Aberdeen Standard Equity Income Trust plc

Equity income using an index-agnostic approach focusing on our best ideas from the full UK market cap spectrum

Annual Report
30 September 2021

aberdeenstandardequityincometrust.com

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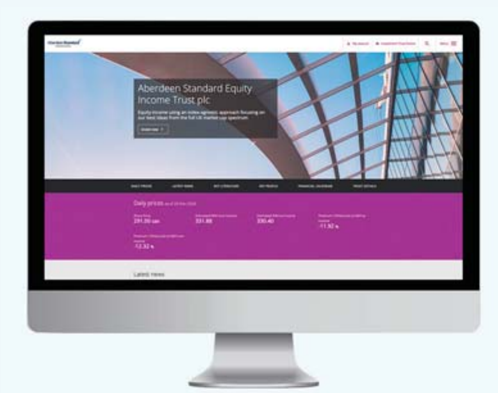

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Contents

"The performance numbers are impressive both in absolute terms and relative to the index."

Mark White, Chair

"The strong performance we achieved has been possible because we stayed alert to mispriced opportunities across a wide range of stocks that other investors appeared to be ignoring in the haze of macro uncertainty."

Thomas Moore, Portfolio Manager, abrdn

Highlights and Financial Calendar

Net asset value total return per Ordinary share[A]
Year ended 30 September 2021
+39.9%
Year ended 30 September 2020 –25.7%

Share price total return per Ordinary share[A]
Year ended 30 September 2021
+47.1%
Year ended 30 September 2020 –29.4%

FTSE All-Share Index total return
Year ended 30 September 2021
+27.9%
Year ended 30 September 2020 –16.6%

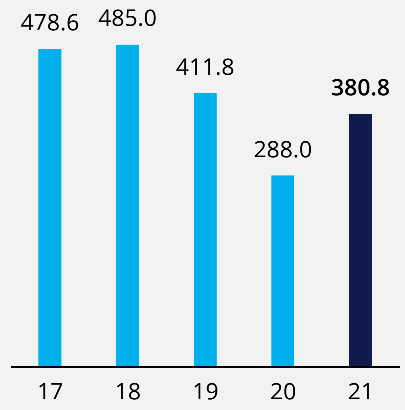
Discount to net asset value[A]
As at 30 September 2021
8.4%
As at 30 September 2020 12.5%

Revenue return per Ordinary share
Year ended 30 September 2021
20.06p
Year ended 30 September 2020 15.61p

Ongoing charges ratio[A]
Year ended 30 September 2021
0.93%
Year ended 30 September 2020 0.92%

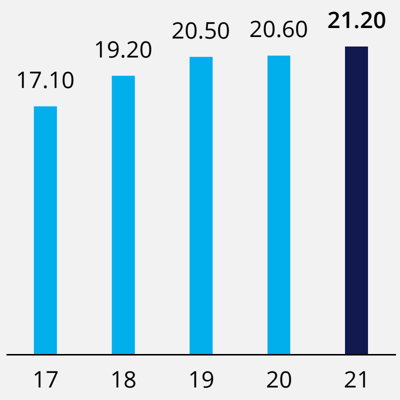
[A] Considered to be an Alternative Performance Measure. Further details can be found on pages 83 to 85. Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis. The figure for 30 September 2020 has been restated in accordance with this guidance.

Net asset value per Ordinary share



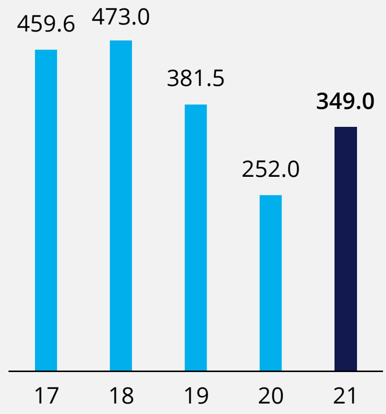
At 30 September– pence

Dividends per share



For the year to 30 September - pence

Share price



At 30 September– pence

"The total dividend for the year will be 21.2 pence per share, a 2.9% increase on last year and the 21st consecutive annual dividend increase paid by the Company."

Mark White, Chair

Financial Calendar

Annual General Meeting (London)	4 February 2022
Expected payment dates of interim dividends for year ending 30 September 2022	March 2022 June 2022 September 2022 January 2023
Half year end	31 March 2022
Expected announcement of results for the six months ending 31 March 2022	May 2022
Financial year end	30 September 2022
Expected announcement of results for year ending 30 September 2022	December 2022

Strategic Report

The Company is an investment trust with a premium listing on the London Stock Exchange.

The Company offers an actively managed portfolio of UK quoted companies. The investment approach is index-agnostic and the aim is to Focus on Change by evaluating changing corporate situations and identifying insights that are not fully recognised by the market.

Chair's Statement

"The portfolio is well positioned to deliver further growth in dividend income together with capital appreciation in the coming year."

Mark White, Chair

It is a great pleasure to present a full year report to you for the first time as Chair, having assumed the role following the retirement of Richard Burns in February 2021. As I said in the half yearly report, we have been through extraordinary times which have made navigating financial markets unusually difficult. However, the success of the vaccination programme has enabled a degree of normality to return to the economy albeit a normality punctuated by significant supply disruptions which are producing more inflationary conditions. This has led investors to focus more closely on fundamentals, rather than momentum, which has broadly been to our advantage.

Results

In the year to 30 September 2021, the Net Asset Value ("NAV") total return of the Company was 39.8%. The share price total return was higher at 47.1%. By contrast the reference index for the Company, the FTSE All-Share Index, delivered a total return of 27.9% which put the Company among the top quartile of investment trusts in the UK Equity Income peer group for the financial year.

The performance numbers are impressive both in absolute terms and relative to the index. Thomas Moore took over responsibility for managing the portfolio 10 years ago, in November 2011, adopting the Focus on Change investment approach applied in an index-agnostic manner. In absolute terms, this year's NAV total return is the largest that the Company has generated in those 10 years and it has only been bettered once in relative terms. The absolute return has been driven by the powerful market recovery following the unprecedented intervention of Central Banks with unorthodox monetary policies and Governments with fiscal stimuli. It is also pleasing to note that the portfolio significantly outperformed relative to the market and most of its peers.

The Focus on Change investment approach looks to identify those companies which the Manager believes are not correctly priced by the market. There is no requirement or expectation that the portfolio will mirror the weightings of the reference index and consequently the performance of the portfolio can diverge significantly from it. As my predecessor explained in his Chair's Statement last year, the Board reviewed a wide range of options available to the Company including the investment approach in light of the impact of Covid-19 on equity markets in 2020. We concluded that we should continue with the existing policy as we believed that the investment approach remained sound and the underperformance in 2020 was due to extraordinary market conditions which would pass. I am happy to conclude that the performance this year has vindicated that decision.

Earnings

Earnings per share for the year were 20.06p, an increase of 28.5%from the previous year. This is an encouraging increase but still leaves us below pre-pandemic levels. However, it is gratifying to see the rapid progress that has been made in restoring earnings to their former level driven, in part, by the focus that the Investment Manager has placed on ensuring that the portfolio has a significant bias towards companies with sustainable dividend policies. We would not have dared to hope that the recovery in earnings would have been as swift as this, twelve months ago. The Portfolio Manager's Review on pages 30 to 33 provides more detail on the sources of the performance and income.

Dividend

The Board has determined that the Company should announce a fourth interim dividend of 5.6 pence per share which will be paid on 21 January 2022 to shareholders on the Register on 24 December 2021, with an associated ex-dividend date of 23 December 2021. This takes the total dividend for the year to 21.2 pence per share, which is a 2.9% increase on the dividend declared for the 2020 financial year and the 21st consecutive annual dividend increase paid by the Company. The Board recognises that this increase is not fully covered by the net earnings of the portfolio, but has concluded that given the strength of the recovery in the Company's earnings in the last 12 months following the Covid-19 pandemic and the confidence that the Manager has in the sustainability of the revenue account into 2022 and beyond, that this significant increase was appropriate. The Manager expects that earnings will continue to recover from here and are likely to exceed the cost of the projected dividend distributions in 2022.

Buybacks

The Company bought back 294,486 Ordinary Shares or 0.61% of the issued share capital during the year. The buy backs increased the NAV per share by 0.18 pence. The Board monitors the discount of the share price to the cum-income NAV in both absolute terms and relative to the discount of other UK equity income investment trusts with a view to moderating discount volatility.

The Board

When I assumed the role of Chair earlier this year, I relinquished the Chair of the Remuneration Committee in line with accepted good governance practice. I am delighted that Caroline Hitch has agreed to succeed me in this role.

Chair's Statement Continued

Following the retirement of Richard Burns we concluded that a Board of four Directors was better suited to the size of the Company. It has resulted in a reduction in non-executive directors' fees. The Board is currently of the view that the four Directors have sufficient experience to provide effective leadership and governance to the Company. This will be kept under review.

Annual General Meeting ("AGM")

This year's Annual General Meeting ("AGM") will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Friday, 4 February 2022 at 11:30 am. It is our intention to hold the meeting in person. We will be monitoring Government Guidelines covering meetings of this sort. In the event that the arrangements have to be changed, we will make an announcement on the London Stock Exchange and publish the information on the Company's website at aberdeenstandardequityincometrust.com

Continuation Vote

In coming to our decision on the Company's strategy last year, the Board bore in mind that shareholders have the opportunity to vote on the Company's continuation at this year's AGM. According to the articles, this resolution is tabled every five years to establish whether shareholders believe the Company should continue.

The Board believes that over the last decade your Company has established a clearly differentiated position relative to the many other investment companies in the UK Equity Income sector by using the Focus on Change investment approach applied in an index agnostic manner. With almost 60% of the portfolio coming from outside the FTSE 100, it provides shareholders with exposure to income-generating companies from across the size spectrum. The Company's yield is now over 6% and the Board and Manager are confident that the income underpinning this yield is sustainable.

Online Shareholder Presentation

In order to encourage as much interaction as possible with our shareholders, we will be hosting an Online Shareholder Presentation, which will be held at 11:00 am on Thursday 20 January 2022. At this event there will be a presentation from the Investment Manager followed by an opportunity to ask live questions of the Chair, Senior Independent Director and the Investment Manager. The online presentation is being held ahead of the AGM to allow shareholders time to submit their proxy votes after the presentation but prior to the AGM should they so wish. Full details on how to register for the online event can be found on the Company's website at **www.aberdeenstandardequityincometrust.com/**

Outlook

This time last year we had only just received news of the successful vaccine trials that offered the prospect of an eventual return to more normal life. A year on, we have seen tremendous strides in this direction with the vaccine rollout in the UK representing one of the Government's successes in their response to the pandemic. A number of major uncertainties remain. On the one hand, there is the possibility that new variants will set back the recovery while on the other there is concern that strong demand in the face of supply side constraints and energy shortages will cause more permanent inflationary conditions.

Notwithstanding these continuing challenges at the macro level, the Board shares our Manager's confidence that the portfolio is well positioned to deliver further growth in dividend income together with capital appreciation in the coming year. In light of this, we have felt confident enough to draw modestly on our reserves for a second year in order to resume meaningful dividend growth at a time of rising inflation. We will look to start to add to the reserves once our income is again sufficient to cover dividend distributions and enable them to keep pace with inflation.

Conclusion

Your Company has established a clearly differentiated position within the UK Equity Income sector with strong performance over the long term and excellent dividend growth in real terms. Given the positive outlook for the portfolio and the very attractive yield we would urge you to join us in voting in favour of continuation at the forthcoming AGM.

For Aberdeen Standard Equity Income Trust plc
Mark White
Chair
9 December 2021

Overview of Strategy

Business Model
The Company is an investment trust with a premium listing on the London Stock Exchange.

Investment Objective
The Company's objective is to provide shareholders with an above average income from their equity investment, while also providing real growth in capital and income.

Investment Policy
The Directors set the investment policy, which is to invest in a diversified portfolio consisting mainly of quoted UK equities which will normally comprise between 50 and 70 individual equity holdings.

In order to reduce risk in the Company without compromising flexibility:

- no holding within the portfolio should exceed 10% of total assets at the time of acquisition; and
- the top ten holdings within the portfolio will not exceed 50% of net assets.

The Company may invest in convertible preference shares, convertible loan stocks, gilts and corporate bonds.

The Directors set the gearing policy within which the portfolio is managed. The parameters are that the portfolio should operate between holding 5% net cash and 15% net gearing. The Directors have delegated responsibility to the Manager for the operation of the gearing level within the above parameters.

Delivering the Investment Objective
The Board delegates investment management services to abrdn. The team within abrdn managing the Company's portfolio of investments has been headed up by Thomas Moore since 2011.

The portfolio is invested on an index-agnostic basis. The process is based on a bottom-up stock-picking approach where sector allocations are a function of the sum of the stock selection decisions, constrained only by appropriate risk control parameters. The aim is to Focus on Change by evaluating changing corporate situations and identifying insights that are not fully recognised by the market.

Idea Generation and Research
The vast majority of the investment insights are generated from information and analysis from one-on-one company meetings. Collectively, more than 3,000 company meetings are conducted annually across abrdn. These meetings are used to ascertain the company's own views and expectations of its future prospects and the markets in which it operates. Through actively questioning the senior management and key decision makers of companies, the portfolio managers and analysts look to uncover the key changes affecting the business and the materiality of their impact on company fundamentals within the targeted investment time horizon.

Investment Process in Practice
The index-agnostic approach ensures that the weightings of holdings reflect the conviction levels of the investment team, based on an assessment of the management team, the strategy, the prospects and the valuation metrics. The process recognises that some of the best investment opportunities come from under-researched parts of the market, where the breadth and depth of the analyst coverage that the Portfolio Manager can access provides the scope to identify a range of investment opportunities.

The consequence of this is that the Company's portfolio often looks very different from other investment vehicles providing their investors with access to UK equity income. This is because the process focuses on conviction levels rather than index weightings. This means that the Company may provide a complementary portfolio to the existing portfolios of investors who like to make their own decisions and manage their ISAs, SIPPs and personal dealing accounts themselves. Currently 58% (2020: 58%) of the Company's portfolio is invested in companies outside the FTSE 100 Index.

The index-agnostic approach further differentiates the portfolio because it allows the Portfolio Manager to take a view at a thematic level, concentrate the portfolio's holdings in certain areas and avoid others completely. The effect of this approach is that the weightings of the portfolio can be expected to differ significantly from that of any index, and the returns generated by the portfolio may reflect this divergence, particularly in the short term.

Promoting the Success of the Company
The Board's statement on pages 18 to 21 describes how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172 (1) of the Companies Act 2006 and how they have promoted the success of the Company. That statement forms part of the Strategic Report.

Key Performance Indicators ("KPIs")

The Board assesses the performance of the Company against the range of KPIs shown below over a variety of timeframes, but has particular focus on the long term, which the Board considers to be at least five years.

KPI	Description
Net Asset Value ("NAV") Total Return relative to the FTSE All-Share Index	While the Manager does not manage the portfolio with direct reference to any particular index, the Board does review the performance against that of the FTSE All-Share Index to provide context for the performance delivered. The Company's NAV Total Return relative to the FTSE All Share Index since 2012, the first full year after Thomas Moore took over the role of Portfolio Manager, is set out on page 28.
Premium or discount to the NAV compared to the unweighted average of the discount of the peer group	The Board compares the discount of the Company's share price to its NAV when compared to the unweighted average discount of the other investment trusts in the UK Equity Income sector. The discount at the year end and at the end of the previous year, and the narrowest and widest discounts during the year, for the Company and the peer group, are shown in the table on page 28.
Dividend growth compared to the Retail Price Index ("RPI")	Since 2012, the dividend growth of the portfolio exceeded inflation, as measured by the RPI, indicating that shareholders have received real growth in the dividends paid by the Company. The income generated by the portfolio was significantly affected by dividend cuts made by investee companies during 2020 and the Manager is working hard to rebuild the revenue account. The Board has taken the decision to draw on revenue reserves in order to increase the dividend by 2.9%. It remains the objective of the Board to deliver real dividend growth from the income generated by the portfolio. The Company's dividend growth compared with RPI since 2012 is set out on page 29.
Ongoing charges ratio relative to comparator investment vehicles	The Board monitors the Company's ongoing charges ratio against prior years and other similar sized companies in the peer group. The Ongoing Charges Ratio for the year is 0.93%, based on average net assets over the year (2020: 0.92%).

Overview of Strategy Continued

Principal Risks and Uncertainties

The Board and Audit Committee carry out a regular review of the risk environment in which the Company operates, changes to the environment and individual risks. The Board also identifies emerging risks which might affect the Company.

There are a number of principal risks and uncertainties which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board, through the Audit Committee has carried out a robust assessment of the Company's principal and emerging risks, which include those that would threaten its business model, future performance, solvency, liquidity or reputation.

The principal risks and uncertainties faced by the Company are reviewed by the Audit Committee in the form of a risk matrix and the Committee also gives consideration to the emerging risks facing the Company. The Board has identified as an emerging risk which it considers is likely to become more relevant for the Company in the future, the implications for the Company's investment portfolio of a changing climate. The Board will continue to assess this emerging risk as it develops, including how investor sentiment is evolving towards climate risk within investment portfolios, and will consider how the Company may mitigate this risk and any other emerging risks.

The Board has discussed climate change with the Manager. In November 2021, abrdn announced a target to reduce the carbon intensity of its assets by 50% by 2030 against a 2019 baseline as part of its climate change strategy focused on Net Zero Directed Investing ("NZDI"). abrdn intends to achieve its goal via three pillars of action: 1) decarbonisation: namely to continue to incorporate carbon analysis into the investment process and support credible transition leaders and climate solutions; 2) increase the proportion of assets flowing into NZDI solutions across all asset classes; and 3) active ownership, whereby abrdn will continue its established practice of engaging with its investee companies and voting in order to drive change and transition to real assets. abrdn has indicated that it will look to divest from companies where, after two years, it considers insufficient progress has been made against the transition milestones set. abrdn will provide detail on the practical implementation of its carbon intensity reduction targets in a future publication. Additionally, abrdn has announced its own target of net zero in its operations by 2040.

The principal risks currently facing the Company, together with a description of the mitigating actions the Board has taken, are set out in the table below.

The principal risks associated with an investment in the Company's shares are published monthly in the Company's factsheet and they can be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website.

Risk	Mitigating Action
Strategy - the Company's objectives or the investment trust sector as a whole become unattractive to investors, leading to a fall in demand for the Company's shares.	Through regular updates from the Manager, the Board monitors the discount/ premium at which the Company's shares trade relative to the net asset value. It also holds an annual strategy meeting and receives feedback from the Company's broker and updates from the Manager's investor relations team at Board meetings. The Board has sought specific feedback from shareholders in view of the forthcoming continuation vote.

Risk	Mitigating Action
Investment Performance - the Board recognises that market risk is significant in achieving performance and it reviews investment guidelines to ensure that they are appropriate. The Board regularly reviews the impact of geopolitical instability and change on market risk.	The Board meets the Manager on a regular basis and keeps investment performance under close review. The Board sets and monitors the investment restrictions and guidelines and regular reports are received from the Investment Manager on stock selection, asset allocation, gearing, revenue forecasts and the costs of running the Company. The Board determines the Company's dividend policy and approves the level of dividends payable to shareholders. Representatives of the Manager attend all Board meetings and a detailed formal appraisal of the Manager is carried out by the Management Engagement Committee on an annual basis.
Exogenous risks such as health, social, financial, economic and geopolitical - the effects of instability or change arising from these risks could have an adverse impact on stock markets and the value of the investment portfolio. Political risks include the terms of the UK's exit from the European Union, any regulatory changes resulting from a different political environment, and wider geo-political issues.	The Board discusses current issues with the Manager. During the year under review, such issues included Covid-19, the UK's exit from the European Union, a possible second referendum on Scottish independence, and the steps that the Manager has taken or might take to limit their impact on the portfolio and the operations of the Company. During this financial year, the Board liaised closely with the Manager to receive updates on performance and to obtain confirmations that the operations of the Manager and those of other third party service providers were operating effectively. The Manager is in regular communication with investee entities and the wider market to determine impact on the portfolio. The Manager also engages with other Service Providers to ensure operations continue as expected.
Operational Risk – in common with most investment trusts, the Board delegates the operation of the business to third parties, the principal delegate being the Manager. Failure of internal controls and poor performance of any service provider could lead to disruption, reputational damage or loss to the Company.	The Audit Committee receives reports from the Manager on its internal controls and risk management (including an annual ISAE Report) and receives assurances from all its other significant service providers on at least an annual basis, including on matters relating to business continuity and cyber security. Written agreements are in place with all third party service providers. The Manager monitors closely the control environments and quality of services provided by third parties, including those of the Depositary, through service level agreements, regular meetings and key performance indicators. A formal appraisal of the Company's main third party service providers is carried out by the Management Engagement Committee on an annual basis. The Company's operations have been severely tested during the Covid-19 pandemic. However, the increased use of online communication and out of office working have, to date, proved to be robust.

Overview of Strategy Continued

Risk	Mitigating Action
Governance Risk – the Directors recognise the impact that an ineffective board, unable to discuss, review and make decisions, could have on the Company and its shareholders.	The Board is aware of the importance of effective leadership and board composition. The Board regularly reviews its own performance and, at least annually, formally reviews the performance of the Board and Chair through its performance evaluation process.
Discount / Premium to NAV – a significant share price discount or premium to net asset value per share could lead to high levels of uncertainty for shareholders.	The Board keeps the level of the Company's discount / premium under review. During the financial year, shares have been bought back at a discount by the Company. The Company participates in the Manager's investment trust promotional programme where the Manager has an annual programme of meetings with institutional shareholders and reports back to the Board on these meetings.
Financial obligations - inadequate controls over financial record keeping and forecasting, the setting of an inappropriate gearing strategy or the breaching of loan covenants could result in the Company being unable to meet its financial obligations, losses to the Company and its ability to continue trading as a going concern.	At each Board meeting, the Board reviews management accounts and revenue forecasts. The Board sets gearing limits and monitors the level of gearing and compliance with the main financial covenants at Board meetings. The Company's annual financial statements are audited by the independent auditor.
Legal and Regulatory Risks – the Company operates in a complex legal and regulatory environment. As a UK company with shares publicly quoted on the London Stock Exchange, as an alternative investment fund and an investment trust, there are several layers of risk of this nature.	The actions the Board takes to mitigate these extensive risks are to ensure that there is breadth and depth of expertise within the Board and the organisations to which the Company has delegated. There are also authorities whereby the Board or individual Directors can take further advice by employing experts should that ever be considered necessary.

Promotional Activities

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 one effective way to achieve this is through subscription to, and participation in, the promotional programme run by abrdn on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by abrdn. The Company also supports abrdn's investor relations programme which involves regional roadshows, promotional and public relations campaigns. abrdn's promotional and investor relations teams report to the Board on a quarterly basis giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

The purpose of the promotional and investor relations programmes 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. Part of the promotional programme includes commissioning independent paid for research on the Company, most recently from Kepler Trust Intelligence Research Limited. A copy of the latest research note is available from the Latest News section of the Company's website.

Board Diversity Policy

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and the Board does not therefore consider it appropriate to set measurable objectives in relation to its diversity.

At 30 September 2021, there were two male and two female Directors on the Board. One of the female directors is Chair of the Audit Committee and the other is Chair of the Remuneration & Management Engagement Committee. One director has a non-white ethnic background.

Modern Slavery Act

Due to the nature of its business, being a company that does not offer goods and services to customers, the Board considers that the Company 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 any event, 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.

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.

Environmental, Social and Governance ("ESG") Investing

ESG considerations underpin all investment activities. Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude or include certain types of companies, the Manager embeds ESG considerations into the research and analysis of each company as part of the investment decision-making process. Where applicable, active engagement and other stewardship activities such as voting in line with best practices, with the goal of improving the performance of companies held around the world, is also an important part of the Manager's approach.

The Manager aims to make the best possible investments for the Company, by understanding the whole picture of the investments - before, during and after an investment is made. That includes understanding the ESG risks and opportunities they present, and how these could affect longer-term performance. With more than 1,000 investment professionals, the Manager is able to take account of ESG factors in its company research, stock selection and portfolio construction, supported by more than 50 asset class specific ESG specialists around the world.

Active Engagement

Through engagement and exercising voting rights, the Manager actively works with companies to improve corporate standards, transparency and accountability. By making ESG central to its investment capabilities, the Manager looks to deliver robust outcomes as well as actively contributing to a fairer, more sustainable world.

Overview of Strategy Continued

The primary goal of the Manager is to generate the best long-term outcomes for the Company in order to fulfil fiduciary responsibilities to shareholders and this fits with one of the Manager's core principles as a business in how it evaluates investments. The Manager sees ESG factors as being financially material and impacting corporate performance. The Manager focuses on understanding the ESG risks and opportunities of investments alongside other financial metrics to make better investment decisions.

Responsible Investment

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner and has noted the Manager's policy on social responsibility. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments as part of its investment process. In particular, the Manager encourages companies in which investments are made to adhere to best practice in the areas of ESG stewardship. The Manager believes that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies.

The Company's objective is to deliver above average income, while also providing real growth in capital and income, on its investments for its shareholders which the Board and Manager believes will be produced on a sustainable basis by investments in companies which adhere to best practice in ESG. Accordingly, the Manager will seek to favour companies which pursue best practice.

Stewardship

The Company is committed to the UK's Stewardship Code, and seeks to play its role in supporting good stewardship of the companies in which it invests. 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. abrdn plc is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long term investment return to shareholders. While delivery of stewardship activities has been delegated to the Manager and its group, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on stewardship (including voting) issues.

Global Greenhouse Gas Emissions

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

For the same reason as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

Viability Statement

The Board considers that the Company is a long-term investment vehicle and, for the purposes of this statement, has decided that three years is an appropriate period over which to consider its viability. The Board considers this to be an appropriate period for an investment trust company with a portfolio of equity investments based on the cycle for the continuation vote, and the financial position of the Company.

Taking into account the Company's current financial 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 three years from the date of this Report.

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 12 to 14 and the steps taken to mitigate these risks.
- All of the Company's investments are traded on major stock exchanges and there is a spread of investments held.
- The Company is closed-ended in nature and therefore it is not required to sell investments when shareholders wish to sell their shares.
- The Company's main liability is its bank loan of £25 million (2020: £20 million), which represents 12.1% (2020: 12.7%) of the Company's investment portfolio. This is a £30 million (2020: £20million) revolving credit facility with The Royal Bank of Scotland International Limited, London Branch.

- The Company's cash balance, including money-market funds, at 30 September 2021 amounted to £3.5 million (2020: £1.2 million).
- The Company has a relatively low level of ongoing charges.
- The engagement with investors and expectation that the Company's continuation vote resolution will pass successfully at the forthcoming AGM, as set out in the Chair's Statement.

When considering the risks, the Board reviewed the impact of stress testing on the portfolio, including the effects of any substantial future falls in investment values. The Board has also had regard to matters such as significant economic and stock market volatility, a substantial reduction in the liquidity of the portfolio or changes in investor sentiment, all of which could have an impact on the Company's prospects and viability in the future. The results of the stress tests have given the Board comfort over the viability of the Company.

Taking into account all of these factors, the Company's current position and the potential impact of the principal risks and uncertainties faced by the Company, the Board has concluded that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of this assessment to 30 September 2024.

In assessing the Company's future viability, the Board has assumed that investors will wish to continue to have exposure to the Company's activities, in the form of a closed-ended entity, the Company's long-term performance is satisfactory, and the Company will continue to have access to sufficient capital. The Board has also acknowledged that investors will have the opportunity to vote on the continuation of the Company at its five yearly continuation vote at the forthcoming AGM of the Company.

Future Strategy

The Board intends to maintain the strategic policies set out in the Strategic Report for the year ending 30 September 2021 as it is believed that these are in the best interests of shareholders.

On behalf of the Board
Mark White
Chair
9 December 2021

Promoting the Success of the Company

How the Board Meets its Obligations under Section 172 of the Companies Act

The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under Section 172 (1) of the Companies Act 2006 (the "Section 172 Statement"). This statement provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The Board takes its role very seriously in representing the interests of the Company's shareholders. The Board which, at the year end, comprised four independent Non-Executive Directors has a broad range of skills and experience across all major functions that affect the Company. The Board is responsible for taking all decisions relating to the Company's investment objective and policy, gearing, corporate governance and strategy, and for monitoring the performance of the Company's service providers.

The Board ensures that the Company operates in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in debate to achieve the expectations of shareholders and other stakeholders alike. The Board works very closely with the Manager in reviewing how issues are handled, ensuring good governance and responsibility in managing the Company's affairs, as well as visibility and openness in how the affairs are conducted.

Specific Examples of Stakeholder Consideration during the Year

The importance of giving due consideration to the Company's stakeholders is not a new requirement and is considered as part of every Board decision.

The Directors were particularly mindful of stakeholder considerations in reaching the following decisions during the year ended 30 September 2021.

Portfolio and Dividend

The strategy for promoting the Company has had to adapt to be Covid compliant, particularly in relation to meeting current and prospective investors. The Board has noted that the Manager has provided regular updates to investors on the Company's website and has been regularly kept informed of any feedback from all conversations with shareholders.

The Board intends to host an online shareholder event early in 2022, ahead of the Annual General Meeting on 5 February 2022. Further details are provided on page 8 of the Chair's Statement. In the expectation that restrictions are being relaxed the Board hopes that the AGM will be in person and there will be more opportunities to meet shareholders face to face in 2022.

Loan Facility

During the year, the Board agreed to cancel and repay the £20 million revolving credit facility with Banco Santander S.A. London Branch. It was replaced with a £30 million revolving credit facility with The Royal Bank of Scotland International Limited, London Branch which has a maturity date of 25 June 2023. The Board is responsible for arranging this facility and the Manager for deploying it. The Board reminds shareholders that borrowing will enhance returns to shareholders when the portfolio is rising in value but that when values are falling the borrowing works to exacerbate declines. The Board believes that it is advantageous for the Company to have gearing and during the year gearing contributed just over 3% of relative performance.

Continuation Vote

In the run up to the Company's five yearly continuation vote which is due to take place on 4 February 2022, the Board and Manager have continued to raise the Company's profile and increased engagement with investors. We will be hosting an Online Shareholder Presentation, which will be held at 11:00 am on Thursday 20 January 2022. At this event there will be a presentation from the Investment Manager followed by an opportunity to ask live questions of the Chair, Senior Independent Director and the Investment Manager. The online presentation is being held ahead of the AGM to allow shareholders time to submit their proxy votes after the presentation but prior to the AGM should they so wish. Full details on how to register for the online event can be found on the Company's website at **www.aberdeenstandardequityincometrust.com/**

Share Buy Backs

During the year the Company bought back 294,486 Ordinary shares to be held in treasury, providing a small accretion of 0.2 pence to the NAV per share and a degree of liquidity to the market at times when the discount to the NAV per share has widened. The Company announced on 8 September 2021 its intention to publish details of its share buyback powers which it renews annually and that until the AGM, to be held on 4 February 2022 that it has the authority to repurchase a maximum of 7,244,361 ordinary shares.

The Board believes that the selective use of share buybacks is in the best interest of all shareholders.

Succession Planning

The Board has continued to consider its succession plans during the year, as it recognises the benefits of regular Board refreshment.

Following the retirement of Richard Burns it was considered that a Board of four Directors was appropriate for the size of the Company and has resulted in a reduction in non-executive directors' fees. The Board currently believes that the four Directors have sufficient experience to provide effective leadership and governance to the Company. This will be kept under review.

During the year the Board determined that there was no need to have a standalone Nomination Committee. The Nomination Committee was therefore wound up and the Board fulfils the role of the Nomination Committee.

How the Board Engages with Stakeholders

The Company's main stakeholders have been identified as its shareholders, the Manager, service providers, investee companies, debt providers and the community at large and the environment.

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

Promoting the Success of the Company Continued

Stakeholder	How We Engage
Shareholders	Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all shareholders' views and aims to act fairly to all shareholders. The Manager and the Company's broker regularly meet with current and prospective shareholders to discuss performance and shareholder feedback is discussed by the Directors at Board meetings. In addition, Directors typically meet shareholders at the Annual General Meeting. The Company subscribes to abrdn's investor relations programme in order to maintain communication channels with the Company's shareholder base. Regular updates are provided to shareholders through the Annual Report, Half Yearly Report, monthly factsheets, Company announcements, including daily net asset value announcements, and the Company's website. The Company's Annual General Meeting usually provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Manager. Typically, the Board encourages as many shareholders as possible to attend the Company's Annual General Meeting and to provide feedback on the Company. Due to the uncertainties caused by the Covid-19 pandemic and, in particular, the restrictions on public gatherings and requirements to socially distance, the 2021Annual General Meeting was held on a functional only basis, satisfying the minimum legal requirements. Shareholders were encouraged to submit questions to the Board and the Manager. At the date of this report it is intended to hold the 2022 meeting in person.
Manager	The Portfolio Manager's Review on pages 30 to 35 details the key investment decisions taken during the year. The Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with oversight provided by the Board. The Board regularly reviews the Company's performance against its investment objective and the Board undertakes an annual strategy review meeting to ensure that the Company is positioned well for the future delivery of its objective for its stakeholders. The Board receives presentations from the Manager at every Board meeting to help it to exercise effective oversight of the Manager and the Company's strategy. The Board, through the Remuneration & Management Engagement Committee, formally reviews the performance of the Manager at least annually. More details are provided on page 49.
Service Providers	The Board seeks to maintain constructive relationships with the Company's suppliers either directly or through the Manager with regular communications and meetings. The Remuneration & Management Engagement Committee conducts an annual review of the performance, terms and conditions of the Company's main service providers to ensure they are performing in line with Board expectations, carrying out their responsibilities and providing value for money.

Stakeholder	How We Engage
Investee Companies	Responsibility for 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 Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on stewardship (including voting) issues. Through engagement and exercising voting rights, the Manager actively works with companies to improve corporate standards, transparency and accountability. Further details are provided on pages 15 and 16. The Board monitors investments made and divested and questions the rationale for investment and voting decisions made.
Debt Providers	On behalf of the Board, the Manager maintains a positive working relationship with The Royal Bank of Scotland International Limited, London Branch, the provider of the Company's loan facility, and provides regular updates on business activity and compliance with its loan covenants.
Environment and Community	The Board and Manager are committed to investing in a responsible manner and the Investment Manager embeds Environmental, Social and Governance ("ESG") considerations into the research and analysis as part of the investment decision-making process. Further details are provided on pages 22 to 26.

The Investment Manager's Approach to ESG

Introduction

The Board relies on its Investment Manager to apply appropriate Environment, Social and Governance ("ESG") principles to how the portfolio is constructed and managed within the confines of its investment objective and policy. The Company's objective is to provide shareholders with an above average income from their equity investment which means that the Company's holdings will typically be recognised for their dividend policies and will frequently trade on a high yield. This means the portfolio can be expected to have exposure to older industries such as energy and consumables. ESG principles are applied in deciding on a specific investment within these more mature industries as it is evident that the possibility of engagement by the Investment Manager can lead to radical changes to their business models to account for social and environmental responsibilities, irrespective of government interventions.

Although ESG factors are not the over-riding criteria in relation to the investment decisions taken by the Investment Manager, significant prominence is placed on ESG and climate-related factors throughout the investment process. The following pages highlight the way that ESG and climate change are considered by the Investment Manager. These processes are reviewed regularly and liable to change and the latest information will be available for download on the Company's website.

Core beliefs: Assessing Risk, Enhancing Value

The Company does not exclude any sectors from the investible universe. Consideration of ESG factors is a fundamental part of the Investment Manager's process and has been so for over 30 years. It is one of the key criteria on which the Investment Manager assesses the investment case for any company in which it invests for three key reasons as set out in the table below.

Responsible Investing – Integration of ESG into the Investment Manager's Process

"By embedding ESG factors into our active equity investment process, we aim to reduce risk, enhance potential value for our investors and foster companies that can contribute positively to the world." abrdn

Financial Returns	ESG factors can be financially material – the level of consideration they are given in a company will ultimately have an impact on corporate performance, either positively or negatively. Those companies that take their ESG responsibilities seriously tend to outperform those that do not.
Fuller Insight	Systematically assessing a company's ESG risks and opportunities alongside other financial metrics allows the Investment Manager to make better investment decisions.
Corporate Advancement	Informed and constructive engagement helps foster better companies, protecting and enhancing the value of the Company's investments.

"We believe that the market systematically undervalues the importance of ESG factors. We believe that in-depth ESG analysis is part of both fundamental company research and portfolio construction and will lead to better client outcomes." abrdn

Researching Companies: Deeper Company Insights for Better Investor Outcomes

The Investment Manager conducts extensive and high-quality fundamental and first-hand research to gain a detailed understanding of the investment case for every company in its global universe. A key part of the Investment Manager's research involves focusing its extensive resources on analysis of ESG issues. The table below details how the Investment Manager's portfolio managers, ESG equity analysts and central ESG Investment Team collaborate to generate a deep understanding of the ESG risks and opportunities associated with each company. Stewardship and active engagement with every company are also fundamental to the investment process, helping to produce positive outcomes that lead to better risk-adjusted returns.

Global ESG Infrastructure

The Investment Manager has around 150 equity professionals globally. Each systematically analyses ESG risks and opportunities as part of the research output for each company. Its central team and ESG equity analysts support the Investment Manager's first-hand company analysis, producing research into specific themes (e.g. labour relations or climate change), sectors (e.g. forestry) and ESG topics to understand and highlight best practice. Examples of thematic and sector research can be found on the Manager's website at: **abrdn.com/en/uk/investor/responsible-investing**

Portfolio Managers	All of the Investment Manager's equity portfolio managers seek to engage actively with companies to gain insight into their specific risks and provide a positive ongoing influence on their corporate strategy for governance, environmental and social impact.
ESG Equity Analysts	The Investment Manager has dedicated and highly-experienced ESG equity analysts located across the UK, US, Asia and Australia. Working as part of individual investment teams, rather than as a separate department, these specialists are integral to pre-investment due diligence and post-investment ongoing company engagement. They are also responsible for taking thematic research produced by the central ESG Investment Team (see below), interpreting and translating it into actionable insights and engagement programmes for its regional investment strategies.
ESG Investment Team	This central team of more than 20 experienced specialists based in Edinburgh and London provides ESG consultancy and insight for all asset classes. Taking a global approach both identifies regions, industries and sectors that are most vulnerable to ESG risks and identifies those that can take advantage of the opportunities presented. Working with portfolio managers, the team is key to the Investment Manager's active stewardship approach of using shareholder voting and corporate engagement to drive positive change.

The Investment Manager's Approach to ESG Continued

Climate Change

Climate change is one of the most significant challenges of the 21st century and has big implications for all investors. The energy transition is underway in many parts of the world, and policy changes, falling costs of renewable energy, and a change in public perception are happening at a rapid pace. Assessing the risks and opportunities of climate change is a core part of the investment process. In particular, the Investment Manager considers:

- **Transition risks and opportunities**
  Governments could take robust climate change mitigation actions to reduce emissions and transition to a low-carbon economy. This is reflected in targets, policies and regulation and can have a considerable impact on high-emitting companies.

- **Physical risks and opportunities**
  Insufficient climate change mitigation action will lead to more severe and frequent physical damage. This results in financial implications, including damage to crops and infrastructure, and the need for physical adaptation such as flood defences.

The Investment Manager has been a signatory to the United Nations' Principles for Responsible Investment ("UNPRI") – an initiative to promote responsible investment as a way of enhancing returns and better managing risk and has aligned its approach with that advocated by its investor agenda UNPRI provides an intellectual framework to steer the massive transition of financial capital towards low-carbon opportunities. It also encourages fund managers to demonstrate climate action across four areas: investments; corporate engagement; investor disclosure; and policy advocacy as explained below:

	Focus	Objective	Aim
Investments	Research & Data	Provide high quality climate-change insights and thematic research across asset classes and regions. This includes using climate-related data as an input into the investment process.	Provide relevant high-quality data and insights on climate-change trends, risks and opportunities that are fully integrated into our decision making and drive positive outcomes for our clients
	Investment Integration	Understand the potential impacts of climate-change risks and opportunities across regions and sectors, integrate these into our investment decisions and understand the implications for our portfolios.	
	Client Solutions	Understand client needs in relation to climate change and low-carbon product demand. Develop innovative climate-related client solutions and products across all asset classes.	
Corporate Engagement	Investee Engagement & Voting	Better understands investee exposure and management of climate change risks and opportunities. Influence investee companies on management of climate change risks and opportunities via engagement and voting. Highlight expectation to apply the Task Force on Climate-related Financial Disclosures ("TCFD") framework when reporting on climate-related data.	
Policy Advocacy	Collaboration & Influence	Collaborate with climate-change-related industry associations and participate in relevant initiatives. Engage with peers and policymakers to drive industry developments and best practice.	
Investor Disclosure	Disclosure	Disclose climate-change-related data using the TCFD reporting framework across the four pillars: governance, strategy, risk management, metrics and targets.	

Alignment with PRI Investor Agenda

From Laggards to Best in Class: Rating Company ESG Credentials

A systematic and globally-applied approach to evaluating stocks allows the Investment Manager to compare companies consistently on their ESG credentials – both regionally and against their peer group.

The Investment Manager captures the findings from its research and company engagement meetings in formal research notes.

Some of the key questions include:

Which ESG issues are relevant for this company, how material are they, and how are they being addressed?

What is the assessment of the quality of this company's governance, ownership structure and management?

Are incentives and key performance indicators aligned with the company's strategy and the interests of shareholders?

Having considered the regional universe and peer group in which the company operates, the Investment Manager's equity team then allocates it an ESG rating between one and five (see below). This is applied across every stock that the Investment Manager covers globally.

The Investment Manager also uses a combination of external and proprietary in-house quantitative scoring techniques to complement and cross-check analyst-driven ESG assessments. ESG analysis is peer-reviewed within the equities team, and ESG factors impacting both sectors and stocks are discussed as part of the formal sector reviews. To be considered 'best in class' the management of ESG factors must be a material part of the company's core business strategy. It must provide excellent disclosure of data on key risks. It must also have clear policies and strong governance structures, among other criteria.

1. Best in class	2. Leader	3. Average	4. Below average	5. Laggard
ESG considerations are material part of the company's core business strategy Excellent disclosure Makes opportunities from strong ESG risk management	ESG considerations not market leading Disclosure is good, but not best in class Governance is generally very good	ESG risks are considered as a part of principal business Disclosure in line with regulatory requirements Governance is generally good but some minor concerns	Evidence of some financially material controversies Poor governance or limited oversight of key ESG issues Some issues in treating minority shareholders poorly	Many financially material controversies Severe governance concerns Poor treatment of minority shareholders

The Investment Manager's Approach to ESG Continued

Working with Companies: Staying Engaged, Driving Change

Once the Investment Manager invests in a company, it is committed to helping that company maintain or raise its ESG standards further, using the Investment Manager's position as a shareholder to press for action as needed. The Investment Manager actively engages with the companies in which it invests to maintain ESG focus and encourage improvement.

The Investment Manager sees this programme of regular engagement as a necessary fulfilment of its duty as a responsible steward of clients' assets. It is also an opportunity to share examples of best practice seen in other companies and to use its influence to effect positive change. The Investment Manager's engagement is not limited to the company's management team. It can include many other stakeholders such as non-government agencies, industry and regulatory bodies, as well as activists and the company's clients. What gets measured gets managed, so the Investment Manager strongly encourages companies to set clear targets or key performance indicators on all material ESG risks.

The investment process consists of four interconnected and equally important stages.

Monitor	Contact	Engage	Act
Ongoing due diligence	**Frequent dialogue**	**Exercise rights**	**Consider all options**
Business performance	Senior executives	Attend AGM/EGMs	Increase or decrease shareholding
Company financials	Board members	Always vote	Collaborate with other investors
Corporate governance	Heads of departments and specialists	Explain voting decisions	Take legal action if necessary
Company's key risks and opportunities	Site visits	Maximise influence to drive positive outcomes	

Results

	30 September 2021	30 September 2020	% change
Capital			
Net asset value per Ordinary share	380.8p	288.0p	32.2%
Ordinary share price	349.0p	252.0p	38.5%
Reference Index capital return[C]	4,059.0	3,282.3	23.7%
Discount of Ordinary share price to net asset value[A]	8.4%	12.5%	
Total assets	£207.9m	£159.1m	30.7%
Shareholders' funds	£182.9m	£139.2m	31.4%
Gearing			
Net gearing[A]	13.5%	13.3%	
Earnings and Dividends			
Revenue return per Ordinary share	20.06p	15.61p	28.5%
Total dividends for the year	21.20p	20.60p	2.9%
Dividend yield[A]	6.1%	8.2%	
Expenses			
Ongoing charges ratio[AB]	0.93%	0.92%	

[A] Considered to be an Alternative Performance Measure. Further details can be found on pages 83 and 84.
[B] Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis. The figure for 30 September 2020 has been restated in accordance with this guidance.
[C] FTSE All-Share Index

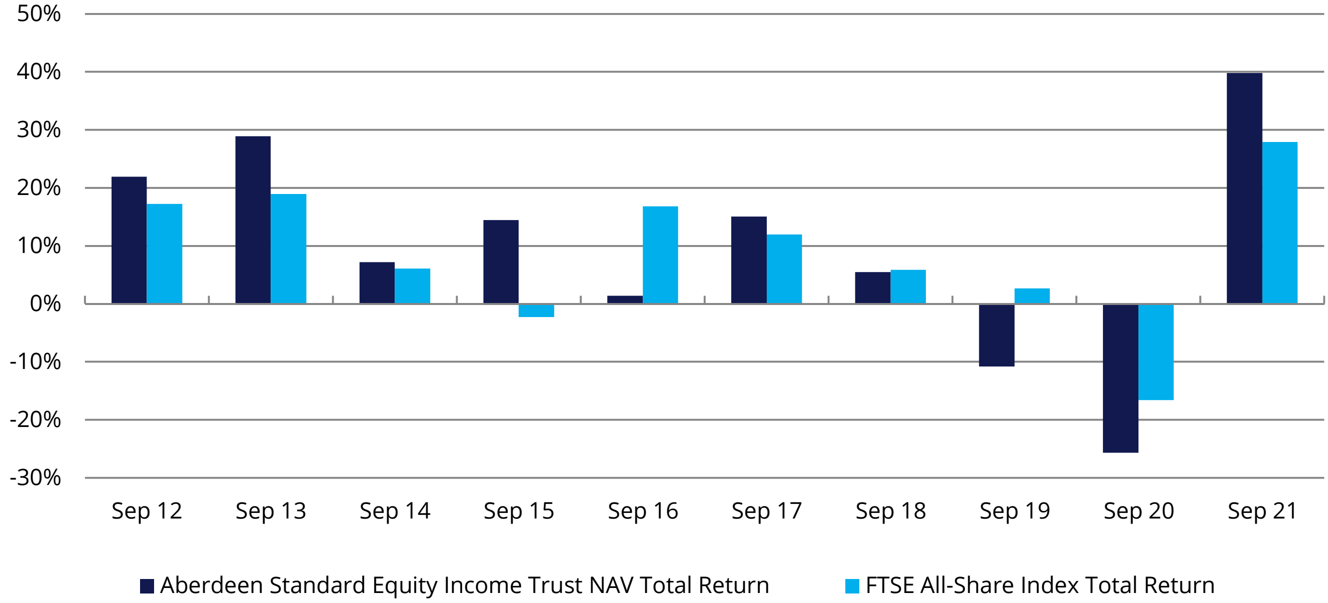
Performance (Total Return)

30 September 2021	1 year %	3 years %	5 years %	10 years %
Net asset value[A]	39.9	–7.3	12.5	119.9
Share price[A]	47.1	–11.9	9.4	100.6
Reference Index[B]	27.9	9.5	29.8	119.2

[A] Considered to be an Alternative Performance Measure. Further details can be found on pages 84 and 85.
[B] FTSE All-Share Index.
Source: abrdn/Morningstar/Factset

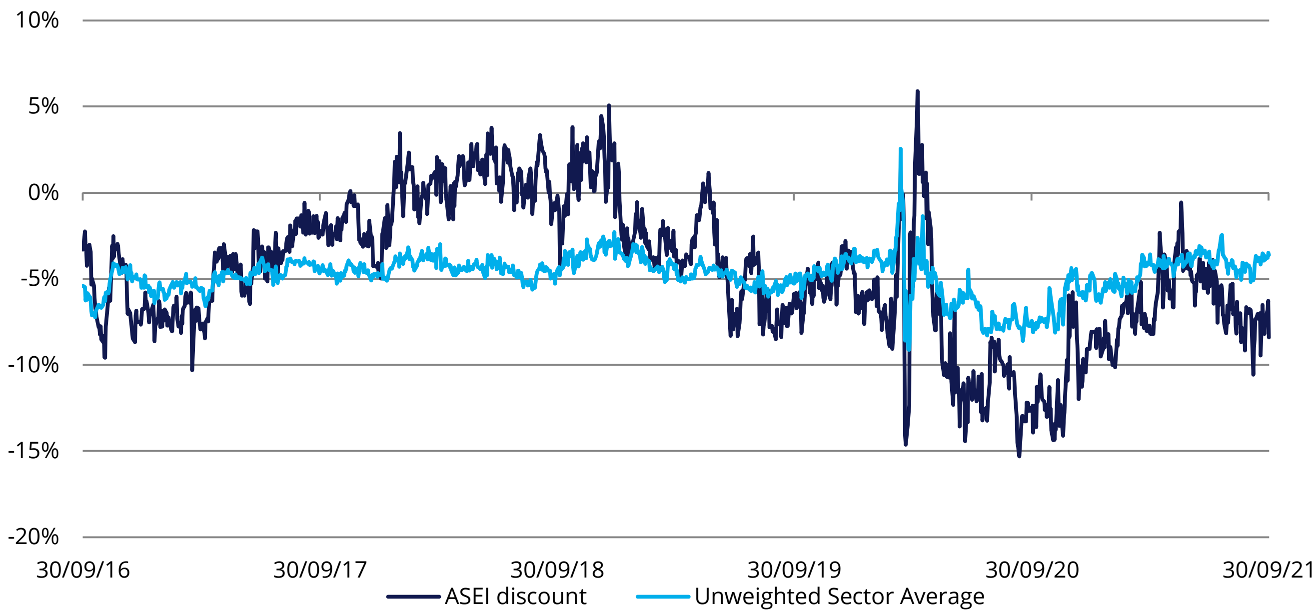
Performance

Annual total returns of Aberdeen Standard Equity Income Trust NAV and FTSE All-Share Index September 2012 – 2021[A]

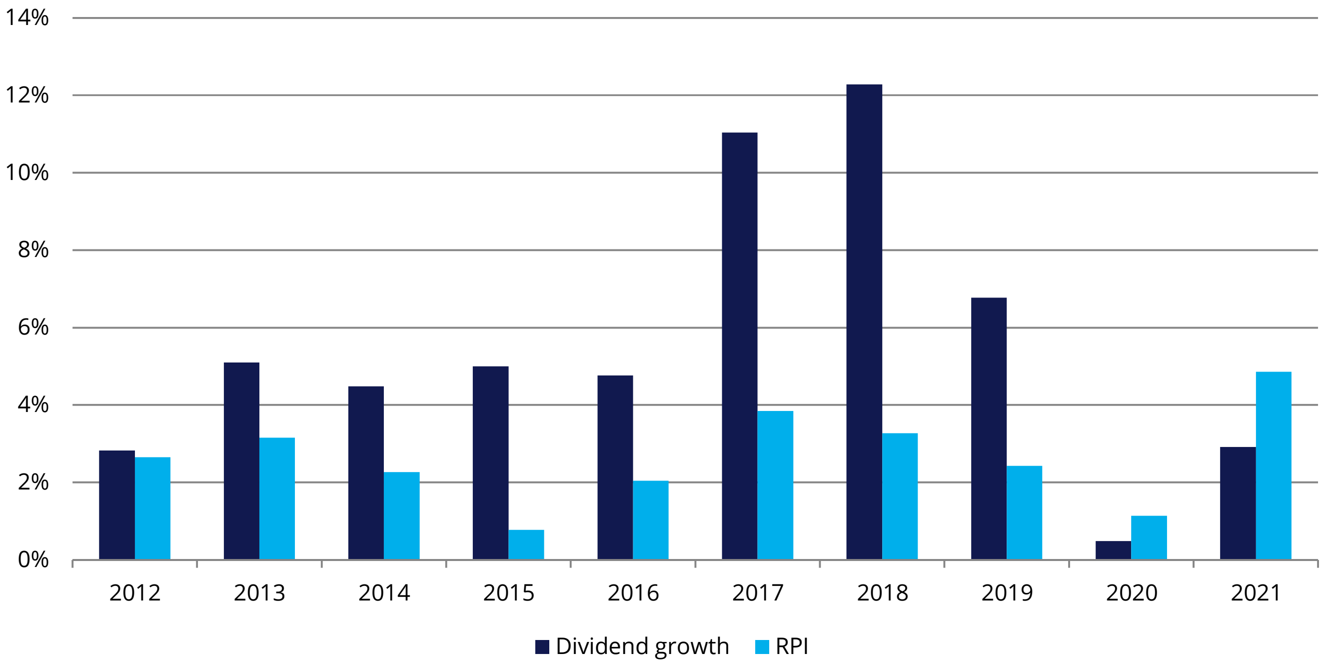


[A] Thomas Moore was appointed as Portfolio Manager in 2011.

Aberdeen Standard Equity Income Trust Premium/(Discount) relative to the UK Equity Income unweighted sector average since 30 September 2016



Annual Dividend Growth versus RPI since 2012[A]



[A] Thomas Moore was appointed as Portfolio Manager in 2011.

Ten Year Financial Record

Year ended 30 September	Gross revenue £'000	Revenue available for Ordinary shareholders £'000	Revenue return p	Ordinary dividends p	Net asset value[A] p	Share price p	Discount[AB] %	Ongoing charges[BC] %	Net gearing / (cash)[B] %	Equity shareholders' funds £m	Revenue reserves[D] (£m)
2012	4,715	4,189	13.53	12.75	314.2	294.0	6.4	0.99	5.7	119.3	6.56
2013	5,257	4,877	14.07	13.40	383.3	383.0	0.1	0.97	12.5	151.8	4.84
2014	5,780	5,136	15.69	14.00	397.9	394.0	1.0	0.94	13.4	166.5	5.75
2015	6,107	5,361	17.18	14.70	440.7	439.0	0.4	0.94	7.7	195.6	6.88
2016	7,084	6,214	17.92	15.40	431.5	412.4	4.4	0.96	7.5	199.7	8.15
2017	7,957	7,044	19.23	17.10	478.6[E]	459.6	4.8	0.87	9.9	235.3[E]	9.41
2018	11,893	10,846	22.06	19.20	485.0	473.0	2.5	0.87	12.1	238.4	10.82
2019	11,791	10,687	21.74	20.50	411.8	381.5	7.4	0.91	13.7	201.5	11.58
2020	8,730	7,614	15.61	20.60	288.0	252.0	12.5	0.92	13.3	139.2	8.75
2021	10,642	9,693	20.06	21.20	380.8	349.0	8.4	0.93	13.5	182.9	8.49

[A] Diluted for the effect of Subscription shares in issue for the year ended 30 September 2012 to 30 September 2016.
[B] Considered to be an Alternative Performance Measure. Further details can be found on pages 83 and 84.
[C] Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis. The figure for 30 September 2020 has been restated in accordance with this guidance.
[D] Revenue reserves are reported prior to paying the final dividend or fourth interim dividend in each year. For 2017 only, reserves are reported after having deducted the third interim dividend.
[E] The 2017 Net Asset Value is calculated under Financial Reporting Standards, but includes an adjustment for the third interim dividend which had been declared, but not paid, at the year end.

Portfolio Manager's Review

Thomas Moore
Portfolio Manager,
abrdn

UK Market Review

UK equities rose sharply over the 12 month period as investors responded to improved economic data following the successful vaccine roll-out and consequent easing of Covid-19 related restrictions. This improved backdrop drove upgrades of UK economic growth, with the Office of Budget Responsibility forecasting 6.5% growth in 2021 (2.4 percentage points faster than they predicted in March 2021). Consumer demand recovered progressively as activity picked up following "Freedom Day" in July 2021, with households drawing upon savings built up during the pandemic. The pace of the demand recovery took many by surprise, causing supply chains to come under stress as companies struggled to ramp up production, causing widespread delays in the delivery of goods. The rush to hire people was evident from labour market data showing record vacancies (over 1 million jobs) and accelerating wage growth (7.2% year on year). This supply-side disruption coincided with a spike in energy prices, resulting in a pick-up in inflation to over 3%, well above the Bank of England's 2% target. This inflation data in turn caused a dramatic move higher in interest rate expectations towards the end of the financial year; a move that was further fuelled by hawkish commentary from various Monetary Policy Committee members, raising the prospect of an early rate hike.

Within the UK market, sector performance ebbed and flowed during the year under review. Rising investor confidence in the first half of the 12 month period resulted in a rotation out of quality growth stocks into cyclical stocks that would benefit from the economic recovery. This trend reversed in the second half due to a rebound in the number of Covid-19 cases, although nervousness eased once it became clearer from the data that vaccines had broken the link between cases and deaths, reducing the risk of future lockdowns. Over the financial year the FTSE Small Cap and FTSE 250 indices outperformed the FTSE 100.

Portfolio Performance

The portfolio outperformed the Company's reference index, the FTSE All-Share Index (the "Index"), significantly in the financial year. This underlines the potential of our Focus on Change investment process to deliver for shareholders in more normal market conditions, following the intensity of the market reaction to Covid-19 in the previous financial year.

Looking back at the year under review, the key drivers of our performance relative to the FTSE All-Share Index can be summarised as follows:

1. We benefited from heavy exposure to economically-sensitive sectors which contributed strongly to performance. Consumer Discretionary was the largest contributor to performance by sector, adding around 2.5% of relative performance. Our holdings in housebuilder Vistry and sofa retailer DFS were particularly helpful as consumer demand rebounded so sharply. Financials also contributed strongly, adding around 1.0% of relative performance. Premier Miton and Close Brothers rose sharply, as investors observed improving market conditions.

2. We also benefited from limited exposure to defensive sectors which helped our performance as confidence in the economic recovery caused these stocks to fall out of favour. Our underweight positions in Healthcare and Consumer Staples added around 2.4% of relative performance, in particular not owning Unilever or Reckitt Benckiser.

3. The gearing position, averaging 11.7% over the 12 month period, contributed just over 3% of relative performance.

4. The main detractors to performance at the stock level were companies that produced results that were disappointing relative to market expectations, notably gold mining business Centamin, spread-betting business CMC Markets and motor insurance business Sabre Insurance. Between them, these three stocks cost 1.7% of relative performance.

Revenue Account

Dividends distributed by our portfolio holdings in the financial year were £10.6 million, which was 22% more than the £8.7 million received in the same 12 month period last year. This compares favourably to the FTSE All-Share Index whose dividends grew by 9.2% over the same timeframe. During the 12 month period, over 94% of the dividend income came from recurring rather than special dividends. This does illustrate the recurring nature of the earnings but it is also the result of a sharp reduction in the number of special dividends being paid in the wake of the pandemic.

We are reporting an increase of 27.3% in net revenue to £9.7 million as other expenses, interest and tax were lower in this financial year than they were 12 months ago. Management fees were higher, but this is a function of the increase in the value of the portfolio. Total expenditure by the portfolio, including all fees and charges, interest and tax was 15% lower in the year under review than in 2020.

The portfolio achieved an underlying dividend yield of 6.6% based on the income generated by the portfolio over the financial year divided by the average portfolio value, representing a significant premium to the effective monthly average dividend yield of the FTSE All-Share Index of 3.3% for the same 12 month period.

Portfolio income recovered dramatically in the second half of the 12 month period. This resulted from the reinstatement of dividends by companies that had cut dividends during the pandemic and continued dividend growth from companies that had maintained their dividends throughout the pandemic. The portfolio saw widespread strengthening in dividend momentum. Among large cap sectors, the highlights were Mining and Oil & Gas, both of which saw cash flows surge thanks to higher commodity prices and disciplined capital management. The revenue account also benefited from a revival in dividends among mid and small cap stocks that offer superior longer term growth prospects. We continue to believe that using an index-agnostic approach to build a differentiated portfolio will help us to deliver on our objectives through the cycle.

For some years, investors have worried about the sustainability of UK dividends. Investors have come to see higher yield stocks as value traps. Sure enough, some companies used Covid-19 as an excuse to cut their dividends. For the UK equity market in aggregate, dividend cover is set to increase from 1.5x in 2020 to 1.9x in 2021 as a function of both the numerator (dividends having been cut) and the denominator (earnings recovering rapidly). The outlook for UK dividends is now transformed as we believe that virtually all the companies that needed to cut have now cut. As more and more companies have reinstated their dividends, our investable universe of dividend paying stocks has broadened. While the economic recovery will not be linear, we are increasingly confident in the fundamentals of our holdings and consequently the potential of our portfolio to deliver dividend growth in this financial year and beyond.

Activity

Purchases

In an inflationary environment, we are finding a wide range of cheaply valued stocks with the ability to pass on rising input costs and benefit from rising prices. Improving external conditions and self-help actions are driving operational gearing, as revenues grow faster than costs. This makes us confident that our portfolio is well placed to help insulate our shareholders against inflation. We are using the flexibility to be able to invest across the UK market, positioning the portfolio in stocks that offer an attractive dividend outlook.

Our transactions during the 12 month period reflect our focus on portfolio income, driving a rapid return towards full dividend coverage, while simultaneously seeking to maximise our capital growth prospects by increasing exposure to cheaply valued stocks with improving operating momentum.

Our largest purchases can be grouped into the following categories:

1. We bought larger cap stocks whose earnings are benefiting from the rebounding global economy and disciplined capital management, allowing generous dividends to be paid – these include Resource stocks **BP, Royal Dutch Shell** and **Anglo American** and Financials **Barclays** and **Standard Chartered.**
2. We bought domestic cyclical stocks that are set to benefit from the improving UK economy as confidence levels recover – these include housebuilders **Persimmon** and **Bellway.**
3. We bought faster-growing small and mid-cap stocks that have attractive market positions in growing markets, offering the prospect of prolonged dividend growth – these include online gaming business **888**, private markets business **Petershill** and fuel distributor **Vivo Energy.**

Sales

Our largest sales can be grouped into the following categories:

1. We received the proceeds of four bid situations – **John Laing, Equiniti, Hastings** and **AFH Financial**. We believe that the high incidence of bid situations underlines the intrinsic value within the portfolio.

2. We took some profits in CMC Markets following a significant rally in the share price. The stock has since had a profit warning due to a period of slower activity.

Portfolio Manager's Review Continued

3. We reduced some lower-yielding stocks – these include housebuilder **MJ Gleeson** and transport operator **National Express.**

4. We trimmed some defensive mega-cap stocks whose earnings and dividend growth outlook appears more muted than other opportunities available in the market – these include **GlaxoSmithKline** and **National Grid.**

Outlook

A year ago, I set out how we had positioned the portfolio in stocks whose valuations did not price in the robust fundamentals that we anticipated. I laid out the macro catalysts that would enable these stocks to perform, alongside our confidence in their earnings delivery. The strong performance we subsequently achieved has been possible because we stayed alert to mispriced opportunities across a wide range of stocks that other investors appeared to be ignoring in the haze of macro uncertainty.

The past 12 months have strengthened my conviction in our ability to achieve our income and capital objectives while staying true to our Focus on Change investment process. A surge in portfolio income in the second half of the 12 month period has driven a sharp recovery in the revenue account, allowing shareholders to feel confident in our ability to return to above 1x dividend cover sooner rather than later. At the same time, the portfolio has enjoyed strong capital growth, well in excess of our peer group and Reference Index. The income and capital objectives go hand in hand in this market environment, given the number of higher-yielding stocks experiencing positive change in their underlying corporate fundamentals.

Looking ahead, reasons for confidence in the outlook can be summarised as follows:

1. **The abundance of stocks with a combination of positive operating revisions and low valuation**: We expect company results to act as a key catalyst for the market to recognise the robust fundamentals and low valuations of our holdings. Our Matrix quant model helps us to identify stocks with positive operating revisions, indicating companies that are generating results that are outstripping market expectations, which should support their ability to deliver a growing stream of dividends. Many of these stocks are also trading at low valuation multiples, indicating that we are not over-paying. Three sectors stand out as particularly well positioned in the current environment - **Consumer Discretionary** (notably housebuilders which look set to deliver record unit volumes and selling prices, driving positive operational gearing even in a rising interest rate environment), **Financials** (notably lenders which are seeing a pick-up in loan growth, rising interest margins and improving credit quality) and **Resources** (cash-generative businesses that should act as excellent inflation hedges, benefiting from rising demand and capex discipline, potentially helping to deliver a new super-cycle). These three sectors represent just over three quarters of the portfolio, underlining our conviction in their prospects.

2. **The prospect of further incoming M&A, if valuations remain this low:** Many of our holdings offer free cash flow yields in excess of 10%, underlining the potential for their valuations to expand once investors become more convinced in the outlook. In last year's report, I suggested that we should expect corporate bidders to step in if institutional shareholders did not take advantage of these valuation opportunities. The portfolio saw its fair share of corporate activity this financial year, with proceeds coming in from four bid situations. Since our year-end, two more holdings, **Playtech** and **Vivo Energy**, have announced incoming bids, at a premium to their closing share prices of 58% and 25% respectively. Given how cheap valuations are, we would not be surprised if others follow suit.

3. **The potential for an inflection in macro conditions, such as a spike in inflation, to drive a market rotation in favour of our portfolio**: Our primary focus remains at the stock level, but we are also conscious of the macro environment in which we are picking stocks. The market's immediate focus is on the pace of transmission of new strains of the virus. However, under the surface, we are observing a stealthy change in the macro backdrop, namely an increase in inflation expectations, which we see as potentially beneficial for our portfolio. Between mid-2018 and mid-2020, US 10 year Treasury yields slumped from over 3% to 0.5%, driven in large part by the central bank policy of quantitative easing. This was *the* dominant driver of markets, including equities, during this period. The bull market in government bonds drove a bull market in quality growth stocks, resulting in many of these stocks reaching eye-watering valuations. Many cash-generative dividend-paying stocks got left behind, creating the valuation opportunities that we now see. As it becomes clearer that inflation is taking hold and monetary policy is set to tighten, investors are reappraising which assets they should hold. Investors looking for hedges against inflation are beginning to see the logic of owning stocks with the ability to pass on rising input costs and benefit from rising prices, meaning that their cash generation, and therefore dividends, can actually thrive during these inflationary periods. We believe that our portfolio is well positioned for this emergent landscape. In November 2020 bond yields spiked following the vaccine announcement, leading to a surge the performance of cyclical and financial stocks. This gave investors a taste of how sharply the market can rotate when the market backdrop changes. The arrival of the new variants such as Delta and Omicron have caused a hiatus in this trend, but the inflationary conditions that catalysed the original rotation are, if anything, even stronger now.

In last year's Annual Report, I wrote about my determination to deliver a significant improvement in performance and I explained the grounds for my confidence that this would happen. It is gratifying to be able to report a very strong year, both in terms of capital and income. I am grateful to the Board for their encouragement and guidance, helping me to remain focused on my objectives through a turbulent period. By remaining committed to the investment process, scouring the UK market for attractively valued stocks with positive change, I am confident that the portfolio can continue to deliver for shareholders in the financial year ahead and beyond.

Thomas Moore
Portfolio Manager
abrdn
9 December 2021

Portfolio

The portfolio is invested on an index-agnostic basis. The process is based on bottom-up stock picking approach where sector allocations are a function of the sum of the stock selection decisions, constrained only by appropriate risk control parameters.

Ten Largest Investments

As at 30 September 2021

Close Brothers
Close Brothers is a specialist financial service group which provides loans, trades securities and provides advice and investment management solutions.

Rio Tinto
Rio Tinto is a leading global mining group that focuses on finding, mining and processing mineral resources, particularly iron ore and aluminium.

BHP
BHP Group is a diversified resources group with a global portfolio of high quality assets particularly iron ore and copper.

Royal Dutch Shell
Royal Dutch Shell explores, produces and refines petroleum. The Company produces fuels, chemicals, and lubricants, as well as operating gasoline filling stations.

BP
BP is an oil and petrochemicals company. The Company explores for and produces oil and natural gas, refines, markets, and supplies petroleum products, generates solar energy, and manufactures and markets chemicals.

Vistry
Vistry Group provides home construction services. The Company builds and sells single-family houses, apartments, retirement facilities and social housing units.

Glencore
Glencore is a diversified natural resources company. The Company operates in three groups; metals and minerals, energy products and agricultural products.

SSE
SSE engages in the generation, transmission, distribution and supply of electricity and the production, storage, distribution and supply of gas.

Premier Miton
Premier Miton operates as an asset management company. The Company offers a broad range of investment solutions covering multi-asset funds, global equity, investment trusts and fixed interest strategies.

Diversified Gas & Oil
Diversified Gas & Oil is engaged in conventional natural gas and crude oil production in the Appalachian Basin of the United States.

Investment Portfolio

As at 30 September 2021

Stock	Key Sector	Valuation as at 30 September 2021 £'000	Weight %	Valuation as at 30 September 2020 £'000
Close Brothers	Banks	7,405	3.6	4,893
Rio Tinto	Industrial Metals and Mining	7,357	3.5	5,067
BHP	Industrial Metals and Mining	7,101	3.4	5,813
Royal Dutch Shell	Oil Gas and Coal	7,038	3.4	2,561
BP	Oil Gas and Coal	6,834	3.3	2,689
Vistry	Household Goods and Home Construction	6,646	3.2	3,090
Glencore	Industrial Metals and Mining	6,041	2.9	2,564
SSE	Electricity	6,026	2.9	4,212
Premier Miton	Investment Banking and Brokerage Services	5,556	2.7	2,672
Diversified Energy	Oil Gas and Coal	5,311	2.6	4,429
Top ten investments		**65,315**	**31.5**	
Entain	Travel and Leisure	5,101	2.4	–
CMC Markets	Investment Banking and Brokerage Services	5,036	2.4	6,978
Tyman	Construction and Materials	4,971	2.4	2,518
Playtech	Travel and Leisure	4,441	2.1	2,560
British American Tobacco	Tobacco	4,403	2.1	5,955
OSB Group	Finance and Credit Services	4,312	2.1	–
Randall & Quilter	Non-life Insurance	4,300	2.1	3,735
DFS Furniture	Retailers	4,080	2.0	2,599
River & Mercantile	Investment Banking and Brokerage Services	3,953	1.9	2,652
Chesnara	Life Insurance	3,873	1.9	4,010
Top twenty investments		**109,785**	**52.9**	
Legal & General	Life Insurance	3,778	1.8	1,603
BAE Systems	Aerospace and Defence	3,554	1.7	4,144
888 Holdings	Travel and Leisure	3,497	1.7	–
Vivo Energy	Retailers	3,390	1.6	–
Imperial Brands	Tobacco	3,285	1.6	4,006
Barclays	Banks	3,266	1.6	–
DWF Group	Industrial Support Services	3,111	1.5	1,339
Real Estate Investors	Real Estate Investment Trusts	2,993	1.5	1,573
Zegona Communications	Telecommunications Service Providers	2,908	1.4	2,094
Petershill Partners	Investment Banking and Brokerage Services	2,798	1.3	–
Top thirty investments		**142,365**	**68.6**	

Investment Portfolio Continued

As at 30 September 2021

Stock	Key Sector	Valuation as at 30 September 2021 £'000	Weight %	Valuation as at 30 September 2020 £'000
Ashmore	Investment Banking and Brokerage Services	2,751	1.3	2,446
Speedy Hire	Industrial Transportation	2,726	1.3	2,161
Direct Line Insurance	Non-life Insurance	2,680	1.3	2,175
Anglo American	Industrial Metals and Mining	2,651	1.3	674
Thungela Resources	Oil Gas and Coal	2,582	1.3	–
Litigation Capital	Investment Banking and Brokerage Services	2,436	1.2	1,430
Quilter	Investment Banking and Brokerage Services	2,323	1.1	1,309
International Personal Finance	Finance and Credit Services	2,307	1.1	712
Phoenix	Life Insurance	2,171	1.1	3,013
Smith (DS)	General Industrials	2,129	1.0	–
Top forty investments		**167,121**	**80.6**	
Conduit Holdings	Non-life Insurance	2,086	1.0	–
Vodafone	Telecommunications Service Providers	1,953	0.9	1,280
Persimmon	Household Goods and Home Construction	1,943	0.9	936
GlaxoSmithKline	Pharmaceuticals and Biotechnology	1,926	0.9	6,951
Galliford Try	Construction and Materials	1,878	0.9	802
Sabre Insurance	Non-life Insurance	1,858	0.9	1,927
Hargreaves Lansdown	Investment Banking and Brokerage Services	1,840	0.9	–
Contour Global	Electricity	1,840	0.9	1,472
Bellway	Household Goods and Home Construction	1,832	0.9	–
MJ Gleeson	Household Goods and Home Construction	1,793	0.9	3,412
Top fifty investments		**186,070**	**89.7**	
National Grid	Gas Water and Multi-utilities	1,574	0.8	4,497
Mondi	General Industrials	1,572	0.8	1,409
Polar Capital	Investment Banking and Brokerage Services	1,544	0.7	1,366
Go-Ahead	Travel and Leisure	1,499	0.7	–
CLS Holdings	Real Estate Investment and Services	1,410	0.7	–
Hays	Industrial Support Services	1,402	0.7	–
Intermediate Capital Group	Investment Banking and Brokerage Services	1,369	0.7	–
Industrials REIT	Real Estate Investment Trusts	1,351	0.6	–
Coca-Cola HBC	Beverages	1,325	0.6	1,831
Diageo	Beverages	1,297	0.6	–
Top sixty investments		**200,413**	**96.6**	

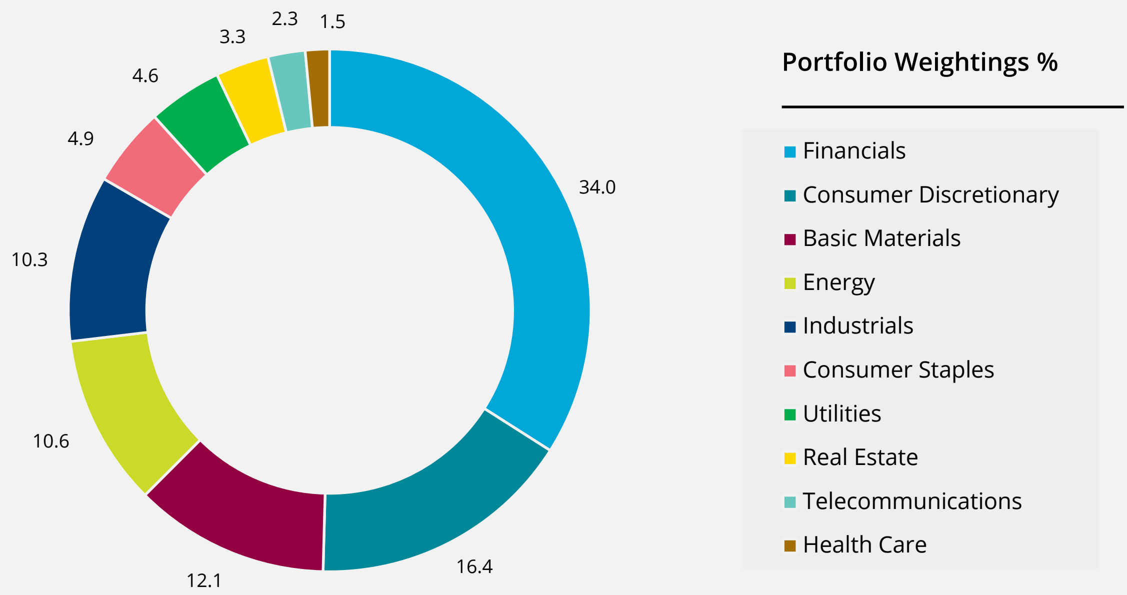
As at 30 September 2021

Stock	Key Sector	Valuation as at 30 September 2021 £'000	Weight %	Valuation as at 30 September 2020 £'000
AstraZeneca	Pharmaceuticals and Biotechnology	1,189	0.6	1,100
Bridgepoint	Investment Banking and Brokerage Services	1,176	0.6	–
LondonMetric	Real Estate Investment Trusts	1,129	0.5	1,411
Centamin	Precious Metals and Mining	1,021	0.5	1,520
Bodycote	Industrial Metals and Mining	970	0.5	–
Standard Chartered	Banks	919	0.4	–
TP ICAP	Investment Banking and Brokerage Services	601	0.3	937
Total Portfolio		**207,418**	**100.0**	

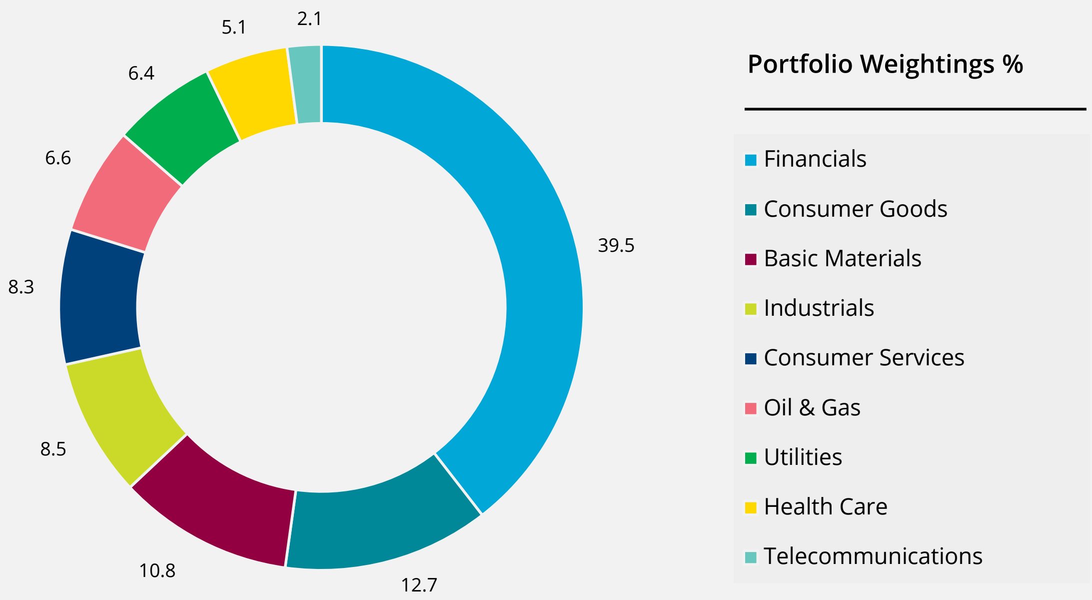
All investments are equity investments.

Sector Distribution

As at 30 September 2021



As at 30 September 2020



Investment Case Study

Centamin PLC

Centamin PLC is a mining company with a focus on the extraction of gold. The company's main mine is a largescale modern gold mine in Egypt. Our engagement with the company formed part of a larger piece of thematic engagement with mining companies on approaches to human rights and community engagement.

We noted that the company's CEO, Martin Horgan, has been in place for just over a year and questioned him on what steps had been taken since his arrival to ensure that sustainable standards are met. One of the CEO's first actions was to carry out a review of the company's approach to ESG to identify gaps and put appropriate measures in place. The company is formalising its approach to ESG by focusing on governance, management systems and standards. It is also developing goals, indicators and targets that capitalise on opportunities as well as mitigate risks.

As part of this framework, we questioned the company on what external standards it would apply. We believe that the application of certain standards can add rigour to company practices and provide a level of assurance for investors. The company advised that it would apply the Responsible Gold Mining Principles and UN Guiding Principles on human rights to build frameworks into their management systems. It also advised that the International Finance Corporation (IFC) Performance Standards offered the most robust standards for its operational standards and would take guidance from these. We support these steps. We also asked the company to consider membership of the International Council on Mining and Metals (ICMM). We advised that the ICMM offers some reassurance to investors, given the rigorous assessment required in order to join.

The company advised that it would consider membership, but we appreciate that a mining company of this size does not make up the typical membership of the group. We asked the company how these oversight mechanisms are being applied in relation to operations, specifically in relation to human rights, the impact on local communities and its supply chain.

The company has established a human rights policy that is aligned with the UN guiding principles on human rights. It has three key areas of focus. Within its supply chain, it has developed a new contract template for suppliers and a detailed code of conduct.

The company recognised that as a result of cultural differences, employees may be a reluctant to raise grievances. Support and training are being given to employees to encourage the use of grievance mechanisms when necessary. The company advised that its existing operations have a limited impact on local communities because of its location. However, it has created a detailed community engagement strategy that it believes will be vital if it expands into more densely populated areas. The company's view was that community engagement should be carried out from the start and throughout a project's lifecycle.

This was a very positive meeting with the company. Although it does not have the equivalent footprint or level of resource of larger mining companies, it is ensuring that ESG standards remain a strategic part of its business and are applied throughout its operations. We will continue to monitor the company. It will be crucial to keep its ESG standards if the business expands its operations.

Overview
Strategic Report
Portfolio
Governance
Financial Statements
Corporate Information
General

Governance

The Board of Directors of the Company is a highly experienced group of individuals with deep insights into investment trusts and the financial services industry. The Board works closely with the Investment Manager to deliver shareholder value.

The Board is responsible for stewardship, including overall strategy, investment policy, borrowings, dividends, corporate governance procedures and risk management.

Board of Directors

Mark White

Status:
Independent
Non-Executive Chair

Experience:
Appointed to the Board on 1 November 2013, Mark White is a director of LGT Capital Partners UK Holding Limited. He is also a non-executive director of Aviva Investors Holdings Limited. He was previously Joint Head of JP Morgan Asset Management in Europe and Chief Executive of Jardine Fleming Investment Management in Hong Kong.

Length of service:
8 years, 1 month. Appointed a Director on 1 November 2013 and as Chair on 5 February 2021 when he ceased to be Chair of the Remuneration & Management Engagement Nomination Committees which he had chaired from 1 February 2015 and 15 December 2016 respectively.

Committee membership:
Audit Committee, Remuneration & Management Engagement Committee.

Contribution:
The Board has reviewed the contribution of Mark White in light of his proposed re-election at the AGM and has concluded that since his appointment as Chair he has chaired the Company expertly and continues to provide significant investment insight to the Board and knowledge of the investment management and investment trust sectors.

Caroline Hitch

Status:
Independent
Non-Executive Director and Chair of the Remuneration & Management Engagement Committee

Experience:
Appointed to the Board on 1 January 2017, Caroline Hitch is also a non-executive director of Schroder Asian Total Return Investment Company plc and Chair of CQS New City High Yield Fund Ltd. Her career in financial services was mainly with the HSBC group and most recently she was Head of Wealth Portfolio Management at HSBC's asset management arm with investment responsibility for its flagship retail multi asset funds. She has worked in London, Jersey, Monaco and Hong Kong.

Length of service:
4 years, 11 months. Appointed a Director on 1 January 2017 and Chair of the Remuneration & Management Engagement Committee on 5 February 2021.

Committee membership:
Audit Committee, Remuneration & Management Engagement Committee (Chair).

Contribution:
The Board has reviewed the contribution of Caroline Hitch in light of her proposed re-election at the AGM and has concluded that since her appointment as Chair she has chaired the Remuneration & Management Engagement Committee expertly and continues to provide significant investment insight to the Board and knowledge of the investment management sector.

Sarika Patel

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

Experience:
Appointed to the Board on 1 November 2019, Sarika Patel is a business leader with nearly 30 years' experience. She is a Chartered Accountant and a Chartered Marketer. Sarika Patel is a non-executive director of Sequoia Economic Infrastructure Fund Limited. She is also a non-executive director and chair of the audit committee of Foresight Sustainable Forestry Company which was admitted to the Premium Segment of the Main Market of the London Stock Exchange in November.

Previously a partner at Zeus Caps, Sarika has been on a host of public and private sector boards. She is currently Chair of Action for Children, one of the UK's leading charities for children, and a Board Member of the Office for Nuclear Regulation where she chairs the Audit, Risk and Assurance Committee.

Length of service:
2 years, 1 month. Appointed a Director on 1 November 2019 and as Chair of the Audit Committee on 23 January 2020.

Committee membership:
Audit Committee (Chair) and Remuneration & Management Engagement Committee

Contribution:
The Board has reviewed the contribution of Sarika Patel in light of her proposed re-election at the AGM and has concluded that she has chaired the Audit Committee expertly and continues to provide significant financial and risk management insight to Board discussions.

Jeremy Tigue

Status:
Senior Independent Non-Executive Director

Experience:
Appointed to the Board on 1 October 2014 and as the Senior Independent Director with effect from 15 December 2016. Jeremy Tigue is a non-executive director of The Mercantile Investment Trust plc and The Monks Investment Trust PLC. He was the Fund Manager of Foreign & Colonial Investment Trust PLC from 1997 to June 2014 and a Director of the Association of Investment Companies ("AIC") from 2003 to 2013.

Length of service:
7 years, 2 months. Appointed a Director on 1 October 2014 and as Senior Independent Director on 15 December 2016

Committee membership:
Audit Committee and Remuneration & Management Engagement Committee

Contribution:
The Board has reviewed the contribution of Jeremy Tigue in light of his proposed re-election at the AGM and has concluded that his contribution to the Board, from an investment, industry and corporate governance perspective, has been invaluable.

Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 30 September 2021.

Results and Dividends

The financial statements for the year ended 30 September 2021 are contained on pages 62 to 82. Interim dividends of 5.2 pence per share were paid in March, June and September 2021. The Board has declared that a fourth interim dividend for the year to 30 September 2021 of 5.6 pence per share is payable on 21 January 2022 to shareholders on the register on 24 December 2021. The ex-dividend date is 23 December 2021.

Principal Activity and Status

The Company is registered as a public limited company in England and Wales under company number 2648152. The Company is an investment company within the meaning of Section 833 of the Companies Act 2006, carries on business as an investment trust and is a member of the Association of Investment Companies.

The Company has applied for and has been accepted as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 October 2012. The Directors are of the opinion that the Company has conducted its affairs so as to be able to retain such approval.

The Company intends to manage its affairs so that its Ordinary shares continue to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account.

Capital Structure and Voting Rights

The Company's issued share capital at 30 September 2021 consisted of 48,033,474 Ordinary shares of 25 pence each (2020: 48,327,960) and there were 1,145,293 Ordinary shares held in treasury (2020: 850,807), representing 2.4% of the issued share capital as at that date.

During the year, 294,486 Ordinary shares were bought back into treasury. The Company did not issue any new shares, or shares from treasury, during the year.

There have been no changes to the Company's capital structure or voting rights since the year end.

Each Ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every Ordinary share held.

Management Agreement

The Company has appointed Aberdeen Standard Fund Managers Limited ("ASFML"), a wholly-owned subsidiary of abrdn plc, as its alternative investment fund manager (the "Manager"). ASFML has been appointed to provide investment management, risk management, administration and company secretarial services, and promotional activities to the Company. The Company's portfolio is managed by Standard Life Investments Limited (the "Investment Manager") by way of a group delegation agreement in place between ASFML and the Investment Manager.
In addition, ASFML has sub-delegated administrative and secretarial services to Aberdeen Asset Management PLC since 6 September 2019.

With effect from 1 October 2019, the management fee is calculated as 0.65% per annum of net assets up to £175million and at a rate of 0.55% of net assets above this threshold. The Manager also receives a separate fee for the provision of promotional activities to the Company.

Further details of the fees payable to the Manager are shown in notes 3 and 4 to the financial statements.

The management agreement is terminable on not less than six months' notice. 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.

External Agencies

The Board has contractually delegated to external agencies, including the Manager and other service providers, certain services including: the management of the investment portfolio, the day-to-day accounting and company secretarial requirements, the depositary services (which include the custody and safeguarding of the Company's assets) and the share registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered in so far as they relate to the affairs of the Company. In addition, ad hoc reports and information are supplied to the Board as requested.

Substantial Interests

Information provided to the Company by major shareholders pursuant to the FCA's Disclosure, Guidance and Transparency Rules are published by the Company via a Regulatory Information Service.

The table below sets out the interests in 3% or more of the issued share capital of the Company, of which the Board was aware as at 30 September 2021.

Shareholder	Number of Ordinary shares	% held
Interactive Investor	8,248,257	17.2
Hargreaves Lansdown	7,483,873	15.6
Charles Stanley	5,048,362	10.5
Rathbones	1,946,348	4.1
Brewin Dolphin	1,757,918	3.7
HSDL	1,755,894	3.7
AJ Bell	1,725,906	3.4

The Company has not been notified of any changes to these holdings as at the date of this Report.

Directors

Biographies of the Directors of the Company are shown on pages 44 and 45. Mark White succeeded Richard Burn as Chair on 5 February 2021.

Jeremy Tigue is the Senior Independent Director, Sarika Patel is Chair of the Audit Committee and Caroline Hitch is Chair of the Remuneration & Management Engagement Committee having been appointed to the role on 5 February 2021.

Following the retirement of Richard Burns on 5 February 2021 the number of Directors reduced to four. With no immediate plans to recruit an additional director the Board determined that there was no need to have a standalone Nomination Committee. The Nomination Committee was therefore wound up and the Board fulfils the role of the Nomination Committee.

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

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

The Directors attended scheduled Board and Committee meetings during the year ended 30 September 2021 as follows (with their eligibility to attend the relevant meetings in brackets):

	Board Meetings	Audit Committee Meetings	Remuneration & Management Engagement Committee Meetings
Mark White	4 (4)	2 (2)	1 (1)
Caroline Hitch	4 (4)	2 (2)	1 (1)
Sarika Patel	4 (4)	2 (2)	1 (1)
Jeremy Tigue	4 (4)	2 (2)	1 (1)
Richard Burns [A]	2 (2)	1 (1)	-

[A] retired from the Board on 5 February 2021.

The Board meets more frequently when business needs require, and met additionally once during the financial year.

Caroline Hitch, Sarika Patel, Jeremy Tigue and Mark White will retire and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Directors' Report Continued

The Board believes that all the Directors seeking re-election remain 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. The biographies of each of the Directors are shown on pages 44 and 45, setting out their range of skills and experience as well as length of service and their contribution to the Board during the year. The Board believes that, collectively, it has the requisite high level and range of business, investment and financial experience to enable it to provide clear and effective leadership and proper governance of the Company. Following formal performance evaluations, each Director's performance continues to be effective and demonstrates commitment to the role, and their individual performances contribute to the long-term sustainable success of the Company. The Board therefore recommends the re-election of each of the Directors at the Annual General Meeting.

Board's Policy on Tenure

In normal circumstances, it is the Board's expectation that Directors will not serve beyond the Annual General Meeting following the ninth anniversary of their appointment. However, the Board takes the view that independence of individual Directors is not necessarily compromised by length of tenure on the Board and that continuity and experience can add significantly to the Board's strength. 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, but also taking into account the need for regular refreshment and diversity.

In future, it is the Board's policy that the Chair of the Board will not normally serve as a Director beyond the Annual General Meeting following the ninth anniversary of his or her appointment to the Board. However, this may be extended in certain circumstances or to facilitate effective succession planning and the development of a diverse Board. In such a situation the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chair clearly set out.

Directors' and Officers' Liability Insurance

The Company's Articles of Association provide for each of the Directors to be indemnified out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted. Directors' and Officers' liability insurance cover has been maintained throughout the year at the expense 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 his or her wider 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 Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Manager also adopts a group-wide zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Manager's anti-bribery and corruption policies are available on its website.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Financial Instruments

The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 14 to the financial statements.

Corporate Governance

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

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

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.
The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- requirement to establish a nomination committee and describe the work of the nomination committee (provisions 17 and 23);
- the chair shall not be a member of the audit committee (provision 24);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions, with the exception of the requirement to establish a nomination committee and describe the work of the nomination committee, are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions, except in respect of the winding up of the Nomination Committee and how the Board now carries out the work of the Nomination Committee as set out on page 47.

The full text of the Company's Corporate Governance Statement can be found on its website.

Board Committees

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

Audit Committee

The Audit Committee's Report is contained on pages 56 to 59.

Remuneration & Management Engagement Committee

The Remuneration & Management Engagement Committee comprises the full Board and is chaired by Caroline Hitch. The main responsibilities of the Committee include:

- monitoring and evaluating the performance of the Manager;
- reviewing at least annually the continued retention of the Manager;
- reviewing, at least annually, the terms of appointment of the Manager including, but not limited to, the level and method of remuneration and the notice period of the Manager;
- reviewing the performance and remuneration of the other key service providers to the Company; and
- determining the Directors' remuneration policy and level of remuneration.

Directors' Report Continued

The Committee met once during the year to 30 September 2021 and undertook a review of the management of the Company and its performance. Following the conclusion of the review, the Committee, recommended to the Board that the continuing appointment of the Manager was in the best interests of the shareholders and the Company as a whole.

Going Concern

The Company's assets consist mainly of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants, when applicable. The Board has also performed stress testing and liquidity analysis.

The Company's Articles require that, at every fifth Annual General Meeting, the Directors shall propose an Ordinary Resolution to effect that the Company continues as an investment trust. An Ordinary Resolution approving the continuation of the Company for the next five years was passed at the AGM on 15 December 2016. The next continuation vote will take place at the AGM to be held on 4 February 2022, further details are set out in the Chair's Statement on page 8.

As at 30 September 2021, the Company had a £30 million (2020: £20 million) revolving credit facility with The Royal Bank of Scotland International Limited, London Branch. £25 million was drawn at the end of the financial year. The £20 million revolving credit facility with Banco Santander, S.A., London Branch was cancelled on 28 June 2021 and repaid.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 12 to 14 and they believe that the Company has adequate financial resources to continue its operational existence for a period of not less than 12 months from the date of approval of this Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise, including in current market conditions caused by the Covid-19 pandemic. They have also reviewed the revenue and ongoing expenses forecasts for the coming year. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the financial statements appear on page 67.

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he/ she ought to have taken as a Director to make himself/ herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

Shareholders approved the re-appointment of KPMG LLP as the Company's Independent Auditor at the AGM on 5 February 2021. Resolutions to approve the re-appointment of KPMG LLP for the year to 30 September 2022 and to authorise the Directors to determine the remuneration of the Auditor will be proposed at the AGM on 4 February 2022.

Relations with Shareholders

The Directors place a great deal of importance on communications with shareholders. Shareholders and investors may obtain up to date information on the Company through its website and the Manager's Customer Services Department (see contact details on page 89).

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, and representatives from the Manager meet with major shareholders on at least an annual basis in order to gauge their views, and report back to the Board on these meetings. 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 Chair responds personally as appropriate.

The Company's Annual General Meeting normally provides a forum for communication primarily with private shareholders and is attended by the Board. The Manager normally makes a presentation to the meeting and all shareholders have the opportunity to put questions to both the Board and the Manager at the meeting. Due to the Covid-19 pandemic the 2021 AGM was held on a functional only basis, satisfying the minimum legal requirements. However, at the date of this report it is intended to hold the 2022 meeting in person.

Prior to the Covid-19 pandemic, the Manager hosted an annual Meet the Manager session at which members of the Board were present and to which all shareholders were invited. Due to Covid-19, it was not possible to host these sessions during the year under review, or the previous financial year. However, Thomas Moore has continued to provide updates to shareholders by video conference. The Board intends to host an online shareholder event early in 2022, ahead of the Annual General Meeting on 4 February 2022 and further details are set out in the Chair's Statement on page 8.

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.

Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by Part 15 of the Companies Act 2006.

There are no restrictions on the transfer of Ordinary shares in the Company issued by the Company other than certain restrictions which may from time to time be imposed by law (for example, the Market Abuse Regulation). The Company is not aware of any agreements between shareholders that may result in a transfer of securities and/or voting rights.

The rules governing the appointment of Directors are set out in the Directors' Remuneration Report on page 53. The Company's Articles of Association may only be amended by a special resolution passed at a general meeting of shareholders.

The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover. Other than the management agreement with the Manager, further details of which are set out on page 46, the Company is not aware of any contractual or other agreements which are essential to its business which could reasonably be expected to be disclosed in the Directors' Report.

Annual General Meeting

The Notice of the Annual General Meeting, which will be held on Friday, 4 February 2022, and related notes, may be found on pages 95 to 98.

Resolutions including the following business will be proposed.

Dividend Policy

As a result of the timing of the payment of the Company's quarterly dividends, the Company's shareholders are unable to approve a final dividend each year. In line with good corporate governance, the Board therefore proposes to put the Company's dividend policy to shareholders for approval at the Annual General Meeting and on an annual basis thereafter.

The Company's dividend policy is that interim dividends on the Ordinary shares are payable quarterly in March, June, September and December each year. Resolution 3 will seek shareholder approval for the dividend policy.

Continuation Vote

Resolution 10, which is an ordinary resolution, will, if approved, allow the Company to continue as an investment trust.

Issue of Ordinary Shares

Resolution 11, which is an ordinary resolution, will, if passed, renew the Directors' authority to allot new Ordinary shares up to 10% of the issued share capital of the Company (excluding treasury shares) as at the date of the passing of the resolution.

Resolution 12, which is a special resolution, will, if passed, renew the Directors' existing authority to allot new Ordinary shares or sell treasury shares for cash without the new Ordinary shares first being offered to existing shareholders in proportion to their existing holdings. This will give the Directors authority to make limited allotments or sell shares from treasury of up to 10% of the total ordinary issued share capital, excluding treasury shares, as at the date of the passing of the resolution.

The authority to issue shares on a non pre-emptive basis includes shares held in treasury (if any) which the Company sells or transfers, including pursuant to the authority conferred by resolution 11.

New Ordinary shares will only be issued at prices representing a premium to the last published net asset value per share.

The authorities being sought under resolutions 11 and 12 shall expire at the conclusion of the Company's next AGM in 2023 or, if earlier, on the expiry of 15 months from the date of the passing of the resolutions, unless such authorities are renewed prior to such time. The Directors have no current intention to exercise these authorities and will only do so if they believe it is advantageous and in the best interests of shareholders.

Directors' Report Continued

Purchase of the Company's Ordinary Shares

Resolution 13, which is a special resolution, seeks to renew the Board's authority to make market purchases of the Company's Ordinary shares in accordance with the provisions contained in the Companies Act 2006 and the FCA's Listing Rules. Accordingly, the Company will seek authority to purchase up to a maximum of 14.99% of the issued share capital (excluding treasury shares) at the date of passing of the resolution at a minimum price of 25 pence per share (being the nominal value). Under the Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of: (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares over the five business days immediately preceding the date of purchase; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue on which the purchase is carried out.

The Board does not intend to use this authority to purchase the Company's Ordinary shares, unless to do so would result in an increase in the net asset value per Ordinary share and would be in the best interests of shareholders. Any Ordinary shares purchased shall either be cancelled or held in treasury. The authority being sought shall expire at the conclusion of the AGM in 2023 or, if earlier, on the expiry of 15 months from the date of the passing of the resolution unless such authority is renewed prior to such time.

Notice of General Meetings

Under the Companies Act 2006, the notice period for the holding of general meetings of the Company is 21 clear days unless shareholders agree to a shorter notice period and certain other conditions are met. Resolution 14, which is a special resolution, will seek to authorise the Directors to call general meetings of the Company (other than Annual General Meetings) on not less than 14 clear days' notice, as permitted by the Companies Act 2006 amended by the Companies (Shareholders' Rights) Regulations 2009.

It is currently intended that this flexibility to call general meetings on shorter notice will only be used for non-routine business and where it is considered to be in the interests of all shareholders. If resolution 14 is passed, the authority to convene general meetings on not less than 14 clear days' notice will remain effective until the conclusion of the AGM in 2023 or, if earlier, on the expiry of 15 months from the date of the passing of the resolution, unless renewed prior to such time.

Recommendation

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, the Board recommends that shareholders vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings, amounting to 105,465 Ordinary shares, representing 0.22%% of the issued share capital.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
1 George Street
Edinburgh EH2 2LL
9 December 2021

Directors' Remuneration Report

This Directors' Remuneration Report comprises three parts:

1. a Remuneration Policy which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently voted on at the Annual General Meeting on 23 January 2020, with approval to be renewed at the Annual General Meeting in 2023;
2. an Implementation Report which is subject to an advisory vote on the level of remuneration paid during the year; and
3. an Annual Statement.

Company 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 report is included on pages 63 to 67.

The Director's Remuneration Policy and level of Directors' remuneration are determined by the Remuneration & Management Engagement Committee, which is chaired by Caroline Hitch and comprises all of the Directors.

Remuneration Policy

The Directors' Remuneration Policy takes into consideration the principles of UK corporate governance and the AIC's recommendations regarding the application of those principles to investment companies.

No shareholder views have been sought in setting the remuneration policy and no communication was received from shareholders during the year regarding Directors' remuneration.

The Company's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole and be fair and comparable to that of other investment trusts with a similar capital structure and similar investment objectives. Directors are remunerated exclusively in the form of fees, payable quarterly in arrears to the Director personally. The fees for the Directors are determined within the limits set out in this Remuneration Policy which limits the aggregate of the fees payable to the Directors to £150,000 per annum. It is intended that the fees payable to the Directors should reflect their duties, responsibilities, and the value and amount of time committed to the Company's affairs, and should also be sufficient to enable candidates of a high quality to be recruited and retained. There is no performance-related remuneration scheme and therefore the Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits, and the fees are not specifically related to the Directors' performance, either individually or collectively.

The levels of fees at the year end are set out in the table below. Fees are reviewed annually and, if considered appropriate, adjusted accordingly.

	30 September 2021 £	30 September 2020 £
Chair	29,500	29,500
Chair of Audit Committee	25,000	25,000
Chair of the Remuneration & Management Engagement Committee	22,000	22,000
Director	20,500	20,500

Appendix

- 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.
- The terms of appointment provide that Directors should retire and be subject to election at the first Annual General Meeting after their appointment. The Company's Articles of Association require all Directors to retire by rotation at least every three years. However, notwithstanding the Articles of Association, the Board has agreed that all Directors should retire annually and seek re-election at the 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.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties as a Director of the Company.

Directors' Remuneration Report Continued

Performance, Service Contracts, Compensation and Loss of Office

- 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.
- There is no notice period and no provision for compensation upon early termination of appointment, save for any arrears of fees which may be due.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

There were no changes to the Directors' Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future. The Remuneration Policy is reviewed by the Remuneration & Management Engagement Committee on an annual basis and it is the Committee's intention that this Remuneration Policy will apply for the three year period ending 30 September 2022.

Statement of Voting on the Directors' Remuneration Policy at General Meeting

At the Annual General Meeting held on 23 January 2020, shareholders approved the Directors' Remuneration Policy. 98.1% of proxy votes were in favour of the resolution and 1.1% of proxy votes were cast against the resolution.

Unless there are material changes, a resolution to approve the Directors' Remuneration Policy will next be proposed at the Company's Annual General Meeting in 2023.

Implementation Report

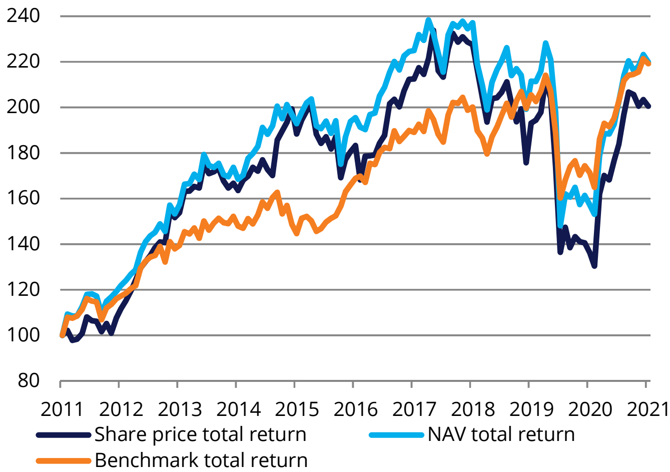
Review of Directors' Fees

The Remuneration & Management Engagement Committee carried out a review of the level of Directors' fees during the year, which included consideration of fees paid by comparable investment trusts and the sector as a whole. Director fees were last increased in May 2018.

The Remuneration & Management Engagement Committee was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

Company Performance

The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from the FTSE All-Share Index for the ten year period to 30 September 2021 (rebased to 100 at 30 September 2011). This index was chosen for comparison purposes only, as it is a widely used indicator for the equity market in which the Company invests.



Statement of Voting on the Directors' Remuneration Report at General Meeting

At the Company's last Annual General Meeting, held on 5 February 2021, shareholders approved the Directors' Remuneration Report in respect of the year ended 30 September 2020. 98.3% of proxy votes were in favour of the resolution, and 1.7% of proxy votes were cast against the resolution.

A resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 30 September 2021 will be proposed at the Annual General Meeting.

Spend on Pay

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

Audited Information

Directors' Remuneration

The Directors who served during the year received the following emoluments in the form of fees:

Director	Year ended 30 September 2021	Year ended 30 September 2020
Mark White[A]	26,562	22,000
Caroline Hitch[B]	21,478	20,500
Sarika Patel[C]	25,000	21,888
Jeremy Tigue	20,500	20,500
Richard Burns[D]	10,272	29,500
Josephine Dixon[E]	n/a	7,796
Total	**103,812**	**122,184**

[A] Appointed as Chair on 5 February 2021
[B] Appointed as Chair of the Remuneration Management & Engagement Committee on 5 February 2021
[C] Appointed as a Director on 1 November 2019 and as Chair of Audit Committee on 23 January 2020
[D] Retired on 5 February 2021
[E] Retired on 23 January 2020

The above amounts exclude any employers' national insurance contributions, if applicable. All fees are at a fixed rate and there is no variable remuneration. 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. No other forms of remuneration were received by the Directors and none of the Directors has any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 30 September 2021 (2020: nil).

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage changes in Directors' remuneration for the past year. As there were no changes to the fees paid for each role during the period, all percentage changes reflect the fees associated with different responsibilities undertaken by each director during the year.

	Year ended 30 September 2021 Fees %
Mark White[A]	20.7
Caroline Hitch[B]	4.8
Sarika Patel[c]	14.2
Jeremy Tigue	-
Richard Burns[D]	-34.8

[A] Appointed as Chair on 5 February 2021
[B] Appointed as Chair of the Remuneration & Management Engagement Committee on 5 February 2021
[C] Appointed as Chair of Audit Committee on 23 January 2020
[D] Appointed as Chair on 5 February 2021

Directors' Interests in the Company

The Directors (including their connected persons) at 30 September 2021 and 30 September 2020 had no interest in the share capital of the Company other than those interests shown in the following table.

	30 September 2021 Ordinary shares	30 September 2020 Ordinary shares
Mark White	50,000	30,000
Caroline Hitch[A]	27,900	25,000
Sarika Patel	1,679	1,679
Jeremy Tigue	25,886	25,886
Richard Burns[A,B]	n/a	393,500

[A] Includes non-beneficial holdings
[B] Retired on 5 February 2021

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.

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 2021:

- 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.

Caroline Hitch
Chair of the Remuneration & Management Engagement Committee
9 December 2021

Audit Committee Report

The Audit Committee presents its Report for the year ended 30 September 2021.

Committee Composition

Since 23 January 2020, the Committee has been chaired by Sarika Patel who is a Chartered Accountant and has recent and relevant financial experience. The Committee comprises all Non-Executive Directors. The Audit Committee and Board considers that the Chair of the Board, Mark White, was independent on appointment, and continues to be independent of the Manager. Given the size of the Board, and the continued independence of Mark White, the Board believes that it is appropriate for all the independent Directors, including the Chair, to constitute the Audit Committee. The Board is satisfied that the Committee as a whole has competence relevant to the investment trust sector.

Functions of the Audit Committee

The principal role of the Audit Committee is to assist the Board in relation to the reporting of financial information, the review of financial controls and the management of risk.

The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on at least an annual basis. Copies of the terms of reference are published on the Company's website and are available from the Company 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 and any formal announcements relating to the Company's financial performance, 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, any formal announcements relating to the Company's financial performance;
- 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. Non-audit fees paid to the Auditor during the year under review amounted to £nil (2020 £nil). All non-audit services must be approved in advance by the Audit Committee and will be reviewed in the light of relevant guidance and statutory requirements regarding the provision of non-audit services by the external audit firm, and the need to maintain the Auditor's independence;
- 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 to the Board 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, taking into consideration relevant UK professional and regulatory requirements.

Activities During the Year

The Audit Committee met twice during the year when, amongst other things, it considered the Annual Report and the Half-Yearly Financial Report in detail. Representatives of the Manager's internal audit, risk and compliance departments reported to the Committee at these meetings on matters such as internal control systems, risk management and the conduct of the business in the context of its regulatory environment. No significant weaknesses in the control environment were identified and it was also noted that there had not been any adverse comment from the independent Auditor and that the independent Auditor had not identified any significant issues in its audit report. The Committee, therefore, concluded that there were no significant issues which required to be reported to the Board.

The Committee also considered the implications for the Company as a result of the spread of the Covid-19 virus, including the resilience of the reporting and control systems in place for both the Manager and other service providers.

Internal Controls and Risk Management

The Board confirms that there is an ongoing process for identifying, evaluating and managing the Company's significant business and operational risks, that has been in place for the year ended 30 September 2021 and up to the date of approval of the Annual Report, is regularly reviewed by the Board and accords with the FRC's guidance on internal controls.

The Board has overall responsibility for ensuring that there is a system of internal controls and risk management in place and a process for reviewing its effectiveness. Day-to-day measures have been delegated to the Manager with an effective process of reporting to the Board for supervision and control. The system of internal controls and risk management is designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the system of internal control and risk management is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and, by its nature, 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 register which lists potential risks as set out in the Strategic Report on pages 12 to 14. The Board considers the potential cause and possible effect of these risks as well as reviewing the controls in place to mitigate them.

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 abrdn, including its internal audit and compliance functions, and the Auditor.

The Board has reviewed the Manager's process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed. The Board has also reviewed the effectiveness of the Manager's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurances Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organisation". Any weaknesses identified are reported to the Audit Committee and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Audit Committee.

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. These agreements are reviewed periodically by the Board;
- 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
- as a matter of course the Manager's internal audit and compliance departments continually review its operations;
- bi-annually, the Audit Committee carries out an assessment of internal controls by considering documentation from the Manager, including the internal audit and compliance functions and reports to the Board on its conclusions; and
- the Audit Committee reviews internal control reports from its third party service providers including the Depositary, BNP Paribas Securities Services, London Branch and the Registrar, Computershare.

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 abrdn 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.

Audit Committee Report Continued

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 30 September 2021, the Audit Committee considered the following significant issues, in particular those communicated by the Auditor during its planning and reporting of the year-end audit:

Valuation, Existence and Ownership of Investments

How the issue was addressed - The Company uses the services of an independent depositary (BNP Paribas Securities Services, London Branch) (the "Depositary") to hold the assets of the Company. An annual internal control report is received from the Depositary and reviewed by the Audit Committee. This provides details of the Depositary's control environment. The investment portfolio is reconciled regularly by the Manager. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared quarterly and are considered at the quarterly meetings of the Board. The Committee also considered the independent Auditor's work and conclusions in this area. The valuation of investments is undertaken in accordance with the accounting policies disclosed in notes 1(b) and 1(c) to the financial statements.

The Committee satisfied itself that there were no issues associated with the valuation, existence and ownership of the investments which required to be addressed.

Recognition of Dividend Income

How the issue was addressed - The recognition of dividend income is undertaken in accordance with accounting policy note 1(d) to the financial statements. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the specific circumstances. Management accounts are reviewed by the Board on a quarterly basis and discussions take place with the Manager regarding the allocation of any special dividends that have been received. The Committee also considered the independent Auditor's work and conclusions in this area.

The Committee concluded that there were no issues associated with the recognition of dividend income which required to be addressed.

Review of Financial Reporting

The Committee, when considering the draft Annual Report and financial statements for the year ended 30 September 2021, concluded that 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. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and financial statements would have a reasonable knowledge of the investment industry in general and of investments trusts in particular.

Review of Independent Auditor

The Audit Committee has reviewed the effectiveness of the independent Auditor, KPMG LLP ("KPMG"), 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 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 senior statutory auditor).
- Fees - including current and proposed fees for future years.

The independent Auditor's report is included on pages 63 to 67. Details of the amounts paid to KPMG during the year for audit services are set out in note 4 to the financial statements.

Tenure of the Independent Auditor

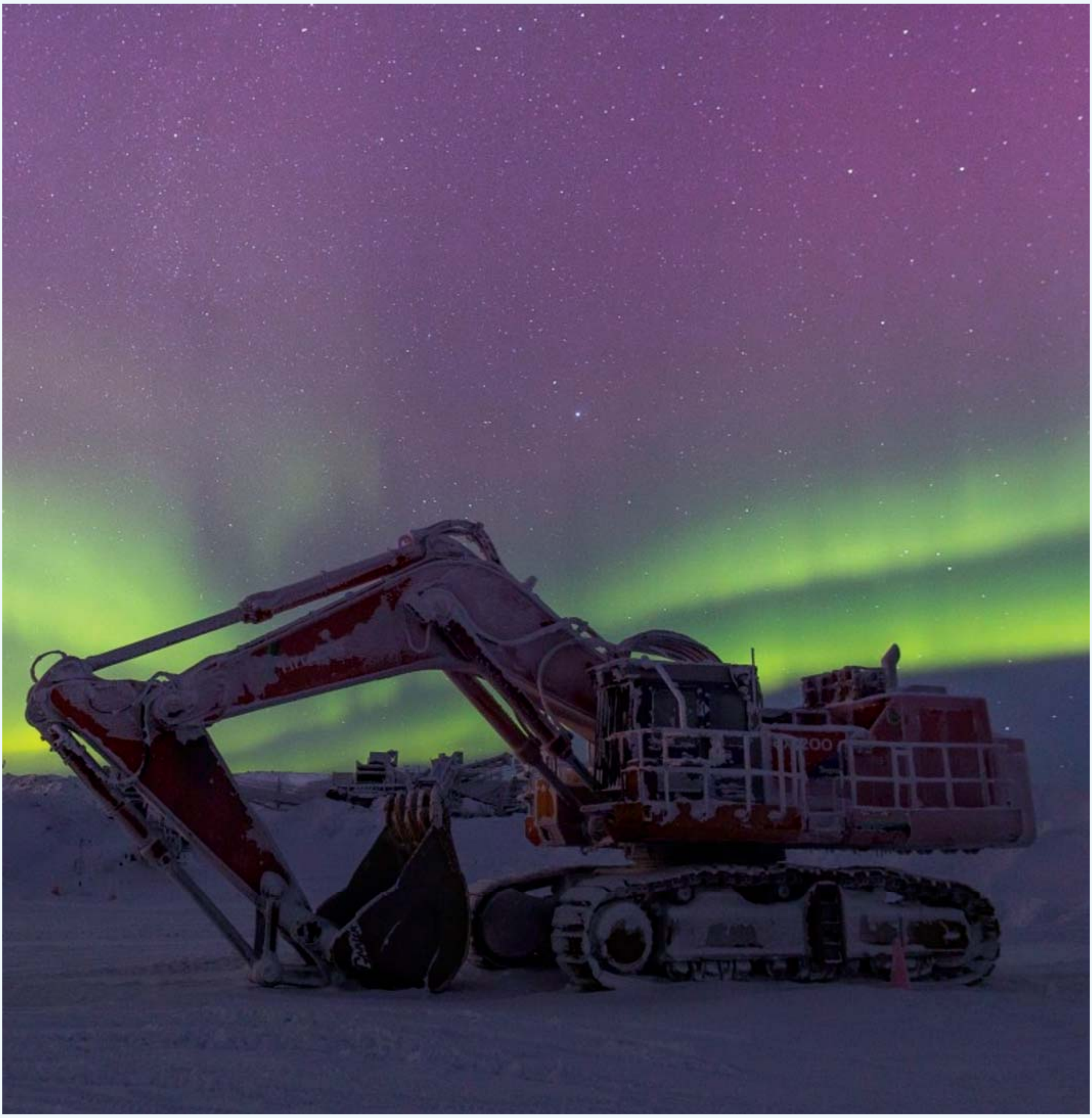
KPMG was initially appointed as the Company's independent Auditor on 15 March 2018 and approved by shareholders at the Annual General Meeting on 17 January 2019. In accordance with present professional guidelines the senior statutory auditor is rotated after no more than five years. The year ended 30 September 2021 is the first year during which the present senior statutory auditor has served.

The next audit tender of the Company is due to take place by 2027 in compliance with the EU regulations and FRC Guidance on audit tenders.

The Audit Committee is satisfied with the quality of the work and service carried out by KPMG and with the level of fees. The Committee is also satisfied that KPMG is independent and therefore supports the recommendation to the Board that the re-appointment of KPMG be put to shareholders for approval at the Annual General Meeting.

On behalf of the Audit Committee
Sarika Patel
Chair of the Audit Committee
9 December 2021

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 are required 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 judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 the content of any information included 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.

The Directors confirm that to the best of their 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 or loss of the Company; 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.

We consider the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board
Mark White
Chair
9 December 2021

Independent Auditor's Report to the Members of Aberdeen Standard Equity Income Trust plc

1. Our Opinion is Unmodified

We have audited the financial statements of Aberdeen Standard Equity Income Trust plc ("the Company") for the year ended 30 September 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its return for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 15 March 2018. The period of total uninterrupted engagement is for the 4 financial years ended 30 September 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2. Key Audit Matters: Our Assessment of Risks of Material Misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2020), in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The Risk	Our Response
Carrying amount of quoted investments (£207.4 million; 2020: £157.8 million) Refer to pages 57 and 58 (Audit Committee Report), page 71 (accounting policy) and pages 76 and 77 (financial disclosures).	**Low risk, high value** The Company's portfolio of quoted investments makes up 98% (2020: 99%) of the Company's total assets (by value) and is considered to be the key driver of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that detailed testing is determined to be the most effective manner of obtaining audit evidence. **Our procedures included:** · **Tests of detail:** Agreeing the valuation of 100 per cent of investments in the portfolio to externally quoted prices; and · **Enquiry of Depositary:** Agreeing 100% of investment holdings in the portfolio to independently received third party confirmations from the Depositary. **Our results:** We found the carrying amount of quoted investments to be acceptable (2020: acceptable).

Independent Auditor's Report to the Members of Aberdeen Standard Equity Income Trust plc Continued

3. Our Application of Materiality and an Overview of the Scope of our Audit

Materiality for the financial statements as a whole was set at £2.1million (2020: £1.5million), determined with reference to a benchmark of total assets, of which it represents 1% (2020: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £1.6 million (2020: £1.2 million). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

In addition, we applied a lower materiality of £0.4 million (2020: £0.4 million) to the income balance, and materiality of £1,000 to Director's remuneration, for which we believe misstatements of lesser amounts than materiality for the Financial Statements as a whole could be reasonably expected to influence the Company's members' assessment of the financial performance of the Company.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.1million (2020: £0.1 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

4. Going Concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources and its ability to operate over this period were:

- The impact of a significant reduction in the valuation of investments and the implications for the Company's debt covenants;
- The liquidity of the investment portfolio and its ability to meet the liabilities of the Company as and when they fall due; and
- The operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Company's current and projected cash and liquid investment position.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in Note 1 (a) to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and we found the going concern disclosure in Note 1 (a) to be acceptable; and
- the related statement under the Listing Rules set out on pages 49 and 50 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

5. Fraud and Breaches of Laws and Regulations – Ability to Detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiries of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Directors, the Administrator and the Company's Investment Manager; and
- Reading Board and Audit Committee minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transactions or additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and its qualification as an Investment Trust under UK taxation legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We assessed the legality of the distributions made by the Company in the period based on comparing the dividends paid to the distributable reserves prior to each distribution, including consideration of accounts filed during the year.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection, bribery and corruption legislation and certain aspects of company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of Aberdeen Standard Equity Income Trust plc Continued

6. We Have Nothing to Report on the Other Information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

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

Disclosures of Emerging and Principal Risks and Longer-Term Viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement on pages 16 and 17 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability Statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on pages 16 and 17, under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate Governance Disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that 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 position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in this respect.

7. We Have Nothing to Report on the Other Matters on Which we are Required to Report by Exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

8. Respective Responsibilities

Directors' Responsibilities

As explained more fully in their statement set out on page 62, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**.

9. The Purpose of Our Audit Work and to Whom we Owe our Responsibilities

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.

Eilidh McGowan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace,
Edinburgh, EH1 2EG
9 December 2021

Statement of Comprehensive Income

		2021			2020		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains/(losses) on investments at fair value	9	–	46,078	46,078	–	(56,722)	(56,722)
Currency losses		–	(2)	(2)	–	(30)	(30)
Income	2	10,642	–	10,642	8,730	–	8,730
Investment management fee	3	(342)	(799)	(1,141)	(310)	(722)	(1,032)
Administrative expenses	4	(373)	–	(373)	(473)	–	(473)
Net return before finance costs and taxation		9,927	45,277	55,204	7,947	(57,474)	(49,527)
Finance costs	5	(109)	(253)	(362)	(142)	(333)	(475)
Return before taxation		9,818	45,024	54,842	7,805	(57,807)	(50,002)
Taxation	6	(125)	–	(125)	(191)	–	(191)
Return after taxation		**9,693**	**45,024**	**54,717**	**7,614**	**(57,807)**	**(50,193)**
Return per Ordinary share	8	**20.06p**	**93.18p**	**113.24p**	**15.61p**	**(118.51p)**	**(102.90p)**

The total column of this statement represents the profit and loss account of the Company.

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

The accompanying notes on pages 71 to 82 are an integral part of the financial statements.

Statement of Financial Position

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments at fair value through profit or loss	9	207,418	157,799
Current assets			
Debtors	10	1,322	524
Money-market funds		3,408	872
Cash and short-term deposits		45	307
		4,775	1,703
Current liabilities			
Creditors: amounts falling due within one year			
Bank loan	11	(24,951)	(19,899)
Other creditors	11	(4,311)	(407)
		(29,262)	(20,306)
Net current liabilities		(24,487)	(18,603)
Net assets		**182,931**	**139,196**
Capital and reserves			
Called-up share capital	12	12,295	12,295
Share premium account		52,043	52,043
Capital redemption reserve		12,616	12,616
Capital reserve		97,491	53,494
Revenue reserve		8,486	8,748
Equity shareholders' funds		**182,931**	**139,196**
Net asset value per Ordinary share	13	**380.84p**	**288.02p**

The financial statements on pages 68 to 82 were approved by the Board of Directors and authorised for issue on 9 December 2021 and were signed on its behalf by:

Mark White
Chairman

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

Statement of Changes in Equity

For the year ended 30 September 2021

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2020		12,295	52,043	12,616	53,494	8,748	139,196
Return after taxation		–	–	–	45,024	9,693	54,717
Purchase of own shares for treasury		–	–	–	(1,027)	–	(1,027)
Dividends paid	7	–	–	–	–	(9,955)	(9,955)
Balance at 30 September 2021		**12,295**	**52,043**	**12,616**	**97,491**	**8,486**	**182,931**

For the year ended 30 September 2020

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2019		12,295	52,043	12,616	112,940	11,578	201,472
Return after taxation		–	–	–	(57,807)	7,614	(50,193)
Purchase of own shares for treasury		–	–	–	(1,639)	–	(1,639)
Dividends paid	7	–	–	–	–	(10,444)	(10,444)
Balance at 30 September 2020		**12,295**	**52,043**	**12,616**	**53,494**	**8,748**	**139,196**

The capital reserve at 30 September 2021 is split between realised gains of £81,939,000 and unrealised gains of £15,552,000 (30 September 2020: realised gains of £83,702,000 and unrealised losses of £30,208,000).

The revenue and capital reserves represent the amount of the Company's reserves distributable by way of dividend.

The accompanying notes on pages 71 to 82 are an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting policies

(a) Basis of accounting. 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' issued in April 2021. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Financial Statements have been prepared on a going concern basis.

The Company had net current liabilities at the year end. The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances, including in the current market environment, are realisable within a short timescale. The Board has set limits for borrowing and regularly reviews stress testing of plausible downside scenarios and compliance with banking covenants, including the headroom available. The next continuation vote will be held at the AGM in February 2022. The Directors have no reason to believe that the vote will not be in favour on continuation based on their assumption that investors will wish to continue to have exposure to the Company's activities, in the form of a closed ended entity.

Having taken these factors into account as well as the impact of Covid-19 and having assessed the principal risks and other matters set out in the Viability Statement on pages 16 and 17, the Directors believe that, after making enquiries, the Company has adequate resources to continue in operational existence and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited) on pages 49 and 50.

As an investment fund the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets all the following conditions: substantially all of the entity's investments are highly liquid, substantially all of the entity's investments are carried at market value, and the entity provides a Statement of Changes in Equity. The Directors have assessed that the Company meets all of these conditions.

All values are rounded to the nearest thousand pounds (£'000) except where indicated otherwise.

(b) Valuation of investments. The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of Directors. Accordingly, the Company classifies the investments 'at fair value through profit or loss'. They are included initially at fair value, which is taken to be their cost (excluding expenses incidental to the acquisition which are written off in the Statement of Comprehensive Income, and allocated to 'capital' at the time of acquisition). 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 stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service covering most of the market including all FTSE 100 constituents and the most liquid of the FTSE 250 constituents along with some other securities.

Gains and losses arising from changes in fair value are included 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.

(c) Money market funds. Money market funds are used by the Company to provide additional short term liquidity. As they are not listed on a recognised exchange and due to their short term nature, they are recognised in the financial statements as a current asset and are included at fair value through profit or loss.

The Company invests in an AAA-rated money-market fund, Aberdeen Standard Liquidity Fund, which is managed by Aberdeen Asset Managers Limited. The share class of the money market fund in which the Company invests does not charge a management fee.

(d) Income. Income from equity investments, including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are credited to revenue or capital according to the circumstances. Foreign income is converted at the exchange rate applicable at the time of receipt. Interest receivable on cash ant bank and in hand and on the money market fund is accounted for on an accruals basis.

Notes to the Financial Statements Continued

(e) **Expenses and interest payable.** Expenses are accounted for on an accruals basis. Expenses are charged to capital when they are incurred in connection with the maintenance or enhancement of the value of investments. In this respect, the investment management fee and relevant finance costs are allocated between revenue and capital in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively (see notes 3 and 5).

Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Statement of Comprehensive Income.

(f) **Dividends payable.** Interim dividends are accounted for when they are paid. Final dividends are accounted on the date that they are approved by shareholders.

(g) **Capital and reserves**

Called-up share capital. Share capital represents the nominal value of Ordinary shares issued. This reserve is not distributable.

Share premium account. The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs. This reserve is not distributable.

Capital redemption reserve. The capital redemption reserve represents the nominal value of Ordinary shares repurchased and cancelled. This reserve is not distributable.

Capital reserve. Gains or losses on realisation of investments and changes in fair values of investments are included within the capital reserve. The capital element of the management fee and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve. The part of this reserve represented by realised capital gains is available for distribution by way of a dividend and for the purpose of funding share buybacks.

Revenue reserve. The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to shareholders as a dividend.

(h) **Taxation.** The tax expense represents the sum of the tax currently payable and deferred tax. Tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax 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 have been enacted or substantively enacted by 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 or a right to pay less tax in future have occurred at the Statement of Financial Position date measured on an undiscounted basis and based on enacted tax rates. 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 accounts that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the accounts.

Owing to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(i) **Cash and cash equivalents.** Cash comprises bank balances and cash held by the Company. Cash equivalents are short-term, highly liquid investments including money-market funds that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) **Bank borrowings.** Interest bearing bank loans and overdrafts are recorded initially at fair value, being the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(k) **Treasury shares.** When the Company purchases its Ordinary shares to be held in treasury, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effect, 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.

2. Income

	2021 £'000	2020 £'000
Income from investments		
UK investment income		
Ordinary dividends	8,286	6,742
Special dividends	600	367
	8,886	7,109
Overseas and Property Income Distribution investment income		
Ordinary dividends	1,748	1,514
Special dividends	5	89
	1,753	1,603
	10,639	8,712
Other income		
Money-market interest	2	18
Underwriting commission	1	–
	3	18
Total income	**10,642**	**8,730**

3. Investment management fee

	2021 £'000	2020 £'000
Charged to revenue reserve	342	310
Charged to capital reserve	799	722
	1,141	**1,032**

The Company has an agreement with Aberdeen Standard Fund Managers Limited ("ASFML") for the provision of management services, under which investment management services have been delegated to Standard Life Investments Limited. The contract is terminable by either party on not less than six months' notice.

The fee payable to ASFML was calculated at a rate of 0.65% per annum of net assets up to £175 million and at a rate of 0.55% per annum of net assets thereafter. The fee is payable quarterly in arrears and is chargeable 30% to revenue and 70% to capital (see note 1(e) for further detail). The balance of fees due at the year end was £298,000 (2020 – £227,000).

Notes to the Financial Statements Continued

4. Administrative expenses

	2021 £'000	2020 £'000
Directors' fees	104	122
Employers' National Insurance	6	7
Fees payable to the Company's Auditor (excluding VAT):		
– for the audit of the annual financial statements	32	26
Professional fees	(3)	21
Depositary fees	25	37
Other expenses	209	260
	373	**473**

The Company has an agreement with ASFML for the provision of promotional activities. Fees paid under the agreement during the year were £95,000 (2020 – £111,000). At 30 September 2021, £63,000 was due to ASFML (2020 – £32,000 prepaid to ASFML).

With the exception of fees payable to the Company's auditor, irrecoverable VAT has been included under the relevant expense line above. Irrecoverable VAT on fees payable to the Company's auditor is included within other expenses.

The Company has no employees.

5. Finance costs

	2021 £'000	2020 £'000
On bank loans and overdrafts:		
Charged to revenue reserve	109	142
Charged to capital reserve	253	333
	362	**475**

Finance costs are chargeable 30% to revenue and 70% to capital (see note 1(e)).

6. Taxation

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
(a) Analysis of charge for the year						
Overseas withholding tax	**125**	**–**	**125**	**191**	**–**	**191**

(b) Factors affecting total tax charge for the year. The corporation tax rate was 19% (2020 – 19%). The total tax assessed for the year is higher (2020 – higher) than that resulting from applying the standard rate of corporation tax in the UK.

A reconciliation of the Company's total tax charge is set out below:

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Return before taxation	9,818	45,024	54,842	7,805	(57,807)	(50,002)
Corporation tax at a rate of 19% (2020 – 19%)	1,865	8,555	10,420	1,483	(10,983)	(9,500)
Effects of:						
Non-taxable UK dividends	(1,686)	–	(1,686)	(1,365)	–	(1,365)
Non-taxable overseas dividends	(273)	–	(273)	(243)	–	(243)
Currency losses not relievable	–	–	–	–	6	6
(Gains)/losses on investments not relievable	–	(8,755)	(8,755)	–	10,777	10,777
Expenses not deductible for tax purposes	–	–	–	3	–	3
Excess management expenses and loan relationship losses	94	200	294	122	200	322
Irrecoverable overseas withholding tax	125	–	125	191	–	191
Total taxation	**125**	**–**	**125**	**191**	**–**	**191**

At 30 September 2021, the Company had unutilised management expenses and loan relationship losses of £30,202,000 (2020 – £28,657,000). No deferred tax asset has been recognised on the unutilised management expenses and loan relationship losses as it is unlikely that the Company will generate suitable taxable profits in the future that these tax losses could be deducted against.

7. Dividends on Ordinary shares

	2021 £'000	2020 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for 2019 of 5.80p per share	–	2,837
Fourth interim dividend for 2020 of 5.00p per share (2019 – nil)	2,416	–
First interim dividend for 2021 of 5.20p per share (2020 – 5.20p)	2,513	2,544
Second interim dividend for 2021 of 5.20p per share (2020 – 5.20p)	2,513	2,543
Third interim dividend for 2021 of 5.20p per share (2020 – 5.20p)	2,513	2,520
	9,955	**10,444**

Notes to the Financial Statements Continued

The fourth interim dividend of 5.60p per Ordinary share, payable on 21 January 2022 to shareholders on the register on 24 December 2021 has not been included as a liability in the financial statements.

The total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 are considered, are set out below.

	2021 £'000	2020 £'000
First interim dividend for 2021 of 5.20p per share (2020 – 5.20p)	2,513	2,544
Second interim dividend for 2021 of 5.20p per share (2020 – 5.20p)	2,513	2,543
Third interim dividend for 2021 of 5.20p per share (2020 – 5.20p)	2,513	2,520
Fourth interim dividend for 2021 of 5.60p per share (2020 – 5.00p)	2,690	2,416
	10,229	**10,023**

8. Return per Ordinary share

	2021		2020	
	£'000	p	£'000	p
Basic				
Revenue return	9,693	20.06	7,614	15.61
Capital return	45,024	93.18	(57,807)	(118.51)
Total return	**54,717**	**113.24**	**(50,193)**	**(102.90)**
Weighted average number of Ordinary shares in issue[A]		**48,320,851**		**48,776,939**

[A] Calculated excluding shares held in Treasury where applicable.

9. Investments

	2021 £'000	2020 £'000
Fair value through profit or loss		
Opening book cost	188,007	235,008
Opening fair value losses on investments held	(30,208)	(5,731)
Opening fair value	157,799	229,277
Movements in the year:		
Purchases at cost	59,701	47,523
Sales – proceeds	(56,160)	(62,279)
Gains/(losses) on investments	46,078	(56,722)
Closing fair value	**207,418**	**157,799**
Closing book cost	191,866	188,007
Closing fair value gains/(losses) on investments held	15,552	(30,208)
Closing fair value	**207,418**	**157,799**

The Company received £56,160,000 (2020 – £62,279,000) from investments sold in the year. The book cost of these investments when they were purchased was £55,842,000 (2020 – £94,524,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

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

	2021 £'000	2020 £'000
Purchases	261	213
Sales	44	47
Total	**305**	**260**

10. Debtors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts due from brokers	670	191
Net dividends and interest receivable	611	188
Other debtors	41	145
	1,322	**524**

11. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank loan	25,000	20,000
Unamortised loan arrangement expenses	(49)	(101)
	24,951	**19,899**
Other creditors		
Amounts due to brokers	3,823	–
Investment management fee payable	298	227
Sundry creditors	190	180
	4,311	**407**

On 28 June 2021, the Company agreed a new two year £30 million revolving credit facility with the Royal Bank of Scotland International Limited, which has a maturity date of 25 June 2023. The £20 million drawn down from the existing revolving credit facility with Banco Santander S.A. London Branch was repaid in full.

The facility agreement contains the following covenants:

– The Company's gross assets will not be less than £120 million (2020 – £100 million) at any time.
– The Company's total net debt will not exceed 25% (2020 – 25%) of net asset value at any time.

Notes to the Financial Statements Continued

All covenants were complied with throughout the year.

At 30 September 2021, and the date of signing this Report, £25 million had been drawn down, at an estimated interest rate of 1.15%. This is due to renew on 30 December 2021.

12. Called-up share capital

	£'000	£'000
Issued and fully paid:		
Ordinary shares of 25p each		
Opening balance of 48,327,960 (2020 – 48,921,128) Ordinary shares	12,083	12,231
Buyback of 294,486 (2020 – 593,168) Ordinary shares	(74)	(148)
Closing balance of 48,033,474 (2020 – 48,327,960) Ordinary shares	**12,009**	**12,083**
Treasury shares		
Opening balance of 850,807 (2020 – 257,639) Treasury shares	212	64
Buyback of 294,486 (2020 – 593,168) Ordinary shares to Treasury	74	148
Closing balance of 1,145,293 (2020 – 850,807) treasury shares	**286**	**212**
	12,295	**12,295**

During the year, 294,486 Ordinary shares (2020 – 593,168) were repurchased for a consideration of £1,027,000 (2020 – £1,639,000). The total shares held in Treasury is 1,145,293 (2020 – 850,807).

13. Net asset value per share. The net asset value per share and the net assets attributable to Ordinary shares at the end of the year calculated in accordance with the Articles of Association were as follows:

	2021	2020
Basic		
Total shareholders' funds (£'000)	182,931	139,196
Number of Ordinary shares in issue at year end[A]	48,033,474	48,327,960
Net asset value per share	380.84p	288.02p

[A] Excludes shares in issue held in treasury where applicable.

14. Financial instruments

Risk management. The Company's financial instruments comprise securities and other investments, cash balances, 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 for the purpose of managing currency and market risks arising from the Company's activities.

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

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year.

(i) **Market risk.** The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices.

This market risk comprises three elements – interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate movements may affect:

– the level of income receivable on cash deposits;

– interest payable on the Company's variable rate borrowings.

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.

It is the Company's policy to increase its exposure to equity market price risk through the judicious use of borrowings. When borrowed funds are invested in equities, the effect is to magnify the impact on Shareholders' funds of changes – both positive and negative – of revenue and capital returns.

Interest rate profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the Statement of Financial Position date was as follows:

As at 30 September 2021	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Money market funds	–	0.08	–	3,408
Cash deposits	–	–	–	45
Total assets	**–**	**0.08**	**–**	**3,453**
Liabilities				
Bank loans	–	1.15	24,951	–
Total liabilities	**–**	**1.15**	**24,951**	**–**

Notes to the Financial Statements Continued

As at 30 September 2020	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Money market funds	–	0.17	–	872
Cash deposits	–	–	–	307
Total assets	**–**	**0.17**	**–**	**1,179**
Liabilities				
Bank loans	–	1.39	19,899	–
Total liabilities	**–**	**1.39**	**19,899**	**–**

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans.

The floating rate assets consist of money market funds and cash deposits on call earning interest at prevailing market rates.

All financial liabilities are measured at amortised cost.

Maturity profile. The Company did not hold any assets at 30 September 2021 or 30 September 2020 that had a maturity date. The £25 million (2020 – £20 million) loan drawn down had a maturity date of 30 December 2021 (2020 – 27 October 2020) at the Statement of Financial Position date.

Interest rate sensitivity. The sensitivity analyses below have been determined based on the exposure to interest rates at the Statement of Financial Position date and with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's :

– profit for the year ended 30 September 2021 would decrease/increase by £215,000 (2020 – decrease/increase by £187,000). This is mainly attributable to the Company's exposure to interest rates on its fixed rate borrowings and floating rate cash balances.

Currency risk. All of the Company's investments are in Sterling. The Company can be exposed to currency risk when it receives dividends in currencies other than Sterling. The current policy is not to hedge this risk but this policy is kept under constant review by the Board.

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

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 Manager actively monitors market prices throughout the year and reports to the Board. The investments held by the Company are listed on the London Stock Exchange.

Other price risk sensitivity. If market prices at the Statement of Financial Position date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 September 2021 would have increased/decreased by £20,742,000 (2020 – increase/decrease of £15,780,000). This is based on the Company's equity portfolio held at each year end.

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

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of loan and overdraft facilities (note 11).

(iii) Credit risk. This is failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not significant, and is managed as follows:

– where the investment manager makes an investment in a bond, corporate or otherwise, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default;

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

– cash and money invested in AAA money market funds are held only with reputable institutions.

None of the Company's financial assets are secured by collateral or other credit enhancements.

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

		2021		2020
	Statement of Financial Position £'000	Maximum exposure £'000	Statement of Financial Position £'000	Maximum exposure £'000
Current assets				
Debtors	1,322	1,322	524	524
Money market funds (indirect exposure)	3,408	3,408	872	872
Cash and short term deposits	45	45	307	307
	4,775	**4,775**	**1,703**	**1,703**

None of the Company's financial assets is past due or impaired.

Fair values of financial assets and financial liabilities. The fair value of borrowings is not materially different to the accounts value in the financial statements of £24,951,000 (note 11).

15. 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 shall have the following classifications:

Level 1: unadjusted quoted prices in an active market 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 (i.e. developed using market date) for the asset or liability, either directly or indirectly.

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

All of the Company's investments are in quoted equities (2020 – same) that are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments (2021 – £207,418,000; 2020 – £157,799,000) have therefore been deemed as Level 1.

Notes to the Financial Statements Continued

16. **Capital management policies and procedures.** The Company's capital management objectives are:
    - to ensure that the Company will be able to continue as a going concern; and
    - to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Board normally seeks to limit gearing to 15% of net assets. At the year end the Company had gearing of 13.5% of net assets (2020 – 13.3%)

    The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained.

    The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period. Any year end positions are presented in the Statement of Financial Position.

17. **Contingent liabilities**. As at 30 September 2021 there were no contingent liabilities (2020 – same).

18. **Segmental Information**. The Company is engaged in a single segment of business, which is to invest in equity securities. All of the Company's activities are interrelated and each activity is dependent on the others. Accordingly, all significant operating decisions are based on the Company as one segment.

19. **Related party transactions and transactions with the Manager**. Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 53 to 55. The balance of fees due to Directors at the year end was £nil (2020 – £29,000).

    Aberdeen Standard Fund Managers Limited received fees for its services as Manager. Further details are provided in notes 3 and 4.

Alternative Performance Measures

Alternative performance measures ('APM') are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP.

The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-ended investment companies. Where the calculation of an APM is not detailed within the financial statements, an explanation of the methodology employed is provided below:

Discount & premium. A discount is the percentage by which the market price of an investment trust is lower than the Net Asset Value ("NAV") per share. A premium is the percentage by which the market price per share of an investment trust exceeds the NAV per share.

	30 September 2021	30 September 2020
Share price	349.00p	252.00p
Net asset value per share	380.84p	288.02p
Discount	8.4%	12.5%

Dividend yield. Dividend yield measures the dividend per share as a percentage of the share price per share.

	30 September 2021	30 September 2020
Share price	349.00p	252.00p
Dividend per share	21.20p	20.60p
Dividend yield	6.1%	8.2%

Net gearing. Net gearing measures the total borrowings less cash and cash equivalents divided by Shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due from and to brokers at the period end as well as cash and short-term deposits.

		30 September 2021 £'000	30 September 2020 £'000
Total borrowings	a	24,951	19,899
Cash and short-term deposits		45	307
Investments in AAA-rated money-market funds		3,408	872
Amounts due from brokers		670	191
Amounts payable to brokers		(3,823)	–
Total cash and cash equivalents	b	300	1,370
Gearing (borrowings less cash & cash equivalents)	c=(a-b)	**24,651**	**18,529**
Shareholders' funds	d	**182,931**	**139,196**
Net gearing	e=(c/d)	**13.5%**	**13.3%**

Alternative Performance Measures Continued

Ongoing charges ratio. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC, which is defined as the total of investment management fees and recurring administrative expenses and expressed as a percentage of the average net asset values throughout the period.

		30 September 2021 £'000	30 September 2020 £'000
Investment management fees		1,141	1,032
Administrative expenses		373	473
Less: non-recurring charges[A]		(2)	(15)
Ongoing charges	a	**1,512**	**1,490**
Average net assets	b	**173,473**	**171,981**
Ongoing charges ratio (excluding look-through costs)	c=(a/b)	**0.87%**	**0.87%**
Look-through costs[B]	d	**0.06%**	**0.05%**
Ongoing charges ratio (including look-through costs)	e=c+d	**0.93%**	**0.92%**

[A] Comprises professional fees not expected to recur.
[B] Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis. The figure for 30 September 2020 has been restated in accordance with this guidance.

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.

Total return. NAV and share price total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to Shareholders. NAV total return involves reinvesting the net dividend paid by the Company back into the NAV of the Company with debt at fair value 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 table below provides information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the period and the resultant total return.

In order to calculate the total return for the year, returns are calculated on each key date for the period and then the return for the year is derived from the product of these individual returns. Dividends are reported on their ex-dividend date and are added back to the NAV or share price to calculate the return for that period.

Year ended 30 September 2021	Dividend rate	NAV	Share price
30 September 2020		288.02p	252.00p
3 December 2020	5.00p	335.95p	306.50p
4 March 2021	5.20p	353.57p	326.00p
3 June 2021	5.20p	389.78p	369.00p
2 September 2021	5.20p	383.86p	354.50p
30 September 2021		380.84p	349.00p
Total return		**+39.9%**	**+47.1%**

Year ended 30 September 2020	Dividend rate	NAV	Share price
30 September 2019		411.83p	381.50p
24 December 2019	5.80p	442.36p	421.00p
5 March 2020	5.20p	379.01p	358.00p
4 June 2020	5.20p	313.98p	277.00p
3 September 2020	5.20p	290.11p	259.00p
30 September 2020		288.02p	252.00p
Total return		**–25.7%**	**–29.4%**

Corporate Information

abrdn's assets under management and administration were £532 billion as at 30 June 2021, managed for a range of clients including 23 UK-listed closed end investment companies.

Information about the Investment Manager

Standard Life Investments Limited

The Company's Investment Manager is Standard Life Investments Limited, a subsidiary of abrdn whose assets under management and administration were £532 billion as at 30 June 2021, including 23 UK-listed closed end investment companies.

The Investment Team Senior Managers

Thomas Moore
Portfolio Manager

Thomas is a Senior Investment Director within the UK equities team. He began his career in 1998, joining Schroder Investment Management as Assistant Fund Manager, UK Equities. He joined Standard Life Investments in 2002 as an Investment Analyst. He then managed EMEA portfolios before moving to the UK equities team in 2006.

Thomas began managing Aberdeen Standard Equity Income Trust plc in November 2011.

Iain Pyle
Investment Director

Iain is an Investment Director in the UK Equities team, having joined Standard Life Investments in 2015. He is the lead manager of Shires Income PLC and is deputy manager for Murray Income Trust PLC and Aberdeen Standard Equity Income Trust plc. Within his role, he manages the UK Equity High Income Fund and the Bothwell UK Equity Income Fund and has sector responsibility for oil & gas and banks.

Investor Information

Alternative Investment Fund Managers Directive ("AIFMD") and Pre-Investment Disclosure Document ("PIDD")

The Company has appointed Aberdeen Standard Fund Managers Limited as its alternative investment fund manager and BNP Paribas Securities Services, London Branch as its Depositary under the AIFMD.

The AIFMD requires Aberdeen Standard Fund Managers Limited, as the Company's AIFM, 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 the AIFMD are published in the Company's PIDD which can be found on its website: **aberdeenstandardequityincometrust.com.** The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 90.

Investor Warning: Be alert to share fraud and boiler room scams

abrdn has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for abrdn or for third party firms. abrdn 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 abrdn and any third party making such offers/claims has no link with abrdn.

abrdn does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department.

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

Shareholder Enquiries

For queries regarding shareholdings, lost certificates, dividend payments, registered details and related matters, shareholders holding their shares directly in the Company are advised to contact the Registrars (see Corporate Information). Changes of address must be notified to the Registrars in writing.

If you have any general questions about your Company, the Manager or performance, please telephone the abrdn Customer Services Department **(0808 500 4000),** send an email to **inv.trusts@abrdn.com** or write to:

abrdn Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income for UK investors is £2,000 for the 2020/21 tax year. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of dividends paid 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

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 clients, shares can be bought directly through the abrdn Investment Plan for Children, Investment Trust Share Plan or Investment Trust Individual Savings Account ("ISA"), or through the many broker platforms which offer the opportunity to acquire shares in investment companies.

abrdn Investment Plan for Children

abrdn 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 on entry. Selling costs are £10 + VAT. 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 abrdn in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

abrdn Share Plan

abrdn operates an investment trust 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 only pay Government Stamp Duty (currently 0.5%) on entry where applicable. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing abrdn in writing at any time.

abrdn Investment Trust ISA

abrdn operates an Investment Trusts ISA ("ISA") through which an investment may be made of up to £20,000 in the 2021/22 tax year.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases where applicable. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, 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 ISA 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.

ISA Transfer

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

Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in the abrdn Share Plan, Investment Plan for Children and Investment Trusts ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

Keeping You Informed

Further information about the Company may be found on its dedicated website: **aberdeenstandardequityincometrust.com.**

This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

Twitter:
twitter.com/AberdeenTrusts

LinkedIn:
linkedin.com/company/abrdn-trusts

Alternatively, please call **0808 500 0040** (Freephone), email **inv.trusts@abrdn.com** or write to the address for abrdn Investment Trusts stated above.

Details are also available at: **invtrusts.co.uk**.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Company's website.

Literature Request Service

For literature and application forms for Aberdeen Standard Investment's investment trust products, please contact us through: **invtrusts.co.uk**.

Or telephone: **0808 500 4000**

Or write to:
abrdn Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Terms and Conditions

Terms and conditions for abrdn managed savings products can also be found on the Manager's website at: **invtrusts.co.uk**.

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. 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 so that the securities issued by the Company can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments ("NMPIs") and intends to continue to do so for the foreseeable future. The Company's securities are excluded from the Financial Conduct Authority's restrictions which apply to NMPIs because they are securities issued by an investment trust.

Investor Information Continued

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.

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 and Financial Advice Association at: **pimfa.co.uk**.

Financial Advisers
To find an adviser who recommends 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/financial-services-register**
Email: **consumer.queries@fca.org.uk**

Voting at General Meetings
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 Annual General Meeting, then you will need to make arrangements with the administrator of your share plan or platform.

For this purpose, investors who hold their shares in the Company via the abrdn Investment Plan for Children, the abrdn Share Plan and/or the abrdn Investment Trust ISA will find a Letter of Direction enclosed with the Annual Report. Shareholders are encouraged to complete and return the Letter of Direction in accordance with the instructions printed thereon.

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 88 to 90 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 in the United Kingdom.

Glossary of Terms

abrdn or abrdn plc (formerly Standard Life Aberdeen plc) or the Group
The abrdn plc group of companies. Standard Life Aberdeen plc changed its name to abrdn plc in July 2021.

ASFML or AIFM or Manager
Aberdeen Standard Fund Managers Limited ("ASFML"), formerly Aberdeen Fund Managers Limited, is a wholly owned subsidiary of Aberdeen Asset Management PLC, which is part of abrdn, and acts as the alternative investment fund manager ("AIFM") for the Company. ASFML is authorised and regulated by the Financial Conduct Authority.

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 Measures or APMs
Numerical measures of the Company's current, historical or future performance, financial position, other than the financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS102 and the AIC SORP.

Capital Return Per Share
The realised and unrealised gains and losses of the investment portfolio net of costs, interest and tax of the Company that have been allocated to capital, divided by the weighted average number of shares in issue during the year.

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.

Depositary
A depositary is responsible for cash monitoring, the custody and safeguarding of the Company's financial instruments and monitoring the Company's compliance with investment limits and leverage requirements. The Company's Depositary is BNP Paribas Securities Services, London Branch.

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
Revenue return per share divided by dividends per share expressed as a ratio.

Dividend per Share or DPS
The total of all dividends paid by the Company for the financial year on a per share basis.

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

Earnings per Share or EPS
The net income after tax of the Company divided by the weighted average number of shares in issue during the year. In an Investment Trust this is made up of Revenue Return Per Share and Capital Return Per Share.

Ex-dividend date ("XD date")
The day before the Record Date. The XD date is normally about a month before the dividend is paid.

FCA
Financial Conduct Authority.

Gearing or Net Gearing
Gearing is calculated by dividing total borrowings less cash and cash equivalents by Shareholders' Funds, expressed as a percentage.

Index
A market index calculates the average performance of its constituents, normally on a weighted basis. It provides a means against which the performance of individual instruments can be assessed.

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

Glossary of Terms Continued

Key Information Document or KID
The Packaged Retail and Insurance-based Investment Products ("PRIIPS") Regulation requires the Manager, as the Company's PRIIP 'manufacturer', to prepare a Key Information Document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via 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 law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance.

Leverage
For the purposes of the AIFMD, 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.

Market Capitalisation
The latest price of an Ordinary share multiplied by the number of shares in issue.

Net Asset Value, NAV or Shareholders' Funds
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 Ordinary share.

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

Pre-Investment Disclosure Document ("PIDD")
The AIFM and the Company are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within a PIDD, which can be found on the Company's website.

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
This 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.

Realised Gains / Losses
The profit / loss on the sale of investments during the year.

Record Date
The date when an investor needs to be holding a share in order to qualify for a forthcoming dividend.

Relative Performance
Performance of the Company relative to the FTSE All-Share Index.

Retail Prices Index ("RPI")
One of the main measures of consumer inflation in the UK, produced by the Office for National Statistics.

Revenue Return Per Share
The net income from dividends and interest received, after costs, interest and tax allocated to revenue, divided by the weighted average number of shares in issue during the year.

Revenue Reserves
The total of undistributed revenue earnings from prior years. This is available for distribution to shareholders by way of dividend.

Total Assets
Total assets less current liabilities (before deducting Prior Charge as defined above), as per the Statement of Financial Position.

Total Return
The theoretical return including reinvesting each dividend in additional shares in the Company on the day that the shares go ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the ex-dividend date.

Unrealised Gains / Losses
The profit / loss on the revaluation of the investment portfolio at the end of the period.

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 November 2020.

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

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report, note 14 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 Secretary, Aberdeen Asset Management PLC, on request, and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 31 December 2020 are 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	3.00:1	2.00:1
Actual level at 30 September 2021	1.27	1.30

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

General

The Annual General Meeting of Aberdeen Standard Equity Income Trust plc will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Friday, 4 February 2022 at 11:30 am.

If the law or Government guidance so requires at the time of the meeting, for example as a result of the Covid-19 pandemic,, the Chair will limit, in his/her sole discretion, the number of individuals in attendance at the meeting. The Chair of the meeting may impose entry restrictions on certain persons wishing to attend the Annual General Meeting in order to ensure the safety of those attending the meeting.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the thirtieth Annual General Meeting of Aberdeen Standard Equity Income Trust plc will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Friday, 4 February 2022 at 11:30 am for the following purposes:

Ordinary Business

As ordinary business, to consider and, if thought fit, pass the following resolutions, in the case of numbers 1 to 11 inclusive, as ordinary resolutions and, in the case of numbers 12 to 14, as special resolutions:

1. To receive and consider the Directors' Report and financial statements for the year ended 30 September 2021, together with the independent Auditor's report thereon.
2. To receive and approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 30 September 2021.
3. To approve the Company's dividend policy to pay four interim dividends per annum.
4. To re-elect Caroline Hitch as a Director of the Company.
5. To re-elect Sarika Patel as a Director of the Company.
6. To re-elect Jeremy Tigue as a Director of the Company.
7. To re-elect Mark White as a Director of the Company.
8. To re-appoint KPMG LLP as independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
9. To authorise the Directors to fix the remuneration of the independent Auditor for the year to 30 September 2022.
10. To continue the Company as an investment trust company.
11. Authority to allot shares
    That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby 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 ("Securities") provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares up to 10% of the nominal value of the issued share capital (excluding treasury shares) of the Company, as at the date of the passing of this resolution, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended or renewed by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.
12. Disapplication of pre-emption rights
    That, subject to the passing of resolution 11 set out above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered (i), pursuant to Section 570 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in Section 560 of the Act), including the grant of rights to subscribe for, or to convert securities into Ordinary shares for cash pursuant to the authority given by resolution 11 set out above and (ii), pursuant to Section 573 of the Act to sell equity securities for cash out of treasury as if Section 561(1) of the Act did not apply to any such allotment, or sale out of treasury, of equity securities, provided that this power:

Notice of Annual General Meeting Continued

a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, voted, extended or renewed by the Company in a general meeting save that the Company may, at any time prior to the expiry of this authority, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold out of treasury after such expiry and the Directors may allot or sell out of treasury equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

b) shall be limited to the allotment, or sale out of treasury, of equity securities up to an aggregate nominal value of 10% of the nominal value of the issued share capital of the Company (excluding treasury shares), as at the date of the passing of this resolution.

13. Authority to make market purchases of shares
That the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company (the "Shares") either for retention as treasury shares for future reissue, resale, transfer or cancellation:

Provided always that:

(a) the maximum number of Shares hereby authorised to be purchased shall be 14.99% of the Company's issued share capital at the date of the passing of this resolution (excluding treasury shares);

(b) the minimum price (exclusive of expenses) which may be paid for each Share shall be 25p;

(c) the maximum price (exclusive of expenses) which may be paid for a Share is the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the Shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue which the purchase is carried out; and

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is earlier, unless previously revoked, varied, extended or renewed by the Company in a general meeting, save that the Company may, at any time prior to the expiry of this authority enter into a contract to purchase shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract.

Special Business

As special business, to consider and, if thought fit, pass resolution 14 as a special resolution:

14. Notice of General Meeting
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
Company Secretary

Registered Office
Bow Bells House,
1 Bread Street,
London, EC4M 9HH

9 December 2021

NOTES:

i. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her or on his/her behalf at the meeting. A proxy need not be a shareholder. The shareholder may appoint more than one proxy, provided that each proxy is appointed to attend, speak and vote in respect of a different share or shares. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chair of the meeting) and give instructions directly to them. Appointing a proxy will not prevent a shareholder from attending in person and voting at the meeting. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should, or if you would like to appoint more than one proxy, please contact the Company's Registrar, Computershare Investor Services PLC on 0370 707 1150. In the case of joint holders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

ii. To be valid, the appointment of a proxy, and the original or duly certified copy of the power of attorney or other authority, if any, under which it is signed or authenticated, should be sent to the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ so as to arrive not less than 48 hours (excluding non-working days) before the time fixed for the meeting.

iii. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company at close of business on 3 February 2021 (or, if the meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned meeting) shall be entitled to attend or vote at the meeting in respect of the number of Ordinary shares registered in their name at that time. In each case, changes to entries on the register of members of the Company after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

iv. Any shareholder holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the meeting as his or her proxy(ies) will need to ensure that both he or she and his/her proxy(ies) comply with their respective disclosure obligations under the FCA Disclosure, Guidance and Transparency Rules.

v. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual and/or by logging in to the website www.euroclear. com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

vi. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID number 3RA50) by 11:30 am on 2 February 2022 (or, if the meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned meeting). 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 by enquiry to CREST in the manner prescribed by CREST.

vii. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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 sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

viii. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Notice of Annual General Meeting Continued

ix. A 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 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. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.

x. The terms of appointment of the Directors of the Company are available for inspection on any day (except Saturdays, Sundays and bank holidays) from the date of this notice until the date of the meeting during usual business hours at the registered office of the Company and will, on the date of the meeting, be available for inspection at the venue of the meeting from 15 minutes before the meeting until the conclusion of the meeting. Please see note xviii for more details on meeting attendance.

xi. Shareholders are advised that, unless otherwise stated, any telephone number, website or email address which may be set out in this notice of Annual General Meeting or in any related documents (including the proxy form or form of direction) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

xii. Following the meeting, the results of the voting at the meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and placed on the Company's website: **aberdeenstandardequityincometrust.com.**

xiii. It is possible that, pursuant to requests made by members 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 before the meeting: or (ii) any circumstances 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. The Company will be required to do so once it has received such requests either from members representing at least 5% of the voting rights of the Company or from at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state the member's full name and address and be sent to the Company's registered office. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006.

xiv. As at 6pm on 8 December 2021 (being the last practicable date prior to publication of this notice) the Company's issued share capital comprised 48,033,474 Ordinary shares of 25p each. Each Ordinary share (other than any Ordinary shares held in treasury) carries the right to one vote at a general meeting of the Company. Accordingly, the total number of voting rights in the Company as at 8 December 2021 was 48,033,474.

xv. If you wish to attend the meeting in person, there will be a Members' register for you to sign on arrival. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

b) the answer has already been given on a website in the form of an answer to a question; or

c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

xvi. Information regarding the Annual General Meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website: **aberdeenstandardequityincometrust.com**.

xvii. If the law or Government guidance so requires at the time of the meeting, for example as a result of the Covid-19 pandemic, the Chair will limit, in his/her sole discretion, the number of individuals in attendance at the meeting. The Chair of the meeting may impose entry restrictions on certain persons wishing to attend the Annual General Meeting in order to ensure the safety of those attending the meeting.

Corporate Information

Directors
Mark White (Chair)
Caroline Hitch
Sarika Patel
Jeremy Tigue

Registered Office
Bow Bells House
1 Bread Street
London
EC4M 9HH

Registered Number
Registered in England & Wales No. 2648152

Alternative Investment Fund Manager
Aberdeen Standard Fund Managers Limited
1 George Street
Edinburgh
EH2 2LL

abrdn Investments Customer Services Department, Investment Plan for Children, Share Plan and ISA enquiries
abrdn Investment Trusts
PO Box 11020
Chelmsford
Essex
CM99 2DB

Freephone: 0808 500 0040
(open Monday to Friday, 9.00 a.m. to 5.00 p.m., excluding public holidays in England and Wales)

Email: inv.trusts@abrdn.com

Website Address:
www.aberdeenstandardequityincometrust.com

Company Secretary
Aberdeen Asset Management PLC
1 George Street
Edinburgh
EH2 2LL

Independent Auditor
KPMG LLP
St Vincent Plaza
319 St Vincent Street
Glasgow
G2 5AS

Solicitors
Dickson Minto W.S.
16 Charlotte Square
Edinburgh
EH2 4DF

Depositary and Custodian
BNP Paribas Securities Services, London Branch
10 Harewood Avenue
London
NW1 6AA

Lenders
The Royal Bank of Scotland International, London Branch
3rd Floor
440 Strand
London
WC2R 0QS

Stockbrokers
J.P.Morgan Cazenove
29th Floor
25 Bank Street
London
E14 5JP

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

Telephone: **0370 707 1150**

For more information visit **aberdeenstandardequityincometrust.com**

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