.2	14.0	6.3	5.2

Source: Aberdeen Standard Investments

Your portfolio's NAV total return of +1.1% (with debt calculated at fair value) was broadly in line with the return from global equities during this period. The benefit of holding a diverse range of assets was reflected in the maximum NAV decline of –6.2% which was less than half of the worst fall in global equities. The portfolio return included a very strong contribution from our high weighting in emerging market bonds (+4.4%) and a notable contribution from infrastructure (+1.8%). Other

asset classes which contributed positively included asset backed securities, global loans and private equity. The main detractors from performance were insurance linked securities (–3.9%) and listed equities (–1.1%) with special opportunities, absolute return and property also contributing negatively. We will comment on these asset classes in later sections of this report. As we noted in the Interim Report to shareholders, the NAV performance figures reported above included an uplift of around +0.6% arising from the recognition of a deferred tax asset. This

followed a review of the Company's projections for future income. The Company's investment policy generates income from a diverse range of sources and there is now reasonable certainty that future profits will include taxable elements which will enable offset of thus far unutilised management expenses. It is also worth highlighting that share issuance and repurchase activity carried out throughout the year in accordance with the Board's policy on discount control had a small positive impact on NAV per share.

Over the period since the change in investment policy on 31 March 2017, the portfolio has delivered a NAV total return of +8.5% (with debt measured at fair value). The portfolio has delivered a high level of income in line with the Board's expectations but the capital value has been reduced by around 5% as a result of the losses in insurance linked securities. This means that the portfolio is lagging behind the Company's investment objective, net of fees, of LIBOR plus 5.5% per annum measured over rolling five year periods. In addition, the recent weakness of the share price has further restricted the total return to shareholders since 31 March 2017 to +5.0%.

At the shareholder meetings referred to in the previous section, frustration was expressed at the recent de-rating of your Company's shares. As the Chairman has commented, as shareholders ourselves, we and the Directors fully share that sentiment. Ultimately, it is investment performance that drives demand for the shares of all investment trusts. All of us are working hard to deliver on the potential that we can see within the portfolio and, via marketing and other efforts, ensure that this can attract new shareholders to invest in your Company.

Listed equity

% of Net Assets reduced from 22.0% to 20.3%

We expect listed equity returns to be lower than their long-term average. This is partly a function of subdued long-term economic growth expectations, but also due to cyclically-stretched profit margins, especially in the US. However, we do have some concerns about the outlook for the business cycle. While our base case is for the continuation of sluggish economic growth, there is a relatively high downside risk of a global recession. Our forecasts are averages across scenarios so this downside risk skews our outlook over shorter term periods. Overall, we forecast an average return of 3.5% per annum for sterling investors over the next five years and, during the period, we made a modest reduction in our exposure to equities.

For the first eight months of 2019, the background of sluggish economic growth and low / falling interest rates and bond yields was reflected in a sharp re-rating of “growth” equities. Time will tell if the failed IPO of the short term office company WeWork has marked “peak growth” in the current market cycle. With the valuation disparity between growth and value styles close to record levels, the recent rotation back in favour of value has benefitted the **Smart Beta Low Volatility Global Equity Income Fund**, which predominantly focuses on high quality, good value businesses. Nevertheless, its underperformance during the growth-driven market of 2019 has been a noticeable drag on portfolio returns. The fund’s largest holdings and sector / regional positions are noted below.

Aberdeen Global Smart Beta Low Volatility Global Equity Income Fund

Top 5 positions	Country	Sector	% of Net Assets as at 30 September 2019
Allergan	United States	Healthcare	0.3%
Astellas Pharma	Japan	Healthcare	0.3%
Consolidated Edison	United States	Utilities	0.3%
Dominion Energy	United States	Utilities	0.3%
Itochu Corporation	Japan	Industrials	0.3%

Top 5 sectors	% of Net Assets as at 30 September 2019
Utilities	3.0%
Healthcare	2.5%
Consumer Staples	2.0%
Financials	1.9%
Information Technology	1.8%

Top 5 countries	% of Net Assets as at 30 September 2019
United States	6.7%
Japan	4.3%
UK	0.9%
Australia	0.7%
South Korea	0.7%

Alternative asset classes (private equity)

% of Net Assets broadly unchanged at 4.3%

Our private equity holdings performed well during the period. The **HarbourVest** and **Mesirow** private equity funds, which are selling down their remaining assets, benefitted from the buoyant market conditions. In March 2018, we invested £6.3m to acquire stakes in these funds. By the end of September 2019, we had received distributions of £2.6m and our remaining stakes had increased in value to £6.5m. The Manager's Private Equity team, who identified this profitable opportunity for us, have recently launched a new fund, **Aberdeen Standard Secondary Opportunities Fund IV (SOF IV)**, which allows us to access this strategy in a more diversified format as our existing exposures wind down. The Board has approved a commitment of £20m to SOF IV. In line with the policy on ASI funds of this type, there will be no additional fee charged on this investment.

TrueNoord, the aircraft leasing business in which we own an equity stake, alongside the management team and other financial backers, continues to develop in line with our expectations. We made a small incremental investment during the period and, in addition, the company raised equity capital from new investors and negotiated a new five year debt facility in order to fund its fleet expansion plans. In early October, TrueNoord acquired six additional aircraft, leased to Republic Airways, its first deal in the United States. This expands its fleet to 41 regional aircraft, leased to 14 airlines. At the end of September, we had invested US\$5.4m in TrueNoord and the carrying value of our investment, which takes account of the ongoing development of the company and the recent third party fundraising, was US\$9.1m.

Physical assets (property, infrastructure and real assets)

% of Net Assets increased from 20.9% to 27.3%

We made good progress in adding to the physical assets segment of the portfolio, achieved by investing into funds with underlying exposure to infrastructure, property, transport and farmland.

SL Capital Infrastructure II, an economic infrastructure fund which is targeting a net of fees return of 8 – 10% per annum, acquired stakes in two district heating systems in Finland and a liquid fuel storage business operating in Germany and Belgium. After the period end, it acquired a solar energy portfolio in Poland and made an investment in railway rolling stock in the UK. Including these last two investments, we have now invested around €25m from our commitment of €28.5m. **Andean Social Infrastructure I**, where we have a commitment of \$25m, has yet to make its first investment but it is making good progress with a very strong pipeline of opportunities. One of these, a South American roads project, has recently been signed but the deal will not reach its formal close until early in 2020. Others are at the final stages of negotiation. We have made an initial investment to cover establishment costs of the fund which is targeting a net of fees return of well over 10% per annum. Thirdly, we took advantage of a placing of new shares from the listed fund, **Tufton Oceanic Assets**, which now owns a fleet of 17 commercial sea-going vessels. Against a depressed shipping market background, Tufton is currently able to acquire vessels at a sizeable discount to their depreciated replacement cost, and, as a result, is targeting a medium term return of 12% per annum with an initial dividend yield of 7%.

The positive performance contribution from our infrastructure holdings partly reflected investor demand for assets which are perceived to exhibit a low correlation to risk assets. Among our listed investments, we took advantage of this demand to recycle capital from holdings which we felt were fully valued into those offering more attractive returns including **Greencoat UK Wind and Sequoia Economic Infrastructure**.

We also made two incremental investments in the unlisted fund, **Aberdeen Global Infrastructure Partners II (AGIP II)** to finance two of its infrastructure developments which are nearing completion. The manager also has a pipeline of new opportunities. To date, we have invested a total of A\$10.3m in AGIP II and our carrying value is A\$13.4m (in addition, we have received A\$0.5m of income). The increase in value takes into account the recent sale by AGIP II's joint venture partner of their stake in the fund's first completed asset, Perth Stadium.

In property, we made further deployments to our long term investments in **Aberdeen European Residential Opportunities Fund**, which now has thirteen residential property developments spread across Europe, and **Cheyne Social Property Impact Fund**. The returns from these investments are expected to be achieved when the underlying properties are sold and so, at the moment, the carrying values are close to our cost of investment. Similarly, most of the eleven assets owned by our agriculture investment, **Agricultural Capital Management II**, are held at around book cost as developments in progress; during the year, the fund acquired a citrus farm in Australia and an olive property in California.

Finally, **Aberdeen Property Secondary Partners II** has had a busy and profitable year. New holdings were acquired in funds focusing on Indian offices, Spanish residential, Australian residential and European logistics while existing investments were realised and capital returned to us in the last two of these sub-asset classes. At the end of our reporting period, our net investment of €13.9m (after distributions of €10.8m) had a carrying value of €16.5m.

Strategic Report

Investment Manager's Report continued

Fixed Income & Credit

% of Net Assets increased from 46.9% to 48.3%

Emerging market government bonds are a relatively attractive asset class – particularly the local currency variety. Yields are high (typically 6% or more in the countries we find most attractive), especially relative to developed market bonds, offering strong income returns. With one or two exceptions, the emerging market economies covered by standard local currency bond indices are in good shape with solid growth, controlled inflation and low government debt levels. Currencies are on average near fair value which reduces currency risk. We also reduce currency risk further by funding our exposure using a basket of globally sensitive currencies including the Australian dollar and Norwegian krone, as we have discussed in previous reports.

During the period under review, emerging market bonds performed well and the asset class was a strong contributor to portfolio performance. The table below lists our major country exposures at 30 September 2019 in our sub-portfolio which is actively managed on our behalf by the Manager's specialist team. We took advantage of strong performance to lock in profits in a number of positions in order to fund investments elsewhere in the portfolio but, overall, are happy to maintain a high level of exposure to this asset class.

Country	% of Net Assets
Indonesia	3.4
Mexico	3.2
Brazil	3.2
Frontier Markets	2.9
Russia	2.4
South Africa	2.2
Colombia	1.7
India	1.7
Poland	1.5
Turkey	1.5
Malaysia	1.2
Peru	1.0
Other (4 countries)	2.4

Source: Aberdeen Standard Investments

In corporate credit, our preference is for less familiar forms of credit which we expect will deliver higher risk-adjusted returns than investment grade corporate bonds. For any given credit rating, asset backed securities (ABS) typically offer a higher risk premium of 2% or more than conventional credit investments. There is a similar story for direct corporate lending, real estate lending and other forms of private credit. Our credit-related investments - funds investing in ABS and global loans - delivered attractive income returns over the period. We made no changes to our largest exposure, **TwentyFour Asset Backed Opportunities Fund**, which has a portfolio of European mortgage and loan-related investments. However, we did reduce our holding in **the Aberdeen Global Loans** fund, which offers exposure to a diversified portfolio of corporate loans, in order to fund other investments.

Finally, as we have noted in previous reports, our hedging policies help minimise the impact on net asset value per share that would be caused by fluctuations in developed market exchange rates and also in the value of the Company's 2031 Bonds. This means that we did not materially benefit from an increase in the value of our overseas assets as sterling weakened whenever a "no deal" Brexit seemed likely at various times during the period. Conversely, the portfolio value was insulated from the negative impact of the rally in sterling after the reporting period ended when a Brexit deal was agreed in principle. Similarly, the increase in the value of the 2031 Bonds (in response to the reduction in long term interest rates referred to earlier) had a limited impact on NAV per share.

Other asset classes

% of Net Assets increased from 16.8% to 10.6%

The reduction in our exposure to other asset classes reflects, in large part, losses associated with our insurance linked securities (ILS) which were severely impacted by provisions for insurance claims linked to three major storms (in the Gulf of Mexico and Japan) and two devastating wildfires in California during the autumn of 2018. Our holdings in this asset class are via funds which offer catastrophe cover to re-insurance companies. As we highlighted in the Interim Report to shareholders which was published in June 2019, the managers of **CATCo Reinsurance Opportunities Fund** announced that they were putting the fund into run-off and, shortly afterwards, a similar announcement was made on behalf of **Markel CATCo 2018** and **Blue Capital Reinsurance Holdings**. All of our ILS holdings have begun to return capital to us as claims associated with 2017 and 2018 events begin to be finalised. This allows capital which is held in the funds to cover any potential, unexpected increase in claims to be distributed to investors.

Looking ahead, our exposure to new insurance claim events will cease at the end of 2019 when our existing ILS funds' annual contracts with their clients expire. In the meantime, the managers are still working through the claims process for recent events – Typhoons Faxai and Hagibis in Japan, Hurricane Dorian, which impacted the Bahamas, and the wildfires in California. At the time of writing, Markel CATCo has made a small provision for Faxai and Dorian. Early in 2020, capital which is “on-risk” for 2019 (which amounted to around £10m at the end of September 2019) will be returned to us after provisions for new claims (if any) have been deducted. The remaining capital will be returned to us over the next 2-3 years as all claims are finalised. We have reviewed a number of opportunities which might have enabled us to rebuild our exposure to ILS but none appears to offer a satisfactory risk-return combination. Our investment thesis – that the loss events of 2017 and 2018 would prompt sharp increases in catastrophe premiums in impacted segments of the market – has largely played out as we expected. However, the unprecedented combination of several mid-sized events which took place in 2018, has caused losses that have been well in excess of those predicted by industry risk models when we increased our exposure to the asset class at the end of 2017. Clearly, this has been hugely disappointing to us, both as managers of your Company, and shareholders in it.

At the end of 2018, we introduced litigation finance into the portfolio via a \$25m commitment to **the Burford Opportunity Fund (BOF)**. This \$300m fund, which has a three year initial investment period and a 5 – 7 year fund life, provides financing to carefully selected commercial litigation cases, typically in return for a percentage of the awards paid to successful claimants. As at September 2019, the manager, **Burford Capital**, had identified 28 suitable cases / portfolios of cases, requiring us to make

an investment of around \$8.5m in BOF. At the latest report (to 30 June 2019), BOF announced that it had already achieved positive results from within two of its investments, recovering \$4.1m from an initial investment of \$2.3m. We invested a further \$1.8m in BOF after the period end. In addition to the commitment to BOF, we also acquired a holding in Burford Capital, which listed on the AIM market of the London Stock Exchange in 2009. Towards the end of the reporting year, the Burford Capital share price fell sharply following the publication of a critical research report by the high profile “short seller”, Muddy Waters. The Burford management team have responded in detail to the allegations contained in the report, highlighting material errors and inaccuracies. We revisited our own analysis of the issues raised and also held a number of discussions with the Burford management team, the Chairman and independent analysts. Our analysis has reinforced our positive fundamental investment view of Burford Capital. Nevertheless, the Muddy Waters episode, aspects of which are being investigated by the UK financial services regulator, has had an impact on the rating of the shares. At the time of writing, the share price had recovered a portion of August's losses.

Elsewhere, we sold out of our absolute return investments during the period, taking the view that the return drivers from other elements of the portfolio were sufficiently diverse to obviate the need for investments of this type. Both of our direct lending vehicles adopted new names during the year. Funding Circle SME Income announced that it would return capital to shareholders as its loans mature and it became **SME Credit Realisation**. P2P Global Investments adopted the name **Pollen Street Secured Lending** to reflect its new manager and focus on direct lending.

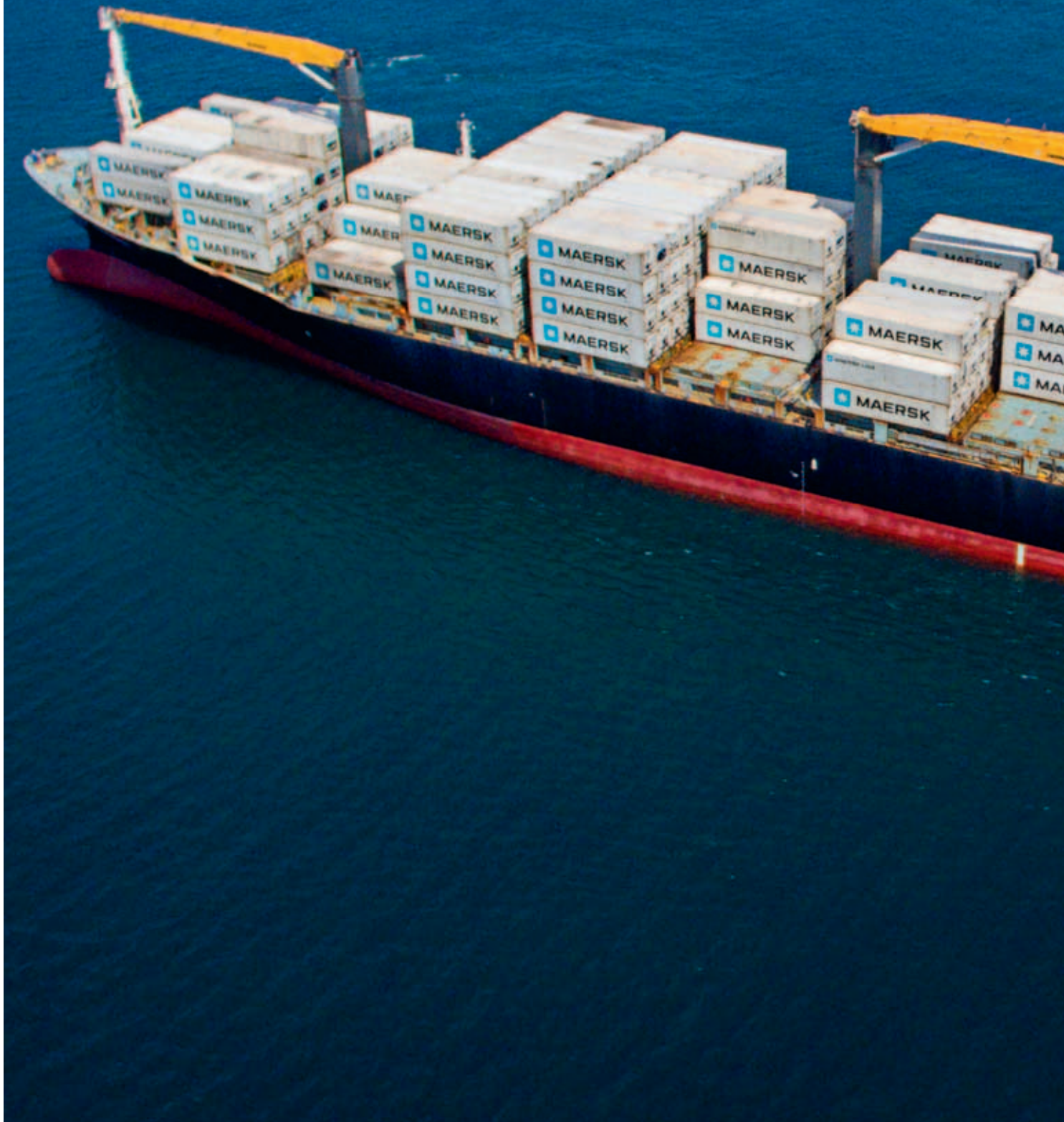
Finally, we also made an initial investment of around \$0.7m into **Healthcare Royalty Partners IV (HCR IV)** as part of a commitment of \$25m to this fund which has an investment life of around 12 years. It is targeting an income-focused return of over 10% per annum by purchasing the rights to royalties on licensed pharmaceutical products due to their patent holders (typically biotechnology companies or universities). So far, it has made three investments, of which two are loan arrangements backed by royalties to NASDAQ quoted companies. HCR IV and BOF are good examples of the types of investments which underpin our approach: targeting attractive returns, including a high level of income, with distinct drivers of risk and return.

Mike Brooks
Tony Foster
Aberdeen Asset Managers Limited
Investment Manager

12 December 2019

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.





Tufton Oceanic Assets, a portfolio company, owns 17 commercial seagoing vessels of which this container ship is one.

Portfolio Ten Largest Investments

As at 30 September 2019

	At 30 September 2019 % of Net assets	At 30 September 2018 % of Net assets
Smart Beta Low Volatility Global Equity Income Fund^A Diversified global equity fund	20.3	22.0
TwentyFour Asset Backed Opportunities Fund Investments in mortgages, SME loans etc originated in Europe	14.2	13.9
SL Capital Infrastructure II^{AB} European economic infrastructure	4.6	–
Aberdeen Property Secondaries Partners II^{AB} Realisation of value from property funds which are in run-off	3.5	1.8
Aberdeen Standard SICAV I – Frontier Markets Bond Fund^A Diverse portfolio of bonds issued by governments or other bodies in frontier market countries	2.9	2.3
Aberdeen Standard Alpha – Global Loans Fund^A Portfolio of senior secured loans and corporate bonds	2.7	5.9
BlackRock Infrastructure Renewable Income Fund^B Renewable infrastructure fund – UK wind and solar	2.2	2.0
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 Liq^B Investments linked to catastrophe reinsurance risks	2.1	–
Blackstone/GSO Loan Financing Diversified exposure to senior secured loans via CLO securities	2.1	2.4
Aberdeen European Residential Opportunities Fund^{AB} Conversion of commercial property into residential	2.0	1.6

^ADenotes Standard Life Aberdeen managed products

^BUnlisted holdings

Portfolio Equity and Alternative Investments

As at 30 September 2019

Company	Valuation 2019 £'000	Net assets 2019 %	Valuation 2018 £'000
Low Volatility Income Strategy Equities			
Smart Beta Low Volatility Global Equity Income Fund ^A	84,133	20.3	94,151
Total Low Volatility Income Strategy Equities	84,133	20.3	
Private Equity			
Truenoord Co-Investment ^B	7,416	1.8	4,888
HarbourVest International Private Equity VI ^B	3,055	0.7	3,114
Maj Equity Fund 4 ^B	2,576	0.6	2,970
Mesirow Financial Private Equity IV ^B	1,806	0.4	2,038
Maj Equity Fund 5 ^B	1,020	0.3	719
HarbourVest VIII Buyout Fund ^B	703	0.2	847
Mesirow Financial Private Equity III ^B	473	0.1	594
Dover Street VII ^B	405	0.1	629
HarbourVest VIII Venture Fund ^B	236	0.1	249
HarbourVest International Private Equity V ^B	51	–	66
Total Private Equity	17,741	4.3	
Property			
Aberdeen Property Secondaries Partners II ^{AB}	14,664	3.5	7,566
Aberdeen European Residential Opportunities Fund ^{AB}	8,241	2.0	6,730
PRS REIT	3,783	1.0	4,436
Cheyne Social Property ^B	3,771	0.9	1,439
Triple Point Social Housing	3,674	0.9	3,143
Residential Secure Income	3,428	0.8	3,514
Total Property	37,561	9.1	
Infrastructure			
SL Capital Infrastructure II ^{AB}	18,946	4.6	–
BlackRock Infrastructure Renewable Income Fund ^B	9,107	2.2	8,738
Greencoat UK Wind	7,271	1.8	–
HICL Infrastructure	7,052	1.7	6,505
John Laing Group	7,011	1.7	5,968
International Public Partnerships	6,054	1.5	5,816
Aberdeen Global Infrastructure Partners II (AUD) ^{AB}	4,085	1.0	3,159
Aberdeen Global Infrastructure Partners II (USD) ^{AB}	3,489	0.8	2,411
Sequoia Economic Infrastructure Income	1,441	0.3	–
The Renewables Infrastructure Group	1,143	0.3	5,600
Greencoat Renewables	167	–	1,194
Andean Social Infrastructure Fund I ^{AB}	17	–	–
Total Infrastructure	65,783	15.9	
Loans			
Aberdeen Standard Alpha – Global Loans Fund ^A	11,078	2.7	25,094
Total Loans	11,078	2.7	

^ADenotes Standard Life Aberdeen managed products

^BUnlisted holdings

Portfolio Equity and Alternative Investments continued

As at 30 September 2019

Company	Valuation 2019 £'000	Net assets 2019 %	Valuation 2018 £'000
Asset Backed Securities			
TwentyFour Asset Backed Opportunities Fund	58,719	14.2	59,614
Blackstone/GSO Loan Financing	8,819	2.1	10,327
Marble Point Loan Financing	3,165	0.8	3,873
Fair Oaks Income Fund	2,418	0.6	2,810
Total Asset Backed Securities	73,121	17.7	
Insurance-Linked Securities			
Markel CATco Reinsurance Fund Ltd – LDAF ^B	–	–	28,068
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 Liq ^B	8,871	2.1	–
Markel CATCo Reinsurance Fund Ltd – LDAF 2018 SPI ^B	6,676	1.6	–
Blue Capital Alternative Income ^B	1,504	0.4	5,060
CATCo Reinsurance Opportunities Fund	1,301	0.3	5,048
Blue Capital Reinsurance Holdings	586	0.2	767
Total Insurance-Linked Securities	18,938	4.6	
Special Opportunities			
Pollen Street Secured Lending (previously known as P2P Global Investments)	7,266	1.7	6,997
Burford Opportunity Fund ^B	6,660	1.6	–
BioPharma Credit	4,804	1.2	4,786
Doric Nimrod Air Two	4,117	1.0	4,968
Burford Capital	3,733	0.9	–
SME Credit Realisation Fund (previously known as Funding Circle SME Income Fund)	1,859	0.4	4,979
Tufton Oceanic Assets	1,692	0.4	–
Healthcare Royalty Partners IV ^B	683	0.2	–
Total Special Opportunities	30,814	7.4	
Real Assets			
Agriculture Capital Management Fund II ^B	3,783	0.9	2,770
Total Real Assets	3,783	0.9	
Total Alternatives	258,819	62.6	

^ADenotes Standard Life Aberdeen managed products

^BUnlisted holdings

Portfolio Fixed Income Investments

As at 30 September 2019

	Valuation 2019 £'000	Net assets 2019 %	Valuation 2018 £'000
Emerging Market Bonds			
Aberdeen Standard SICAV I – Frontier Markets Bond Fund ^A	11,944	2.9	10,047
Aberdeen Standard SICAV I – Indian Bond Fund ^A	7,144	1.7	9,345
Poland (Rep of) 1.5% 25/04/20	5,862	1.5	6,950
Brazil (Fed Rep of) 10% 01/01/25	5,131	1.2	4,000
Russian Federation 6.9% 23/05/29	4,995	1.2	–
Brazil (Fed Rep of) 10% 01/01/21	4,399	1.1	2,984
Mexico Bonos Desarr Fix Rt 8.5% 18/11/38	3,927	0.9	–
Colombia (Rep of) 10% 24/07/24	3,791	0.9	–
Brazil (Fed Rep of) 10% 01/01/27	3,615	0.9	1,517
Indonesia (Rep of) 9% 15/03/29	3,297	0.8	4,369
Top ten investments	54,105	13.1	
South Africa (Rep of) 8.75% 31/01/44	3,245	0.8	2,076
Mexico (United Mexican States) 6.5% 09/06/22	3,231	0.8	4,969
Indonesia (Rep of) 8.375% 15/03/34	3,156	0.8	1,584
Mexico Bonos Desarr Fix Rt 10% 05/12/24	3,136	0.8	2,656
Indonesia (Rep of) 7% 15/05/22	3,055	0.7	498
Russian Federation 6.4% 27/05/20	2,522	0.6	1,719
Russian Federation 7.7% 23/03/33	2,299	0.6	–
Thailand (King of) 3.775% 25/06/32	2,275	0.5	–
Malaysia (Govt of) 4.048% 30/09/21	2,198	0.5	3,354
Peru (Rep of) 6.95% 12/08/31	2,185	0.5	2,116
Top twenty investments	81,407	19.7	
Turkey (Rep of) 10.4% 20/03/24	2,158	0.5	–
Peru (Rep of) 5.7% 12/08/24	1,973	0.5	–
Indonesia (Rep of) 6.125% 15/05/28	1,959	0.5	79
South Africa (Rep of) 10.5% 21/12/26	1,927	0.5	4,443
Turkey (Rep of) 10.7% 17/08/22	1,808	0.4	685
Malaysia (Govt of) 4.498% 15/04/30	1,739	0.4	1,507
Mexico (United Mexican States) 7.75% 13/11/42	1,694	0.4	1,549
Uruguay (Rep of) 4.375% 15/12/28	1,678	0.4	651
Philippines (Rep of) 5.75% 12/04/25	1,651	0.4	–
Colombia (Rep of) 7% 30/06/32	1,450	0.3	3,820
Top thirty investments	99,444	24.0	
Colombia (Rep of) 6% 28/04/28	1,448	0.4	–
Thailand (King of) 3.625% 16/06/23	1,405	0.3	1,168
Czech (Rep of) 2% 13/10/33	1,373	0.3	–
South Africa (Rep of) 8% 31/01/30	1,344	0.3	783
South Africa (Rep of) 6.25% 31/03/36	1,300	0.3	1,303
South Africa (Rep of) 8.25% 31/03/32	1,116	0.3	–
Turkey (Rep of) 10.7% 17/02/21	1,021	0.3	1,500
Indonesia (Rep of) 8.375% 15/04/39	1,004	0.3	–
Indonesia (Rep of) 5.625% 15/05/23	998	0.2	840
Colombia (Rep of) 7.5% 26/08/26	945	0.2	–
Top forty investments	111,398	26.9	

Portfolio
Fixed Income Investments *continued*

As at 30 September 2019

	Valuation 2019 £'000	Net assets 2019 %	Valuation 2018 £'000
Mexico Bonos Desarr Fix Rt 8% 11/06/20	928	0.2	1,660
Malaysia (Govt of) 3.844% 15/04/33	890	0.2	–
Turkey (Rep of) 10.6% 11/02/26	685	0.2	879
Czech (Rep of) 4.2% 04/12/36	579	0.1	–
Uruguay (Rep of) 9.875% 20/06/22	416	0.1	305
Turkey (Rep of) 12.2% 18/01/23	405	0.1	–
Petroleos Mexicanos 7.19% 12/09/24	269	0.1	265
Total Emerging Market Bonds	115,570	27.9	

^ADenotes Standard Life Aberdeen managed products

Portfolio Net Assets Summary and Asset Allocation

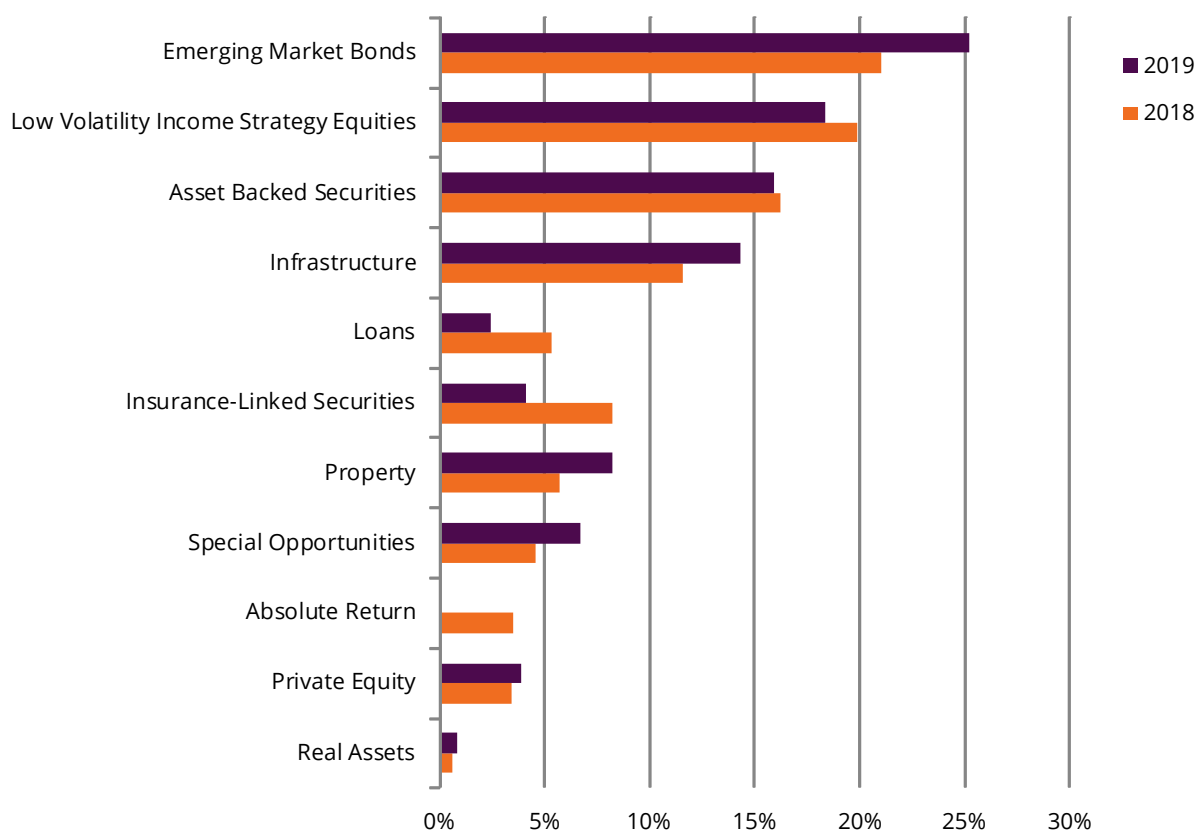
As at 30 September 2019

Net Assets Summary

	Valuation 2019 £'000	Net assets 2019 %	Valuation 2018 £'000	Net assets 2018 %
Total investments	458,522	110.8	472,496	110.4
Cash and cash equivalents ^A	7,852	1.9	14,883	3.5
Forward contracts	3,195	0.7	140	–
6.25% Bonds 2031	(59,503)	(14.4)	(59,479)	(13.9)
Other net assets	3,613	1.0	89	–
Net assets	413,679	100.0	428,129	100.0

^A Includes outstanding settlements

Asset Allocation



The chart illustrates each asset class as a percentage of total investments as at 30 September 2019 and 30 September 2018.

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.

All Directors are considered by the Board to be independent of the Company and the Manager and free of any material relationship with the Manager.





Canberra Rail is one of the underlying investments in the Aberdeen Global Infrastructure Partners II fund owned by the Company

Governance

Your Board of Directors

The current Directors' details, all of whom are non-executive and independent of the Manager, are set out below. The Directors supervise the management of the Company and represent the interests of shareholders.



James M Long, TD

Status: Chairman

Length of service: 13 years

Experience: Appointed a Director on 1 May 2006 and Chairman on 26 February 2015, James was formerly Director of Risk and Compliance for AstraZeneca Europe, Corporate Finance Director of Inchcape plc and Managing Director, Asia and Emerging Markets, for the ESAB Group. He was formerly Chairman of JPMorgan Asian Investment Trust plc.

Re-elected to the Board: 2019

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



Davina Walter

Status: Senior Independent Non-Executive Director

Length of service: 10 months

Experience: Appointed a Director on 1 February 2019 and Senior Independent Director on 27 February 2019, Davina is currently employed 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 currently Chairman of JPMorgan US Smaller Companies Investment Trust.

Elected to the Board: 2019

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



Tom Challenor

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

Length of service: 2 years

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.

Re-elected to the Board: 2019

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



Julian Sinclair

Status: Independent Non-Executive Director

Length of service: 4 years

Experience: Appointed a Director on 21 July 2015, Julian was, until December 2018, Chief Investment Officer at Talisman Global Asset Management Limited. Prior to joining Talisman, he was a Senior Portfolio Manager at BlueBay Asset Management plc and a Partner at Altima Partners LLP. He started his career at Gartmore as an analyst and portfolio manager.

Re-elected to the Board: 2019

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



Trevor Bradley

Status: Independent Non-Executive Director

Length of service: 4 months

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.

Due to be elected to the Board: 2020

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



Anna Troup

Status: Independent Non-Executive Director

Length of service: 4 months

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 also an independent non executive director of T Bailey Fund Services and of the Pension Protection Fund.

Due to be elected to the Board: 2020

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

Governance

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30 September 2019.

Results and Dividends

The financial statements for the year ended 30 September 2019 are contained on pages 62 to 90. The Company's revenue return for the year ended 30 September 2019 was 5.68p per share compared to 6.15p per share in the previous year.

First, second and third interim dividends, each of 1.34p per Ordinary share, were paid on 29 March 2019, 5 July 2019 and 11 October 2019 respectively.

The Directors are declaring a fourth interim dividend of 1.34p per Ordinary share payable on 24 January 2020 to shareholders on the register on 27 December 2019. The ex-dividend date is 24 December 2019. 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 2019 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 2019 consisted of 322,981,705 Ordinary shares (2018 - 328,551,705) with voting rights and 42,429,169 Ordinary shares (2018 - 36,859,169) held in treasury. A total of 7,720,000 Ordinary shares were bought back into treasury during the year ended 30 September 2019. A total of 2,045,467 Ordinary shares were bought back into treasury between 1 October 2019 and the date of approval of this

Annual Report resulting in 320,936,238 Ordinary shares in issue, with voting rights, and 44,474,636 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 4 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 pages 42 to 46.

Directors

As at 30 September 2019, the Board comprised six non-executive Directors. Davina Walter was appointed a Director on 1 February 2019 while Trevor Bradley and Anna Troup were both appointed Directors on 1 August 2019.

Ian Russell and Paul Yates retired as Directors on 31 October 2018 while Kevin Ingram and Jim Grover retired

from the Board on 27 February 2019 and 6 September 2019, respectively. James Long will retire from the Board at the AGM on 26 February 2020 (the "AGM") and be succeeded as Chairman by Davina Walter, who had been appointed Senior Independent Director following Kevin Ingram's retirement on 27 February 2019. Julian Sinclair will be appointed Senior Independent Director, in succession to Davina Walter, at the AGM.

The Directors attended scheduled meetings of the Board, Audit Committee and Nomination Committee during the year ended 30 September 2019 as follows (with their eligibility to attend the relevant meetings in brackets):

Director	Scheduled Board Meetings	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination Committee Meetings
James Long ^A	4 (4)	-	1 (1)	0 (1)
Davina Walter ^B	3 (3)	2 (2)	0 (0)	1 (1)
Tom Challenor	4 (4)	5 (5)	1 (1)	1 (1)
Julian Sinclair	4 (4)	3 (4)	1 (1)	1 (1)
Trevor Bradley ^C	1 (1)	1 (1)	0 (0)	0 (0)
Anna Troup ^C	1 (1)	1 (1)	0 (0)	0 (0)
Kevin Ingram ^D	2 (2)	2 (2)	1 (1)	0 (0)
Ian Russell ^E	0 (0)	0 (0)	0 (0)	0 (0)
Paul Yates ^E	0 (0)	0 (0)	0 (0)	0 (0)
Jim Grover ^F	4 (4)	4 (4)	1 (1)	0 (1)

Notes:

^A James Long, as Chairman of the Board, is not a member of the Audit Committee

^B Appointed a Director on 1 February 2019

^C Appointed a Director on 1 August 2019

^D Resigned as a Director on 27 February 2019

^E Resigned as a Director on 31 October 2018

^F Resigned as a Director on 6 September 2019

The Directors meet more regularly when business needs require.

The names and biographies of each of the current Directors are shown on pages 34 and 35 and indicate their range of skills and experience as well as 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, other than James Long, offer themselves for election or re-election at the AGM. Accordingly, Anna Troup and Trevor Bradley offer themselves for individual election as Directors while Davina Walter, Tom Challenor and Julian Sinclair retire and, being eligible, each submit themselves for re-election at the AGM. The Board believes that all current Directors remain, and all Directors during the year ended 30 September 2019 were, 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.

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

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 50 to 52.

Management Engagement Committee

The Management Engagement Committee consists of all the Directors and was chaired by James Long. 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 the resources of Standard Life Aberdeen plc under review, 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 main third party suppliers, by undertaking peer comparisons and reviewing reports from the Manager on the Depositary, BNP Paribas Securities Services, London Branch.

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. As a result of the evaluation process, 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 throughout the year. 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 47 to 49, the full Board determines the level of Directors' fees and there is no separate Remuneration Committee.

With the assistance of an independent search firm, the Board was substantially refreshed through the appointment of three Directors during the year ended 30 September 2019. Through this process the Board was able to evaluate whether it had in place the appropriate balance of skills, experience, length of service and knowledge of the Company and at the same time ensure it had in place the appropriate level of diversity. Accordingly, the Directors have opted to delay the formal evaluation of the Board until 2020, which will include an externally-facilitated evaluation, last undertaken in 2016.

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. The Chairman absented himself from the decision-making process involved in selecting his successor.

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 a 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 approve 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. The forecast projections and actual performance are reviewed on a regular basis throughout the period and the Directors believe that this is the appropriate basis and that the Company has adequate resources to continue in operational existence for the foreseeable future (being a period of twelve months from the date that these financial statements were approved) and is financially sound. The

Company is able to meet all of its liabilities from its assets including its ongoing charges. The Company's longer term viability is considered within the Viability Statement on pages 11 and 12 of the Strategic Report.

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.

Substantial Interests

As at 30 September 2019, 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
Aberdeen Asset Managers Limited Retail Plans ^A	32,810,208	10.1
Schroders plc	29,344,281	9.0
Aberdeen Standard Investments	26,252,781	8.1
Alliance Trust Savings/Interactive Investor	18,129,250	5.6
Hargreaves Lansdown ^A	17,249,577	5.3
Investec Wealth & Investment	10,485,333	3.2
Smith & Williamson	10,173,741	3.1

^A Non-beneficial interest

^B Based on 322,981,705 Ordinary shares in issue (excluding treasury shares) as at 30 September 2019

The above holdings were unchanged at the date of approval of this Report other than a notification to the Company by Schroders plc on 10 December 2019 of a holding of 35,737,753 shares, equivalent to 11.1% of the Company's issued share capital at that date.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. Shareholders and investors may obtain up to date information on the Company through its website and the Manager's Customer Services Department.

The Board's policy is to communicate directly with shareholders and their representative bodies without the

involvement of the management group (including the Company Secretary or the Manager) in situations where direct communication is required. In addition, the Company Secretary only 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 personally as appropriate.

The notice of the Annual General Meeting is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board and Manager at the meeting.

Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements appear on pages 54 and 60.

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 Wednesday 26 February 2020 at 12.30pm. The Notice of the Meeting is included on pages 105 to 109. Resolutions including the following business will be proposed:

Directors' Remuneration Policy

The Directors' Remuneration Policy is subject to a Shareholder approval vote not less than every three years and was last approved at the Company's annual general meeting held on 30 March 2017. Accordingly, the Directors' Remuneration Policy will be submitted for approval at the upcoming Annual General Meeting as ordinary resolution 3. There are no proposed changes to the Remuneration Policy which is set out on page 47 of the Annual Report.

Continuance of the Company

In accordance with Article 178 of the Articles of Association of the Company adopted by shareholders on 30 March 2017, the Directors are 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 12, that the Company continues as an investment trust and recommend that shareholders support the continuance of the Company.

Allotment of Shares

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 £8.0m 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 2021 (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 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 £8.0m 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 2021 (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 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.

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 48.1 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 2021 (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 less than 14 days' clear notice

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 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 14 days' clear notice.

The Board believes that it is in the best interests of Shareholders to have the ability to call meetings on no 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.

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 453,146 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

12 December 2019

Governance

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, as required by the Listing Rules of the UK Listing Authority, this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code (the “UK Code”), published in April 2016 and applicable for the Company’s year ended 30 September 2019. The UK Code is available on the Financial Reporting Council’s website: frc.org.uk.

The Board has also considered the principles and recommendations of the AIC Code of Corporate Governance as published in July 2016 (the “AIC Code”) by reference to the AIC Corporate Governance Guide for Investment Companies (the “AIC Guide”). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues which are of specific relevance to investment trusts. Both the AIC Code and the AIC Guide are available on the AIC’s website: theaic.co.uk. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), provides better information to shareholders.

The Board notes the content of the new UK Code of Corporate Governance published by the Financial Reporting Council in July 2018 (the “2018 UK Code”), which is applicable for accounting periods beginning on or after 1 January 2019, and the new AIC Code of Corporate Governance published in February 2019 (the “2019 AIC Code”). The Board expects the Company to be compliant with the relevant provisions of the 2018 UK Code and the 2019 AIC Code for the year ending 30 September 2020.

The Board confirms that, during the year, the Company complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below. The UK Code includes provisions relating to:

- the role of the chief executive (A.1.2);
- executive directors’ remuneration (D.1.1 and D.1.2); and
- the need for an internal audit function (C.3.6).

For the reasons set out in the AIC Guide, and as explained in the UK Code, 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 and, 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.

The AIC Code consists of 21 principles and the Company’s compliance with each principle is set out below.

The Board

1. The Chairman should be independent

James Long has served as a Director since 1 May 2006 and as Chairman since 26 February 2015. In relation to tenure, the Board takes the view that independence is not compromised by length of tenure and that experience can add significantly to the Board’s strength.

The UK Code states that a test of independence applies on the appointment of the Chairman. Led by the Senior Independent Director, the other Directors are satisfied that James Long was independent on appointment and continues to remain independent, in their view, despite having served on the Board for more than nine years, as he has stood for annual re-election as a Director at each AGM, and remains free of any relationship, including with the Manager, which could materially interfere with the exercise of his judgement on issues of the Company’s strategy, performance, resources and standards of conduct. James Long will retire as Chairman, and as a Director, at the conclusion of the AGM on 26 February 2020, and will be succeeded by Davina Walter.

The other Directors have reviewed, and are satisfied, that the Chairman remains capable of devoting sufficient time to the effective running of the Company. There have been no significant adverse changes to the Chairman’s other commitments since his appointment as Chairman on 26 February 2015.

2. A majority of the Board should be independent of the Manager

Ian Russell and Paul Yates retired from the Board on 31 October 2018 while Jim Grover retired on 6 September 2019. Davina Walter was appointed a Director on 1 February 2019 while Trevor Bradley and Anna Troup were appointed Directors on 1 August 2019.

The independence of the Directors is reviewed annually. Under the Listing Rules, a director is not considered independent if he serves on the board of more than one investment trust managed by the same group. The UK Code states that the test of independence also applies on the appointment of the Senior Independent Director. Kevin Ingram was Senior Independent Director until 27 February 2019 and was succeeded by Davina Walter. Both Kevin Ingram and Davina Walter were independent on appointment.

The names and biographies of each of the Directors may be found on pages 34 and 35. There is a procedure for Directors to take independent professional advice, if necessary, at the Company's expense.

3. Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance

Under the Company's Articles of Association new Directors stand for election at the first AGM following their appointment and thereafter all Directors are required to submit themselves for re-election at every third AGM. Notwithstanding this, the Board has agreed that all Directors shall retire and, if eligible, stand for re-election at each AGM. Recommendation for re-election is based on the continuing effectiveness of each Director.

The Nomination Committee has reviewed each Director's other commitments, as set out in their biography in the Governance section of the Annual Report, and is satisfied that each other Director is capable of devoting sufficient time to the effective running of the Company. The continuing independent and objective judgement of the Directors is assessed and confirmed. 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 stewardship of the Company and the other Directors recommend that shareholders support the individual election as Directors of Trevor Bradley and Anna Troup and the individual re-election as Directors of Davina Walter, Tom Challenor and Julian Sinclair.

4. The Board should have a policy on tenure, which is disclosed in the Annual Report

The Nomination Committee reviews the composition of the Board on an annual basis. As stated above under section 3, each Director is required to submit themselves for election at the first AGM after their appointment and for re-election at every third AGM after the AGM at which they were last elected. Notwithstanding this, the Board has agreed that all Directors shall retire and, if eligible, stand for re-election at each AGM.

The Board has adopted early a policy, in line with the 2018 UK Code of Corporate Governance, whereby the Chairman shall retire after nine years' service. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned.

5. There should be full disclosure of information about the Board

The names and biographies of each of the current Directors are shown on pages 34 and 35 of the Annual Report and indicate their range of investment, industrial, commercial and professional experience as well as length of service.

Detailed information on the Audit Committee, chaired until 31 October 2018 by Ian Russell, and thereafter by Tom Challenor, which comprises all of the Directors, with the exception of James Long, may be found in the Audit Committee's report within the Annual Report. Brief information on the constitution of the other Committees appointed by the Board (Management Engagement; Nomination) is included within the Directors' Report on page 38 while further details are included in the other sections of this statement, where relevant.

The terms of reference of the Board Committees, 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 for each of the Committees are reviewed and re-assessed by the Board for their adequacy on an ongoing basis.

6. The Board should aim to have a balance of skills, experience, length of service and knowledge of the Company

A list of skills and expertise required by the Board has been agreed by the Board and is kept under review. 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. Appointments are made on merit, taking into account the benefits of diversity.

7. The Board should undertake a formal and rigorous annual evaluation of its own performance and of its Committees and individual Directors

The Board normally undertakes a performance evaluation process by means of an annual questionnaire. The Chairman reviews the responses and addresses any matters arising; an evaluation of the Chairman is led by the Senior Independent Director, in the absence of the Chairman, prior to a meeting where the outcome is discussed. With the assistance of an independent search firm, the Board was substantially refreshed through the appointment of three directors during the year ended 30 September 2019. Through this process the Board was able to evaluate whether it had in place the appropriate balance of skills, experience, length of service and knowledge of the Company and at the same time ensure it had in place appropriate diversity. Accordingly, the

Governance

Statement of Corporate Governance continued

Directors decided to delay the formal evaluation of the Board until 2020, which will include an externally-facilitated evaluation, last undertaken in 2016.

8. Directors' remuneration should reflect their duties, responsibilities and the value of their time spent

Directors' remuneration is determined by the Board as a whole as there is no separate Remuneration Committee. The Board's policy is that the remuneration of non-executive Directors should be sufficient to attract Directors of the quality required to run the Company successfully. 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 with a similar size, capital structure and investment objective.

Detailed information on the remuneration arrangements for the Directors, including the Remuneration Policy, can be found in the Directors' Remuneration Report on pages 47 to 49. A resolution seeking approval of the Directors' Remuneration Policy was last put to shareholders at the AGM in 2017 and will next be put to shareholders at the AGM on 26 February 2020.

9. The independent Directors should take the lead in the appointment of new Directors and the process should be disclosed in the Annual Report

The Nomination Committee, chaired by James Long throughout the year, consists of all the Directors and is responsible for succession planning and Board appointments. The Committee considers the criteria for future Board appointments and the methods of recruitment, selection and appointment, including whether to engage the services of an external recruitment provider. The Committee engaged an independent search consultancy, Nurole Limited, with no known conflict of interest with the Company or its Directors, to identify new Directors which resulted in the appointments of Davina Walter, Trevor Bradley and Anna Troup as Directors during the year.

10. Directors should be offered relevant training and induction

Newly appointed Directors are provided with an induction programme by the Manager. On an ongoing basis, Directors are given key information on the Company's regulatory and statutory requirements as they arise, and every Director is entitled to receive appropriate training as deemed necessary, in consultation with the Chairman. This induction programme was followed in relation to the appointments of Davina Walter, Trevor Bradley and Anna Troup.

11. The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage

This principle does not apply to the Company as it is a long established investment company.

Board meetings and the relationship with the Manager

12. Boards and Managers should operate in a supportive, co-operative and open environment

There were four scheduled Board meetings during the year, when representatives of the Manager formally reported to the Board, and a record of Directors' attendance is included on page 37 in the Directors' Report. The Board meets more frequently when business needs require. Representatives of the Manager and the corporate Company Secretary attend each Board meeting as well as certain committee meetings.

The Board maintains regular contact with the corporate Company Secretary and Manager between meetings. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representatives, who are responsible to the Board:

- for ensuring that Board procedures are complied with;
- under the direction of the Chairman, for ensuring good information flows with the Board and its Committees, as well as facilitating induction and assisting with professional development as required; and
- for advising through the Chairman on all corporate governance matters.

The Chairman encourages open and constructive debate to foster a supportive and co-operative approach for its own meetings and for those with the Manager. There is a clear division of responsibility between the Chairman, the Directors, the Manager and the Company's other third party service providers. No one individual has unfettered powers of decision.

13. The primary focus at regular Board meetings should be a review of investment performance and associated matters, such as gearing, asset allocation, promotional activities/investor relations, peer group information and industry issues

The Chairman is responsible for leading the Board, ensuring its effectiveness on all aspects of its role, and is responsible for ensuring that all Directors receive accurate, timely and clear information to allow them to discharge their responsibilities. Directors are provided with a comprehensive set of papers giving detailed information on the Company's transactions and financial position prior to each meeting.

The Board has a schedule of matters reserved to it for decision, and the requirement for Board approval on these matters is communicated directly to the senior staff of the Manager. These matters include the following:

- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company, ranging from analysis of investment performance to annual budgeting and quarterly forecasting and variance analysis;
- approval of the half-yearly and annual financial statements, and approval and recommendation of the interim dividends, and any final dividend, respectively;
- setting the range of gearing within which the Manager may operate;
- major changes relating to the Company's structure, including share buy-backs and share issuance;
- Board appointments and removals and the related terms;
- appointment and removal of the Manager and the terms and conditions of the management and other agreements relating thereto;
- terms of reference and membership of Board Committees; and
- Stock Exchange/UK Listing Authority/Financial Conduct Authority – approval of all circulars and listing particulars, and approval of all releases concerning matters decided by the Board.

The Board sets the investment parameters within which the Manager operates. Investment performance and associated matters, such as gearing, asset allocation, investor relations, peer group information and industry issues are agenda items at each Board meeting. Representatives of the Manager attend Board meetings where performance against the Company's investment objective is reviewed.

14. Boards should give sufficient attention to overall strategy

The Board devotes a separate session each year to a review of the Company's strategy, including the means of achieving the investment objective and investment policy, together with the promotional and shareholder communication strategies implemented by the Manager.

15. The Board should regularly review both the performance of, and contractual arrangements with, the Manager

The Management Engagement Committee, chaired by James Long throughout the year, consists of all the Directors and reviews, on an annual basis, the terms and conditions of the Manager's appointment, including an evaluation of performance and fees. The Committee also

keeps the resources of the Manager under review, together with the commitment of the Manager to the Company and its investment trust business.

The Management Agreement ("MA") was entered into in February 2017 after full and proper consideration by the Board of the quality and cost of services offered including the financial control systems in operation in so far as they relate to the affairs of the Company.

16. The Board should agree policies with the Manager covering key operational issues

The MA includes investment guidelines and sets policies to cover key operational issues. The Board discusses operational matters regularly with the Manager, including corporate governance and voting in respect of portfolio holdings. The Board has delegated discretion to the Manager to exercise voting powers on its behalf but reviews the Manager's policy in this respect. The Board also reviews the financial statements, performance and revenue budgets.

17. Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it

The Company's share price and NAV per share are published on the London Stock Exchange each business day and monitored on the Board's behalf. The Board considers the discount or premium to NAV of the Company's share price at every Board meeting and more frequently if circumstances demand. The Board may use share repurchases or share issuance or sale of shares from treasury to help address perceived imbalances in the supply and demand for the Company's shares. The Company has taken powers to issue new shares and repurchase shares so that it may take action where necessary. Any issue or repurchase programme is considered by the Board in consultation with the Manager, taking account of:

- the investment mandate and objective;
- the effectiveness of promotion and shareholder communication strategies; and
- measures of investor sentiment.

18. The Board should monitor and evaluate other service providers

The Management Engagement Committee conducts an annual review of the performance, terms and conditions of the Company's main third party suppliers, including the level and structure of fees payable and the length of notice periods, to ensure that they remain competitive and in the best interests of shareholders. The Board assesses their performance based on reports by such third party providers to the Board. The Manager also

Governance

Statement of Corporate Governance continued

reports regularly on its evaluation and monitoring of certain third party service providers. The Audit Committee monitors and reviews the auditor's independence, objectivity, effectiveness, resources and qualification.

Shareholder communications

19. The Board should regularly monitor the shareholder profile of the Company and put in place a system for canvassing shareholder views and for communicating the Board's view to shareholders

The Directors place a great deal of importance on communication with shareholders. Regular shareholder analysis is submitted to the Board by the Manager and the Company's broker. A regular dialogue is maintained with the Company's institutional shareholders and private client asset managers. Representatives of the Board and the Manager meet with shareholders, if requested, to understand their issues and concerns which are then discussed at Board meetings. All shareholders are encouraged to attend the AGM where they are given the opportunity to question the Chairman and the Board.

20. The Board should normally take responsibility for, and have direct involvement in, the content of communications regarding major corporate issues even if the Manager is asked to act as spokesman

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 the Manager) in situations where direct communication is required, and representatives from the Board seek to meet with major shareholders on an annual basis in order to gauge their views.

In addition, the Company Secretary only acts on behalf of the Board, not the Manager, and there is no filtering of communication. At each Board Meeting the Board receives details of any communication from shareholders to which the Chairman responds personally as appropriate.

21. The Board should ensure that shareholders are provided with sufficient information for them to understand the risk/ reward balance to which they are exposed by holding the shares

The Company's investment objective and investment policy are published in the Annual Report and on its website.

The Board agrees a budget with the Manager every year for the Company's participation in the Manager's investment trust promotional programme.

The Company aims to provide shareholders with a full understanding of the Company's activities and

performance by means of informative Annual and Half Yearly reports.

The Company's website, aberdeendiversified.co.uk, provides access to up-to-date information on the Company. It is regularly updated with the Manager's monthly factsheets and enables investors to view the Company's financial reports and London Stock Exchange announcements and other information on portfolio assets and performance. A full list of the Company's investments is available on the Company's website at each month end, subject to a one month delay.

Further details on the Company's principal risks and uncertainties are set out in the Strategic Report on pages 9 to 10 and also included in the Manager's monthly factsheets and in the Company's Pre-Investment Disclosure Document, all of which are available on the Company's website.

Disclosure Guidance and Transparency Rules (DTRs)

The following further information is disclosed in this statement in accordance with the Companies Act 2016 and DTR 7.2.6:

- the Company's capital structure and voting rights are summarised on page 36 of the Directors' Report;
- details of the substantial shareholders in the Company are listed in the "Substantial Interests" section on page 39 of the Directors' Report;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association which are summarised above under point 3;
- amendment of the Company's Articles of Association and powers to issue or buy back the Company's shares require a special resolution to be passed by shareholders;
- there are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that might affect its control following a takeover bid; and
- there are no agreements between the Company and its Directors concerning compensation for loss of office.

By order of the Board
James Long
Chairman

12 December 2019

Governance

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 30 March 2017 where 99.1% of the votes cast were in favour of the relevant resolution while 0.9% were cast against) and due to be put to shareholders again at the AGM on 26 February 2020;
- (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 55 to 61.

Remuneration Policy

The Directors' Remuneration Policy is determined by the full Board 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 2019 and 2018 is set out in the following table. Fees are reviewed annually and increased, if considered appropriate.

	30 September 2019 £	30 September 2018 £
Chairman	43,000	41,250
Chairman of Audit Committee	30,000	28,250
Senior Independent Director	28,000	26,250
Director	26,000	24,250

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.

Governance

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.

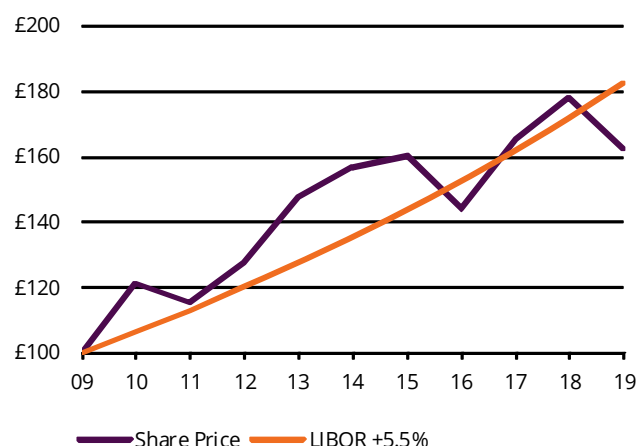
Implementation Report

Review of Directors' Fees

The level of Directors' fees was last revised with effect from 1 October 2018. 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 Directors' fees should change, with effect from 1 October 2019, to the following rates per annum: £43,750 (Chairman), £31,500 (Audit Committee Chairman), £28,500 (Senior Independent Director) and £26,500 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 2019 (rebased to 100 at 30 September 2009). 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 27 February 2019, shareholders approved, as Resolution 2, the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 30 September 2018. The proxy votes shown in the following table were received on the Resolution:

Resolution	For	Discretionary	Against	Withheld
2. Receive and adopt Directors' Remuneration Report (excluding the Directors' Remuneration Policy)	77.0m (98.7%)	472,343 (0.6%)	539,973 (0.7%)	303,160

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 below.

Audited Information

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 30 September 2019 and 30 September 2018 had no interest in the share capital of the Company other than those interests, all of which are beneficial, shown in the following table.

	30 September 2019 Ordinary shares	30 September 2018 Ordinary shares
James Long	62,389	42,895
Davina Walter	17,008	n/a
Tom Challenor	156,651	156,042
Julian Sinclair	187,098	76,644
Trevor Bradley	25,000	n/a
Anna Troup	5,000	n/a
Jim Grover	n/a	27,500 ^A
Kevin Ingram	n/a	56,213 ^B
Ian Russell	n/a	27,500 ^C
Paul Yates	n/a	70,000 ^C

^A As at date of resignation on 6 September 2019

^B As at date of resignation on 27 February 2019

^C As at date of resignation on 31 October 2018

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 James Long and Tom Challenor of 747 shares and 172 shares, respectively, under dividend reinvestment schemes. In addition, no Director had an 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.

Fees Payable

The Directors who served during the year received the following fees, which exclude employers' National Insurance contributions.

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

Year ended 30 September 2018			
	Base fee	Taxable benefits	Total
	£	£	£
James Long (Chairman)	41,250	-	41,250
Kevin Ingram	26,250	-	26,250
Ian Russell	28,250	4,722	32,972
Tom Challenor	24,250	-	24,250
Jim Grover	24,250	-	24,250
Julian Sinclair	24,250	-	24,250
Paul Yates	24,250	-	24,250
	192,750	4,722	197,472

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 above. Taxable benefits refer to travel costs associated with Directors' attendance at Board and Committee meetings.

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 2019:

- 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.

James M Long
Chairman

12 December 2019

Governance

Report of the Audit Committee

The Audit Committee presents its Report for the year ended 30 September 2019.

Committee Composition

An Audit Committee has been established consisting of the whole Board, other than James Long as Chairman of the Company, which was chaired by Ian Russell until 31 October 2018, and thereafter by Tom Challenor. Both Ian Russell and Tom Challenor possess recent and relevant financial experience, and the Board is satisfied that the Committee as a whole has competence appropriate for the investment trust sector. Tom Challenor is a member of the Institute of Chartered Accountants in England & Wales.

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 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, risk and compliance departments reported to the Committee at both meetings on matters such as internal control systems, risk and the conduct of the business in the context of its regulatory environment.

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 2019 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 Assurance Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organization".

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 2019, the Audit Committee carried out an annual assessment of internal controls for the year ended 30 September 2019 by considering documentation from the Manager, including the internal audit and compliance functions, and taking account of events since 30 September 2019.

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 2019, 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 Association guidelines. Within the FRS 102 Fair Value hierarchy, all investments are categorised as either Level 1 or 2, other than 24 investments (2018 - 23), totalling £108.2m (2018 - £82.1m), 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 Company uses the services of an independent Depositary (The Bank of New York Mellon (International) Limited) 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.

Allocation of finance costs and investment management fees

How the issue was addressed - The Company's finance costs and investment management fees were charged 60% to capital and 40% to revenue during the year ended 30 September 2019 (2018: 65% to capital and 35% to revenue) reflecting the Board's currently anticipated split of investment returns.

Governance

Report of the Audit Committee continued

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, Ernst & Young LLP ("EY") 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 EY.

Audit Tender

EY, or its predecessor entities, have held office as auditor since at least 1956. In accordance with present professional guidelines the audit partner is rotated after no more than five years and the year ended 30 September 2019 is the first year for which the present senior statutory auditor, Caroline Mercer, has served.

Given the tenure of EY, an audit tender was conducted for the audit for the year ended 30 September 2020. EY, as the incumbent auditor, was not invited to participate in the tender due to its length of service. The Committee invited six firms to participate in the tender, with three presenting to the Audit Committee, following which the appointment of PricewaterhouseCoopers is being recommended to shareholders.

Shareholders will have the opportunity to vote on the appointment of PricewaterhouseCoopers LLP as auditor, as Resolution 10, at the AGM on 26 February 2020.

The Committee recorded its appreciation for the sterling service provided by EY.

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. 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 £8,000 (2018: £14,000, including £6,000 in relation to a review of the Manager transition in 2017), comprising £6,000 (2018: £7,000) for the review of the Half-Yearly Financial Report and £2,000 (2018: £1,000) for the annual review of compliance with the 2031 Bond covenants.

Tom Challenor

Chairman of the Audit Committee

12 December 2019



Financial statements

Several emerging markets are enjoying a favourable combination of improving economic growth prospects and benign inflation. Emerging market debt investments include a holding in the Aberdeen Indian Bond fund.

Financial Statements

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

James M Long
Chairman

12 December 2019

Independent Auditor's Report to the Members of Aberdeen Diversified Income and Growth Trust plc

Opinion

We have audited the financial statements of Aberdeen Diversified Income and Growth Trust plc (the "Company") for the year ended 30 September 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 8 to 10 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 8 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 66 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on pages 11 and 12 in the annual report as to how they have assessed the prospects of the entity, 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 entity 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.

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none">• Incomplete or inaccurate recognition of investment income, including classification of items in the Statement of Comprehensive Income as revenue or capital• Incorrect valuation and/or defective title of the investment portfolio
Materiality	Overall materiality of £4.13m which represents 1% of shareholders' funds (2018: £4.28m)

Independent Auditor's Report to the Members of Aberdeen Diversified Income and Growth Trust plc continued

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) that we identified. These matters included 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 were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Incomplete or inaccurate recognition of investment income, including classification of items in the Statement of Comprehensive Income as revenue or capital (as described on page 51 in the Report of the Audit Committee and as per the accounting policy set out on page 66).</p> <p>The total revenue received for the year to 30 September 2019 was £22.11m (2018: £23.26m), consisting primarily of dividend income from investments.</p> <p>The income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete and/or inaccurate recognition of revenue through the failure to recognise proper income entitlements or applying appropriate accounting treatment.</p> <p>In addition to the above, the directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital'.</p>	<p>We have performed the following procedures:</p> <p>We obtained an understanding of the Manager's and Administrator's processes and controls around revenue recognition and classification of special dividends by reviewing their internal controls reports and performing our walkthrough procedures. For the classification of special dividends, we also evaluated the design and implementation of controls.</p> <p>We agreed all dividends received as noted in the income report to the corresponding announcement made by the investee company. We recalculated the dividend income by multiplying the investment holdings at the XD date, traced from the accounting records, by the dividend per share as agreed to an external source. Where applicable, we also agreed the exchange rates to an external source.</p> <p>We traced a sample of dividends received to the bank statements. We agreed a sample of investee company dividend announcements from an independent data vendor to the income recorded by the Company to test completeness of the income recorded.</p> <p>For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the obligation arose prior to 30 September 2019. We agreed the dividend rate to corresponding announcements made by the</p>	<p>The results of our procedures are:</p> <p>We have no issues to report to the Audit Committee with respect to our procedures performed over the risk of incomplete and/or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.</p>

	<p>investee company. We recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements, if paid post year end.</p> <p>We performed a review of the income and capital reports to identify special dividends received and accrued during the period that are above our testing threshold. The Company received only 3 special dividends during the year. Although all 3 special dividends are below our testing threshold, we reviewed the underlying circumstances and motives for the payments for all 3 special dividends to verify the classification as revenue or capital respectively.</p>	
<p>Risk of incorrect valuation and/or defective title of the investment portfolio (as described on page 51 in the Report of the Audit Committee and as per the accounting policy set out on pages 67 and 68).</p> <p>In accordance with the Company's accounting policy, all investments are classified as fair value through profit or loss. Unlisted investments are fair valued by the Directors, following a detailed review an appropriate challenge of the valuations proposed by the Manager. The Managers' unlisted investment policy applies methodologies, consistent with the International Private Equity and Venture Capital Association ("IPEVCA") guidelines. The fair value of quoted investments is determined by reference quoted market bid prices at the reporting date.</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.</p>	<p>We performed the following procedures:</p> <p>Obtained an understanding of the Directors' Manager's and Administrator's processes and controls surrounding investment pricing by reviewing the internal controls reports and by performing walkthrough procedures. For the valuation of unlisted investments, we also evaluated the design and implementation of controls.</p> <p>For all quoted investments in the portfolio, we compared the quoted prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations at the year-end.</p> <p>For all unlisted investments in the portfolio, we compared the exchange rates applied to an independent pricing vendor.</p> <p>For a sample of unlisted investments (private equity funds) above our testing threshold, we performed the following procedures:</p> <ul style="list-style-type: none"> • We agreed the valuation of the investments to the reports received from the underlying general partners. 	<p>The results of our procedures are:</p> <p>We have no issues to report to the Audit Committee with respect to our procedures performed over the risk of incorrect valuation and/or defective title of the investment portfolio.</p>

Independent Auditor's Report to the Members of Aberdeen Diversified Income and Growth Trust plc continued

<p>The valuation of the unlisted investments is an area requiring significant judgement and estimation in the preparation of the financial statements.</p> <p>The valuation of the investment portfolio as at 30 September 2019 was £461.72m (2018: £472.50m). This includes quoted investments of £353.48m (2018: £390.44m) and unlisted investments of £108.24m (2018: £82.06m).</p>	<ul style="list-style-type: none"> • We reviewed the financial statements of the underlying funds to assess the that the reporting framework is consistent with the IPEVCA guidelines. • We reviewed the valuation movements during the year with reference to the distributions and drawdowns which were subsequently agreed to bank statements. <p>For the Company's investment in TrueNoord Private Limited, we engaged our valuation specialist team to assess the reasonableness of the fair value through challenging the valuation assumptions, data inputs, judgements and methods used. Our valuation specialist team also assessed whether the valuation has been performed in line with the IPEVCA guidelines.</p> <p>We reviewed the stale pricing reports produced by the Administrator to investigate any stale priced investments held as at the year-end. We agreed the Company's investments to the independent confirmations received from the Company's Depositary at 30 September 2019.</p>	
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An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £4.13m (2018: £4.28m), which is 1% of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2018: 75%) of our planning materiality, namely £3.10m (2018: £3.21m).

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.95m (2018: £1.02m) being 5% of profit before tax.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.21m (2018: £0.21m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 54** - the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting set out on pages 50 to 52** - the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 42** - the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent Auditor's Report to the Members of Aberdeen Diversified Income and Growth Trust plc continued

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 54, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102, the Companies Act 2006, AIC SORP, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified fraud risks with respect to the

incomplete or inaccurate income recognition through incorrect classification of special dividends. Further discussion of our approach is set out in the section on key audit matters above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- We were appointed as auditors by the Company and signed an engagement letter prior to our audit of the financial statements for the period ending 30 September 1956 and subsequent financial periods.

The period of total uninterrupted engagement is 64 years, covering the years ending 30 September 1956 to 30 September 2019.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Caroline Mercer (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP, Statutory Auditor
Edinburgh

12 December 2019

Notes:

1. The maintenance and integrity of the Aberdeen Diversified Income and Growth Trust plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Financial Statements

Statement of Comprehensive Income

	Note	Year ended 30 September 2019			Year ended 30 September 2018		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	10	–	(353)	(353)	–	(8)	(8)
Realised foreign exchange losses		–	(413)	(413)	–	(68)	(68)
Unrealised foreign exchange gains		–	196	196	–	148	148
Realised (losses)/gains on forward contracts		–	(11,661)	(11,661)	–	5,617	5,617
Unrealised gains/(losses) on forward contracts		–	3,055	3,055	–	(13,291)	(13,291)
Income	3	22,106	–	22,106	23,262	–	23,262
Investment management fees	4	(613)	(919)	(1,532)	(578)	(1,074)	(1,652)
Administrative expenses	5	(927)	(8)	(935)	(867)	(5)	(872)
Net return before finance costs and taxation		20,566	(10,103)	10,463	21,817	(8,681)	13,136
Finance costs	6	(1,512)	(2,268)	(3,780)	(1,259)	(2,339)	(3,598)
Net return before taxation		19,054	(12,371)	6,683	20,558	(11,020)	9,538
Taxation	7	(348)	2,353	2,005	(343)	–	(343)
Return attributable to equity shareholders		18,706	(10,018)	8,688	20,215	(11,020)	9,195
Return per Ordinary share (pence)	9	5.68	(3.04)	2.64	6.15	(3.35)	2.80

The total column of this statement represents the profit and loss account of the Company. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

There has been no other comprehensive income during the year, accordingly, the return attributable to equity shareholders is equivalent to the total comprehensive income for the year.

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

No operations were acquired or discontinued in the year.

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

Financial Statements

Statement of Financial Position

	Note	As at 30 September 2019 £'000	As at 30 September 2018 £'000
Non-current assets			
Investments at fair value through profit or loss	10	458,522	472,496
Deferred taxation asset	7	2,373	–
		460,895	472,496
Current assets			
Debtors	11	2,039	3,220
Derivative financial instruments		3,282	1,344
Cash and cash equivalents		7,809	14,687
		13,130	19,251
Creditors: amounts falling due within one year			
Derivative financial instruments		(87)	(1,204)
Other creditors	12	(756)	(2,935)
		(843)	(4,139)
Net current assets		12,287	15,112
Total assets less current liabilities		473,182	487,608
Non-current liabilities			
6.25% Bonds 2031	13	(59,503)	(59,479)
Net assets		413,679	428,129
Capital and reserves			
Called-up share capital	14	91,352	91,352
Share premium account		116,556	116,556
Capital redemption reserve		26,629	26,629
Capital reserve	15	137,509	153,182
Revenue reserve		41,633	40,410
Equity shareholders' funds		413,679	428,129
Net asset value per Ordinary share (pence)	16		
Bonds at par value		128.08	130.31
Bonds at fair value		119.90	124.17

The financial statements were approved by the Board of Directors and authorised for issue on 12 December 2019 and were signed on its behalf by:

James M Long
Chairman

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

Financial Statements

Statement of Changes in Equity

For the year ended 30 September 2019

		Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
	Note						
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	8	-	-	-	-	(17,483)	(17,483)
Balance at 30 September 2019		91,352	116,556	26,629	137,509	41,633	413,679

For the year ended 30 September 2018

		Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
	Note						
Balance at 1 October 2017		91,352	116,556	26,629	164,806	37,424	436,767
Return after taxation		-	-	-	(11,020)	20,215	9,195
Ordinary shares purchased for treasury	15	-	-	-	(604)	-	(604)
Dividends paid	8	-	-	-	-	(17,229)	(17,229)
Balance at 30 September 2018		91,352	116,556	26,629	153,182	40,410	428,129

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

Financial Statements

Statement of Cash Flows

		Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
	Note		
Operating activities			
Net return before finance costs and taxation		10,463	13,136
Adjustments for:			
Dividend income		(12,561)	(14,094)
Fixed interest income		(9,402)	(9,155)
Interest income		13	7
Treasury bill income		130	-
Treasury bill income received		(130)	-
Other income		-	(6)
Other income received		-	6
Dividends received		9,844	12,016
Fixed interest income received		8,898	9,393
Interest received		(13)	(7)
Unrealised (gain)/losses on forward contracts		(3,055)	13,291
Foreign exchange losses		(196)	(148)
Losses on investments		353	8
Decrease/(increase) in other debtors		18	(4)
(Decrease)/increase in accruals		(29)	261
Corporation tax paid		(205)	-
Taxation withheld		(205)	(53)
Net cash flow from operating activities		3,923	24,651
Investing activities			
Purchases of investments		(124,840)	(258,384)
Sales of investments		140,737	266,229
Net cash flow from investing activities		15,897	7,845
Financing activities			
Purchase of own shares to treasury		(8,317)	(604)
Issue of own shares from treasury		2,662	-
Interest paid		(3,756)	(3,751)
Equity dividends paid	8	(17,483)	(17,229)
Net cash flow used in financing activities		(26,894)	(21,584)
(Decrease)/increase in cash and cash equivalents		(7,074)	10,912
Analysis of changes in cash and cash equivalents during the year			
Opening balance		14,687	3,627
Foreign exchange		196	148
(Decrease)/increase in cash and cash equivalents as above		(7,074)	10,912
Closing balance		7,809	14,687

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

Financial Statements

Notes to the Financial Statements

For the year ended 30 September 2019

1. Principal activity

The Company is a closed-end investment company, registered in Scotland No SC003721, with its Ordinary shares being listed 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 Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the "SORP") issued in November 2014 and updated in February 2018 with consequential amendments (applicable for accounting periods commencing on 1 January 2019 but adopted early). 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.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next twelve months. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report on pages 38 and 39.

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 requires Directors to exercise its judgement in the process of applying the accounting policies. The area 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 7(c) on page 72.

(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.

The fixed returns on debt instruments are recognised using the time apportioned accruals 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 10;
- 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. Prior to 1 October 2018, the allocation was 65% to capital and 35% to revenue.

(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 2019 would have been £1,894,000 (2018 – £1,892,000).

(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 2015.

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 2019 to reflect the Company's investment policy and prospective income and capital growth. Prior to 1 October 2018, the allocation was 65% to capital and 35% to revenue.

(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.

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.

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.

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 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.

Financial Statements

Notes to the Financial Statements *continued*

	2019 £'000	2018 £'000
3. Income		
Income from investments		
UK listed dividends	2,206	2,088
Overseas listed dividends	7,459	9,406
Stock dividends	2,896	2,600
Fixed interest income	9,402	9,155
Treasury bill income	130	-
	22,093	23,249
Other income		
Interest	13	7
Other income	-	6
	13	13
Total income	22,106	23,262

	2019			2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
4. Investment management fees						
Investment management fee	613	919	1,532	578	1,074	1,652

Following their appointment as Alternative Investment Fund Manager on 11 February 2017 through until 6 October 2017, being the date six months subsequent to the Company's merger with Aberdeen UK Tracker Trust plc, ASFML agreed to waive any entitlement to management fees.

Following completion of the waiver period, 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 Group which themselves invest directly into alternative investments including, but not limited to, infrastructure and property are charged at the Group'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 £241,000 (2018 - £138,000) was outstanding in respect of management fees due by the Company.

	2019			2018		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
5. Administrative expenses						
Directors' remuneration	169	–	169	197	–	197
Custody fees	102	–	102	88	–	88
Depositary fees	51	–	51	52	–	52
Shareholders' services ^A	203	–	203	153	–	153
Registrar's fees	61	–	61	56	–	56
Transaction costs	–	8	8	–	5	5
Auditor's remuneration:						
– statutory audit	29	–	29	30	–	30
– other non-audit services						
• review of Bond compliance certificate	1	–	1	1	–	1
• review of transition	–	–	–	6	–	6
• review of Half-yearly Report	6	–	6	7	–	7
Other expenses	305	–	305	277	–	277
	927	8	935	867	5	872

^A Includes registration, savings scheme and other wrapper administration and promotional expenses, of which £200,000 (2018 – £150,000) was payable to ASFML to cover promotional activities during the year. There was £50,000 (2018 – £150,000) due to ASFML in respect of these promotional activities at the year end.

	2019			2018		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
6. Finance costs						
6.25% Bonds 2031	1,510	2,264	3,774	1,259	2,338	3,597
Overdraft interest	2	4	6	–	1	1
	1,512	2,268	3,780	1,259	2,339	3,598

	2019			2018		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
7. Taxation						
(a) Analysis of charge for the year						
Current UK tax	338	–	338	289	–	289
Double taxation relief	(129)	–	(129)	(122)	–	(122)
Corporation tax prior year adjustment	(61)	–	(61)	–	–	–
Overseas tax suffered	200	20	220	196	–	196
Overseas tax reclaimable	–	–	–	(20)	–	(20)
Current tax charge for the year	348	20	368	343	–	343
Deferred tax	–	(2,373)	(2,373)	–	–	–
Total tax charge for the year	348	(2,353)	(2,005)	343	–	343

(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% (2018 – effective rate of 19.0%). The differences are explained as follows:

	2019			2018		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net return before taxation	19,054	(12,371)	6,683	20,558	(11,020)	9,538
Net return before taxation multiplied by the standard rate of corporation tax of 19.0% (2018 -same)	3,620	(2,351)	1,269	3,906	(2,094)	1,812
Effects of:						
Non taxable (gains)/losses on investments held at fair value through profit or loss	-	(513)	(513)	-	3,215	3,215
Exchange gain/(loss) not taxable	-	2,257	2,257	-	(1,082)	(1,082)
Non taxable UK dividend income	(139)	-	(139)	(86)	-	(86)
Non taxable overseas dividend income	(1,249)	-	(1,249)	(1,655)	-	(1,655)
Disallowable expenses	-	-	-	16	1	17
Overseas tax suffered	200	20	220	196	-	196
Overseas tax recovered	-	-	-	(20)	-	(20)
Double taxation relief	(129)	-	(129)	(122)	-	(122)
Corporation tax prior year adjustment	(61)	-	(61)	-	-	-
Utilisation of excess management expenses brought forward	-	(1,287)	(1,287)	-	(1,932)	(1,932)
Effect of not applying the marginal method of allocation of tax relief	(1,894)	1,894	-	(1,892)	1,892	-
Deferred tax asset recognised	-	(2,373)	(2,373)	-	-	-
	348	(2,353)	(2,005)	343	-	343

(c) Factors that may affect future tax charges

During the year, the Company has recognised a deferred tax asset of £2,373,000 (2018 – £Nil) 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.

8. Ordinary dividends on equity shares

	2019 £'000	2018 £'000
Third interim dividend for 2018 – 1.31p (2017 – 1.31p)	4,304	4,317
Fourth interim dividend for 2018 – 1.31p (2017 – 1.31p)	4,332	4,304
First interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,431	4,304
Second interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,416	4,304
	17,483	17,229

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 £18,706,000 (2018 – £20,215,000).

	2019 £'000	2018 £'000
First interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,431	4,304
Second interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,416	4,304
Third interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,340	4,304
Fourth interim dividend for 2019 – 1.34p ^A (2018 – 1.31p)	4,301	4,332
	17,488	17,244

^A The amount reflected above for the cost of the fourth interim dividend for 2019 is based on 320,936,238 Ordinary shares, being the number of Ordinary shares in issue, excluding shares held in treasury, at the date of this Report.

9. Return per Ordinary share

	2019 p	2018 p
Revenue return	5.68	6.15
Capital return	(3.04)	(3.35)
Total return	2.64	2.80

The figures above are based on the following:

	2019 £'000	2018 £'000
Revenue return	18,706	20,215
Capital return	(10,018)	(11,020)
Total return	8,688	9,195
Weighted average number of shares in issue^A	329,526,431	328,613,280

^A Calculated excluding shares held in treasury.

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Notes to the Financial Statements continued

10. Investments

	2019 £'000	2018 £'000
Held at fair value through profit or loss		
Opening valuation	472,496	477,150
Opening investment holdings losses/(gains)	8,014	5,069
Opening book cost	480,510	482,219
Movements during the year:		
Purchases at cost	125,649	263,070
Sales – proceeds	(139,412)	(267,555)
Sales – gains	1,835	2,937
Amortisation/(accretion) of fixed income book cost	142	(161)
Closing book cost	468,724	480,510
Closing investment holdings losses	(10,202)	(8,014)
Closing valuation of investments	458,522	472,496

	2019 £'000	2018 £'000
The portfolio valuation		
UK equities	135,016	138,589
Overseas equities	88,620	127,772
Fixed interest	115,570	98,986
Loan investments	11,078	25,094
Unlisted holdings	108,238	82,055
	458,522	472,496

	2019 £'000	2018 £'000
(Losses)/gains on investments		
Realised gains	1,835	2,937
Net movement in investment holdings losses	(2,188)	(2,945)
	(353)	(8)

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)/gains on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2019 £'000	2018 £'000
Purchases	22	24
Sales	65	17
	87	41

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
Smart Beta Low Volatility Global Equity Income Fund ^A	Z Q1	100
Aberdeen Global Infrastructure Partners II	AUD	11
Aberdeen Global Infrastructure Partners II	USD	11
Aberdeen Standard Alpha – Global Loans Fund ^A	Z1	43
Aberdeen Standard SICAV I – Indian Bond Fund	Z M1	69
Aberdeen Standard SICAV I – Frontier Markets Bond Fund	1 M1	32
Aberdeen European Residential Opportunities Fund	B	100
Aberdeen Property Secondaries Partners II	A-1	12
Markel CATCo Reinsurance Fund Ltd – LDAF 2018 SPI	B	13
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 Liq ^B	B	73
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

11. Debtors

	2019 £'000	2018 £'000
Amounts due from brokers	43	1,367
Prepayments and accrued income	1,932	1,740
Taxation recoverable	64	113
	2,039	3,220

12. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts due to brokers	–	2,086
Interest on 6.25% Bonds 2031	208	208
Corporation tax payable	106	167
Other creditors	442	474
	756	2,935

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Notes to the Financial Statements *continued*

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

	2019 £'000	2018 £'000
6.25% Bonds 2031^A		
Balance at beginning of year	59,479	59,632
Amortisation of discount and issue expenses	24	(153)
Balance at end of year	59,503	59,479

^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 2019 was 143.21p, a total of £85,926,000 (2018 – 132.75p, total of £79,648,000).

The Company has in issue £60 million Bonds 2031 which were issued at 99.343%. The Bonds have been accounted for in accordance with accounting standards, 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.

14. 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 2018	328,551,705	36,859,169	365,410,874	91,352
Shares issued from treasury	2,150,000	(2,150,000)	–	–
Shares purchased for treasury	(7,720,000)	7,720,000	–	–
At 30 September 2019	322,981,705	42,429,169	365,410,874	91,352

During the year 7,720,000 (2018 – 515,000) Ordinary shares of 25p each were purchased to be held in treasury at a cost of £8,317,000 (2018 – £604,000) and 2,150,000 (2018: nil) Ordinary shares of 25p each were issued from treasury for consideration of £2,662,000.

Since the year end 2,045,467 Ordinary shares of 25p each have been purchased to be held in treasury by the Company for a total cost of £2,211,000.

15. Capital reserve

	2019 £'000	2018 £'000
At 1 October	153,182	164,806
Movement in investment holding gains	(2,188)	(2,945)
Gains on realisation of investments at fair value	1,835	2,937
Realised foreign exchange losses	(413)	(68)
Unrealised foreign exchange gains	196	148
Realised (losses)/gains on forward currency contracts	(11,661)	5,617
Unrealised gains/(losses) on forward currency contracts	3,055	(13,291)
Transaction and other costs	(8)	(5)
Finance costs	(2,268)	(2,339)
Issue of own shares from treasury	2,662	–
Purchase of own shares to treasury	(8,317)	(604)
Investment management fees	(919)	(1,074)
Overseas tax suffered	(20)	–
Deferred tax	2,373	–
At 30 September	137,509	153,182

16. 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	2019	2018
Net asset value attributable (£'000)	413,679	428,129
Number of Ordinary shares in issue excluding treasury (note 14)	322,981,705	328,551,705
Net asset value per share (p)	128.08	130.31
Debt at fair value	£'000	£'000
Net asset value attributable	413,679	428,129
Add: Amortised cost of 6.25% Bonds 2031	59,503	59,479
Less: Market value of 6.25% Bonds 2031	(85,926)	(79,648)
	387,256	407,960
Number of Ordinary shares in issue excluding treasury (note 14)	322,981,705	328,551,705
Net asset value per share (p)	119.90	124.17

17. 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 2019 there were 24 open positions in derivatives transactions (2018 – 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 Group's CEO and to the Audit Committee of the Group's Board of Directors. 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. Stock 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 2 to 4 and in the Investment Manager's Report on pages 16 to 23.

The Board has agreed the parameters for net gearing/cash, which was 12.5% of net assets as at 30 September 2019 (2018 – 10.6%). 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.

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 6. 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 16 to 23.

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. An analysis of the portfolio by asset class is on page 31.

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 13 on page 76.

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:

	2019			2018		
	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	9,312	87,170	96,482	3,234	73,982	77,216
Exposure to floating interest rates						
Fixed interest investments ^A	–	19,088	19,088	–	21,770	21,770
Loan investments ^A	–	11,078	11,078	–	25,094	25,094
Cash and cash equivalents	7,809	–	7,809	14,687	–	14,687
	17,121	117,336	134,457	17,921	120,846	138,767

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

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Notes to the Financial Statements *continued*

Financial liabilities

The Company has borrowings by way of a bond issue, held at amortised cost of £59,503,000 (2018 – £59,479,000) details of which are in note 13. The fair value of this loan has been calculated at £85,926,000 as at 30 September 2019 (2018 – £79,648,000).

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 2019 would increase/decrease by £39,000 (2018 – increase/decrease £73,000). This is attributable to the Company's exposure to interest rates on its floating rate cash balances at 30 September 2019.

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 2019 of £126,648,000 (2018 – £124,080,000) would result in a decrease of £1,659,000 (2018 – £1,563,000). 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 2019 would result in an increase of £1,735,000 (2018 – £1,625,000).

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 exchange 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 2019			30 September 2018		
	Investments £'000	Net monetary items £'000	Total currency exposure £'000	Investments £'000	Net monetary items £'000	Total currency exposure £'000
US Dollar	170,986	741	171,727	219,760	485	220,245
Euro	53,943	1,626	55,569	28,997	54	29,051
Other	104,164	4,083	108,247	86,442	897	87,339
	329,093	6,450	335,543	335,199	1,436	336,635

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 currency contracts entered into for hedging short term cash flows.

	2019 £'000	2018 £'000
US Dollar	17,172	22,024
Euro	5,557	2,905
Other	10,825	8,734
	33,554	33,663

Foreign exchange contracts

The following forward 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 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)

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Notes to the Financial Statements *continued*

Date of contract	Buy Currency	Sell Currency	Settlement date	Amount '000	Contracted rate	Unrealised gain/(loss) 30 September 2018 £'000
31 August 2018	GBP	AUD	7 December 2018	22,198	1.8070	20
31 August 2018	GBP	EUR	7 December 2018	38,405	1.1200	275
31 August 2018	GBP	JPY	7 December 2018	15,448	147.8170	438
31 August 2018	GBP	NZD	7 December 2018	18,437	1.9724	59
31 August 2018	GBP	USD	7 December 2018	78,669	1.3081	256
31 August 2018	GBP	USD	7 December 2018	78,668	1.3081	256
11 September 2018	GBP	EUR	7 December 2018	1,163	1.1200	2
11 September 2018	GBP	EUR	7 December 2018	1,120	1.1200	1
11 September 2018	GBP	JPY	7 December 2018	676	147.8170	15
27 September 2018	USD	GBP	7 December 2018	3,055	1.3081	22
						1,344
31 August 2018	GBP	CAD	7 December 2018	18,706	1.6885	(109)
31 August 2018	GBP	NOK	7 December 2018	18,948	10.6226	(384)
31 August 2018	GBP	SEK	7 December 2018	18,357	11.5673	(381)
5 September 2018	USD	GBP	7 December 2018	447	1.3081	(7)
11 September 2018	GBP	AUD	7 December 2018	3,457	1.8070	(61)
11 September 2018	GBP	CAD	7 December 2018	2,802	1.6885	(40)
11 September 2018	GBP	NOK	7 December 2018	2,473	10.6226	(56)
11 September 2018	GBP	NZD	7 December 2018	3,116	1.9724	(52)
11 September 2018	GBP	SEK	7 December 2018	2,805	11.5673	(42)
11 September 2018	USD	GBP	7 December 2018	22,448	1.3081	(56)
11 September 2018	USD	GBP	7 December 2018	218	1.3081	(1)
19 September 2018	GBP	USD	7 December 2018	586	1.3081	(6)
26 September 2018	GBP	USD	7 December 2018	505	1.3081	(5)
27 September 2018	GBP	JPY	7 December 2018	1,559	147.8170	(4)
						(1,204)

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 93, 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 2019 would have increased/decreased by £33,188,000 (2018 – £34,842,000).

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	26,250	45,000
	3,750	7,500	7,500	86,250	105,000

Management of the risk

The Company's assets mostly comprise 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 2019 and 30 September 2018 was as follows:

	2019		2018	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Securities at fair value through profit or loss	458,522	126,649	472,496	124,080
Current assets				
Other debtors	92	29	160	47
Amounts due from brokers	43	43	1,367	1,367
Accrued income	1,904	1,904	1,693	1,693
Derivatives	3,282	3,282	1,344	1,344
Cash and short term deposits	7,809	7,809	14,687	14,687
	471,652	139,716	491,747	143,218

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 (2018 – £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 2019 and 30 September 2018:

	2019 £'000	2018 £'000
A	5,862	–
A–	18,748	21,333
BB+	8,932	8,875
BBB	10,384	11,237
BB–	13,145	9,397
Non-rated	58,499	48,144
	115,570	98,986

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.

18. 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:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 September 2019				
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 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 September 2018				
Financial assets/(liabilities) at fair value through profit or loss				
Equity investments	96,311	170,050	82,055	348,416
Loan investments	–	25,094	–	25,094
Fixed interest instruments	–	98,986	–	98,986
Forward currency contracts – financial assets	–	1,344	–	1,344
Forward currency contracts – financial liabilities	–	(1,204)	–	(1,204)
Net fair value	96,311	294,270	82,055	472,636

Financial Statements

Notes to the Financial Statements *continued*

	As at 30 September 2019 £'000	As at 30 September 2018 £'000
Level 3 Financial assets at fair value through profit or loss		
Opening fair value	82,055	13,666
Purchases including calls (at cost)	48,170	54,978
Disposals and return of capital	(14,348)	(15,624)
Transfers from level 1	–	6,348
Transfers from level 2	–	14,275
<i>Total gains or losses included in (losses)/gains on investments in the Statement of Comprehensive Income:</i>		
– assets disposed of during the year	2,908	2,715
– assets held at the end of the year	(10,547)	5,697
Closing balance	108,238	82,055

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 2019 £'000	As at 30 September 2018 £'000
Aberdeen European Residential Opportunities Fund	8,241	6,730
Aberdeen Global Infrastructure Partners II (AUD)	4,085	3,159
Aberdeen Global Infrastructure Partners II (USD)	3,489	2,411
Aberdeen Property Secondaries Partners II	14,664	7,566
Agriculture Capital Management Fund II	3,783	2,770
Andean Social Infrastructure Fund I	17	–
BlackRock Infrastructure Renewable Income Fund	9,107	8,738
Blue Capital Alternative Income	1,504	5,060
Burford Opportunity Fund	6,660	–
Cheyne Social Property	3,771	1,439
Dover Street VII	405	629
HarbourVest International Private Equity V	51	66
HarbourVest International Private Equity VI	3,055	3,114
HarbourVest VIII Buyout Fund	703	847
HarbourVest VIII Venture Fund	236	249
Healthcare Royalty Partners IV	683	–
Maj Equity Fund 4	2,576	2,970
Maj Equity Fund 5	1,020	719
Markel CATCo Reinsurance Fund Ltd – LDAF 2018 SPI	6,676	–
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 Liq	8,871	28,068
Mesirow Financial Private Equity III	473	2,038
Mesirow Financial Private Equity IV	1,806	594
SL Capital Infrastructure II	18,946	–
Truenoord Co-Investment	7,416	4,888
	108,238	82,055

During the year, investments valued at £Nil (2018 – £6,348,000) were transferred from Level 1 to Level 3 and investments valued at £Nil (2018 – £14,275,000) were transferred from Level 2 to Level 3. There were no other transfers between levels for financial assets and financial liabilities during the period recorded at fair value as at 30 September 2019 and 30 September 2018.

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 13 on page 76.

19. Related party disclosures

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 47 to 49. The balance of fees due to Directors at the year end was £15,000 (2018 – £16,000).

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 4 on page 70.

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 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 2019 that were managed by the Group. For the period to 30 September 2019 no fees were levied in respect of these funds.

	30 September 2019 £'000
Smart Beta Low Volatility Global Equity Income Fund	84,133
SL Capital Infrastructure II	18,946
Aberdeen Property Secondaries Partners II	14,664
Aberdeen Standard SICAV I – Frontier Markets Bond Fund	11,944
Aberdeen Standard Alpha – Global Loans Fund	11,078
Aberdeen European Residential Opportunities Fund	8,241
Aberdeen Standard SICAV I – Indian Bond Fund	7,144
Aberdeen Global Infrastructure Partners II (AUD)	4,085
Aberdeen Global Infrastructure Partners II (USD)	3,489
Andean Social Infrastructure Fund I	17
	163,741

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 on page 71.

20. Capital management policies and procedures

The 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 13 and the calculation basis is set out on page 103);
- 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 2031 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.

21. Commitments and contingent liabilities

At 30 September 2019 the Company had commitments of £233,673,000 of which £104,897,000 remained outstanding (2018 – £70,274,000). Further details are given below. There were no contingent liabilities as at 30 September 2019 (2018 – £nil).

	Undrawn commitments 30 September 2019 £'000
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 Investment Funds 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

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Notes to the Financial Statements *continued*

	Undrawn commitments 30 September 2018 £'000
SL Capital Infrastructure II	25,385
Aberdeen Property Secondaries Partners II	13,509
Aberdeen Global Infrastructure Partners II (AUD)	8,963
Cheyne Social Property	7,155
Aberdeen European Residential Opportunities Fund	6,097
Agriculture Capital Management Fund II	2,394
Aberdeen Global Infrastructure Partners II (USD)	2,086
Maj Investment Funds 5	2,076
Maj Equity Fund 4	963
Truenoord Co-Investment	764
HarbourVest International Private Equity VI	254
Mesirow Financial Private Equity IV	211
Dover Street VII	169
HarbourVest VIII Buyout Fund	100
Mesirow Financial Private Equity III	97
HarbourVest International Private Equity V	43
HarbourVest VIII Venture Fund	8
	70,274

Corporate Information

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

Polish Solar is one of the underlying investments in SL Capital Infrastructure II, a fund owned by the Company.

Corporate Information

Information about the Investment 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 £577 billion (as at 30 June 2019) in assets for a range of clients, including individuals and institutions, through mutual and segregated funds.

The Investment Team



Mike Brooks

Head of Diversified Multi-Asset and Co-Manager of Aberdeen Diversified Income and Growth Trust plc

Mike joined Aberdeen Standard Investments in 2015 from Baillie Gifford where he was an investment manager in the Diversified Growth team. He co-founded the Diversified Growth strategy at Baillie Gifford in 2008, playing a leading role in the development of the philosophy and process, in the ongoing management and strong performance of the Diversified Growth Fund and in the successful expansion of the client base to over £5 billion of assets under management. Mike joined Baillie Gifford in 2000 as Head of Investment Risk. Prior to this he was Head of Quantitative Research at Aegon Asset Management. Mike is a qualified actuary.



Tony Foster

Senior Investment Manager and Co-Manager of Aberdeen Diversified Income and Growth Trust plc

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

The diagram below illustrates the key elements of the Investment Process; further information may be found on page 7 of this Report and on the Company's website: aberdeendiversified.co.uk.

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. We provide more details on each of the pillars below:

- **Diversification principles** – We believe 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 we consider 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. We seek 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 our risk management approach is the use of quantitative risk models.

Although we acknowledge risk models can have their limitations, we believe 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, we believe that it is important to also consider how we might expect investments in the portfolio to behave in various hypothetical scenarios. The scenario analysis harnesses the experience of our investment team and the broader insights 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 Managers are 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 we are capturing the best ideas within the portfolio, the investment process has been designed to source views from across the business and reflect back our own insights. On a formal basis, the peer review process also includes oversight from a monthly meeting of the Diversified Asset Review Group as well as Aberdeen Standard Investments' independent risk team and liquidity stress tests by the dealing desk.

ADIGT - a robust process to capture the best opportunities



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 101.

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 our Customer Services Department (see page 110 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 dialing from a UK landline) for information.

If you have any questions about your 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 Registrars, Computershare Investor Services PLC (see page 110 for details). Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the Registrars in writing.

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income is £2,000 for the 2019/20 tax year (2018/19 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 2019/20 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.

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 dialing 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

Investor information

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
- Alliance Trust Savings
- Barclays Stockbrokers / Smart Investor
- Charles Stanley Direct
- Equiniti / Shareview / Selftrade
- Halifax Share Dealing
- Hargreave Hale
- Hargreaves Lansdown
- iDealing
- Interactive Investor / TD Direct
- The Share Centre
- Stocktrade

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 94 to 96 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.

24 January 2020	Fourth interim dividend payable for year ended 30 September 2019
26 February 2020	Annual General Meeting in London (12.30pm)
27 March 2020	Expected payment date of first interim dividend for year to 30 September 2020
31 March 2020	Half year end
10 July 2020	Expected payment date of second interim dividend for year to 30 September 2020
30 September 2020	Year end
16 October 2020	Expected payment date of third interim dividend for year to 30 September 2020
22 January 2021	Expected payment date of fourth interim dividend for year to 30 September 2020

Corporate Information

Glossary of Terms and Definitions

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.
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.
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.

Corporate Information

Share Capital and Changes of Name

Issued Share Capital at 30 September 2019 with voting rights (excluding treasury shares)

322,981,705	Ordinary shares of 25p
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Treasury Shares at 30 September 2019 with no voting rights

42,469,169	Ordinary shares of 25p
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Changes of Name

February 2017	Company name changed to "Aberdeen Diversified Income and Growth Trust plc" from "BlackRock Income Strategies Income Trust plc"
February 2015	Company name changed to "BlackRock Income Strategies Income Trust plc" from "British Assets Trust plc"

Corporate Information

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 2019.

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 17 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 Contact Addresses on page 110) and the remuneration disclosures in respect of the AIFM's reporting period ended 31 December 2018 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 2019	2.06:1	1.27:1

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.

Corporate Information

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 IFRS 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

Total return is considered to be an alternative performance measure. 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 2019 and 30 September 2018 and total returns.

	Dividend rate	NAV (debt at par)	NAV (debt at fair value)	Share price
2019				
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%

	Dividend rate	NAV (debt at par)	NAV (debt at fair value)	Share price
2018				
30 September 2017	N/A	132.73p	126.44p	120.50p
28 December 2017	1.31p	132.26p	125.69p	123.00p
15 March 2018	1.31p	130.05p	123.80p	119.00p
28 June 2018	1.31p	128.10p	121.50p	120.50p
20 September 2018	1.31p	127.65p	121.57p	122.50p
30 September 2018	N/A	130.31p	124.17p	124.50p
Total return		+2.2%	+2.5%	+7.9%

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

	As at 30 September 2019 £'000	As at 30 September 2018 £'000
Net asset value attributable	413,679	428,129
Add: Amortised cost of 6.25% Bonds 2031	59,503	59,479
Less: Market value of 6.25% Bonds 2031	(85,926)	(79,648)
Less: Revenue return for the period	(18,706)	(20,215)
Add: Interim dividends paid	8,847	8,608
	377,397	396,353
Number of Ordinary shares in issue excluding treasury shares	322,981,705	328,551,705
Net asset value per share (p)	116.85	120.64

(Discount)/premium to net asset value per Ordinary share – debt at fair value (capital basis)

The (discount)/premium is the amount by which the Ordinary share price of 108.00p (2018 – 124.50p) is (lower)/higher than the net asset value per Ordinary share – debt at fair value (capital basis) of 116.85p (2018 – 120.64p), 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)/premium.

Dividend cover

Earnings per share of 5.68p (2018 – 6.15p) divided by dividends per share of 5.36p (2018 – 5.24p) expressed as a ratio.

Net gearing

Net gearing measures the total borrowings of £59,503,000 (2018 – £59,479,000) less cash and cash equivalents of £7,852,000 (2018 – £13,968,000) divided by shareholders' funds of £413,679,000 (2018 – £428,129,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due from and to brokers at the period end of £43,000 (2018 – £(719,000)), in addition to cash and short term deposits per the Statement of Financial Position of £7,809,000 (2018 – £14,687,000).

Corporate Information

Alternative Performance Measures continued

Ongoing charges

Ongoing charges is considered to be an alternative performance measure. 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.

	2019	2018
	£	£
Investment management fees	1,532,000	1,652,000
Administrative expenses	935,000	872,000
Less: non-recurring charges ^A	(50,000)	–
Ongoing charges	2,417,000	2,524,000
 Average net assets with debt at fair value	 390,389,000	 409,180,000
 Ongoing charges ratio (excluding look-through costs)	 0.62%	 0.62%
Look-through costs ^B	0.22%	0.26%
Ongoing charges ratio (including look-through costs)	0.84%	0.88%

^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.

Corporate Information

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 12.30pm on 26 February 2020 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 2019.
2. To receive and adopt the Directors' Remuneration Report (other than the Directors' Remuneration Policy) for the year ended 30 September 2019.
3. To receive and adopt the Directors' Remuneration Policy for the three year period ending 30 September 2022.
4. That Shareholders approve the Company's dividend policy to continue to pay four quarterly interim dividends per year.
5. To elect Trevor Bradley as a Director of the Company.
6. To elect Anna Troup as a Director of the Company.
7. To re-elect Tom Challenor as a Director of the Company.
8. To re-elect Julian Sinclair as a Director of the Company.
9. To re-elect Davina Walter as a Director of the Company.
10. To 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.
11. To authorise the Directors to fix the remuneration of the Auditor.
12. To approve the continuance of the Company as an investment trust.
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 £8,023,405 (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 2021, 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:

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:
 - (i) during the period expiring on the date of the next annual general meeting of the Company or on 31 March 2021, 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;
 - (ii) up to an aggregate nominal amount of £8,023,405 (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

Corporate Information

Notice of Annual General Meeting continued

- (iii) 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.

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:
- (i) the maximum number of shares hereby authorised to be purchased shall be an aggregate of 48,108,342 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;
 - (ii) the minimum price which may be paid for a share shall be 25 pence;
 - (iii) 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;
 - (iv) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or on 31 March 2021, whichever is earlier, unless such authority is previously revoked, varied or renewed prior to such time; and
 - (v) 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.
16. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By Order of the Board
Aberdeen Asset Management PLC
Secretary

Registered Office
1 George Street
Edinburgh EH2 2LL

12 December 2019

Notes:

1. Only those Shareholders registered in the Register at close of business on 24 February 2020 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 12 December 2019 (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 (44,474,636 of 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 12 December 2019 are 320,936,238.

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 5.30pm 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 (iv) to (vi) does not apply to Nominated Persons. The rights described in these notes can only be exercised by Shareholders of the Company.

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

Corporate Information

Notice of Annual General Meeting continued

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.

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 24 February 2020. 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.

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.

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 Registrars no later than 12.30 p.m. on 24 February 2020.

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 than 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 19 February 2020.

Corporate Information

Contact Addresses

Directors

James M Long, TD (Chairman)
Davina Walter (Senior Independent Director)
Tom Challenor (Audit Committee Chairman)
Trevor Bradley
Anna Troup
Julian Sinclair

Company Secretaries & Registered Office

Aberdeen Asset Management PLC
1 George Street
Edinburgh EH2 2LL

Company Number

Registered in Scotland under Company Number SC3721

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

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 9.00am to 5.00pm 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

Registrars (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:

www.investorcentre.co.uk

Alternatively, please contact the registrars:

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 8.30am to 5.30pm Monday to Friday,
excluding public holidays

Independent Auditor

Ernst & Young LLP (until 26 February 2020)
PricewaterhouseCoopers LLP (after 26 February 2020)

Depository

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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