Aberdeen Standard Equity Income Trust plc

Aberdeen Standard Investments

Half-Yearly Report

31 March 2019

Financial Calendar

22 May 2019	Announcement of the results for the six months to 31 March 2019
21 June 2019	Payment of second quarterly dividend
27 September 2019	Payment of third quarterly dividend
30 September 2019	Financial year end
November 2019	Announcement of the results for the year to 30 September 2019
23 January 2020	Annual General Meeting, London
27 January 2020	Payment of final dividend for the year to 30 September 2019

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Total return* for periods to 31 March 2019

	6 months	1 year	3 years	5 years
NAV per Share	-7.0%	+2.4%	+13.7%	+26.4%
Share Price	-9.1%	-3.1%	+10.5%	+21.0%

Capital return for the six months to 31 March 2019		As at 31 March 2019	
NAV per Share*	Share Price	Discount*	Net Gearing
439.72p -9.3%	419.00p -11.4%	-4.7%	12.0%
(30/09/2018: 485.00p)	(30/09/2018: 473.00p)	(30/09/2018: -2.5%)	(30/09/2018: 12.0%)

Strategic Report
Key Financial Highlights

As at 31 March 2019

Market Cap	Net Assets
£206.0m	£216.2m
-11.4%	-9.3%
(30/09/2018: £232.5m)	(30/09/2018: £238.4m)

For the six months to 31 March 2019

Dividend per Share	Revenue Earnings per Share*
9.80p	9.43p
+11.4%	-2.0%
(31/03/2018: 8.80p)	(31/03/2018: 9.62p)

* Considered to be an Alternative Performance Measure as defined on page 38.

Strategic Report

Chairman's Statement

Richard Burns

Performance

The performance of the portfolio over the six months under review was poor, with the net asset value total return being -7.0%, compared with the benchmark total return of -1.8%. The share price also suffered and the share price total return for the period was -9.1%. This was reflected in a widening of the discount from 2.5% in September 2018 to 4.7% at the end of March. It was very much a period of two halves, with the final quarter of 2018 being the worst fourth calendar quarter for the British market since 1987, and mid and small cap companies, in which we are heavily invested, underperforming large cap stocks. This pattern was reversed in the first quarter of this year, but our relative improvement was not sufficient to make up much of the ground lost in the last three months of 2018.

Revenue

Total income for the period of £5.212m was very similar to last year's £5.251m. Management fees and administrative expenses charged to the revenue account were also in line, £438k in 2019 compared to £451k in 2018. After interest costs and tax, net earnings were down 2.0% at £4.638m and the revenue per Ordinary Share was 9.43p compared to 9.62p in 2018. While this is marginally below the cumulative level of the dividends distributed, the revenue forecasts indicate that, as is typical, more income will be generated in the second half of the financial year than in the first half.

Strategic Report
Chairman's Statement

Dividends

The Board is declaring a second quarterly dividend of 4.9p per share, bringing total dividends for the six months to 31 March 2019 to 9.8p per share, an increase of 11.4% on the 8.8p paid for the six months to 31 March 2018. This second quarterly dividend will be paid on 21 June 2019 to Shareholders on the register on 31 May 2019, with an associated ex-dividend date of 30 May 2019. The Board's intention is that the third quarterly dividend, which will be paid in September, will be 4.9p per share and that the final dividend, in January 2020, will be not less than 5.5p per share. Cumulatively, this would amount to a dividend for the year of 20.2p per share, which the Board expects to be covered by earnings in the current year. This will represent an increase of 5.2% on last year's 19.2p per share.

Gearing

As foreshadowed in the Annual Report, the Company now has a £40m revolving credit facility with Banco Santander S.A., London Branch, replacing the £30m funding which had previously been provided by Scotiabank (Ireland) Limited up to 17 December 2018. This new facility was in use from that date and £30m was drawn at the end of the period at a weighted average cost of 1.9%. At the end of the period, net gearing amounted to 12.0% of net assets.

Being geared in investments that generally fell in value exacerbated the negative performance of the portfolio by 0.8%.

Governance and Board

As part of the Board's succession planning, Jo Dixon has indicated that she will stand down from the Board following the Annual General Meeting to be held in 2020. Jo has been a valuable member of the Board since 2011, and Chairman of the Audit Committee since 2012, and her knowledge and contribution will be missed. A process to identify a successor has begun and a further announcement on this will be made in due course.

Aberdeen Standard Investments Savings Plans

The Board has agreed to participate in the Aberdeen Standard Investments promotional programme which it hopes will help to promote the appeal of the Company and to make it accessible to as wide an audience of investors as possible. Details of the savings plans available to investors can be found on pages 39 to 44.

Strategic Report

Chairman's Statement

Outlook

At the beginning of 2019 the general expectation was that the trend of rising interest rates, particularly in the US, would continue. This has not materialised: in the United States some fairly blunt pressure from the White House seems to have deterred the Federal Reserve from taking any further action to tighten policy; the yield curve has flirted with inverting (the position where short-dated interest rates are higher than longer-dated ones), which implies that the bond market is pricing in a recession. In Europe, negative interest rates on German government debt have reappeared. Meanwhile in Britain the Brexit imbroglio continues without any indication of an imminent resolution. The "Euro can" has been kicked further down the road to Halloween but what the outcome will be is still as uncertain as it has been at any time in the nearly three years since the June 2016 referendum. This political situation continues to be a substantial headwind for the UK market. By contrast, the British economy continues to perform reasonably, certainly no worse than our European neighbours, with unemployment at its lowest level since 1975 and the businesses of most of our portfolio companies are performing well.

The outlook, therefore, is no less uncertain than it was when my annual statement was written on 20 November last year. The Board, while acknowledging that this has been a very disappointing six months, believes that the investment process and resources available to the Manager should produce long-term investment success.

Richard Burns
Chairman

21 May 2019

Strategic Report

Principal Risks and Uncertainties

The Board has an ongoing process for identifying, evaluating and managing the principal risks and uncertainties of the Company and has carried out a robust review. The process is regularly reviewed by the Board. Most of the Company's principal uncertainties and risks are market related and are no different from those of other investment trusts that invest primarily in the UK listed market. Risks may vary in significance from time to time and the controls and actions to mitigate these are described below.

The Board considers the following to be the principal risks and uncertainties:

- **Investment Performance** The Board recognises that market risk is significant in achieving performance and consequently it reviews strategy and investment guidelines to ensure that these are appropriate. Regular reports are received from the Manager on stock selection, asset allocation, gearing and the costs of running the Company. The performance is reviewed in detail and discussed with the Portfolio Manager at each Board meeting.

  The Board regularly reviews the impact of geopolitical instability and change on market risk. The Board is mindful of the continuing uncertainty following the UK's referendum decision to leave the EU and, along with the Manager, is closely monitoring the situation.

  The Board, through its review process, did not identify any specific new actions required to mitigate performance risks during the first half of the year. The Investment Manager's Report on pages 16 to 22 explains the changes made within the portfolio during the six months ended 31 March 2019.

- **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 controls and poor performance of any service provider could lead to disruption, reputational damage or loss to the Company. As part of the annual assessment of key third party service providers, the internal control reports of the service providers are reviewed.

Strategic Report

Principal Risks and Uncertainties

During the period there were no issues identified that compromised the security of the assets and the Board received assurances on the internal control environment of service providers from these reports.

- **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 and this is ensured through a regular performance evaluation of both the Chairman and the Board.

- **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. In particular, a wide discount could potentially reduce Shareholder confidence.

  The Board keeps the level of the Company's discount/premium under regular review.

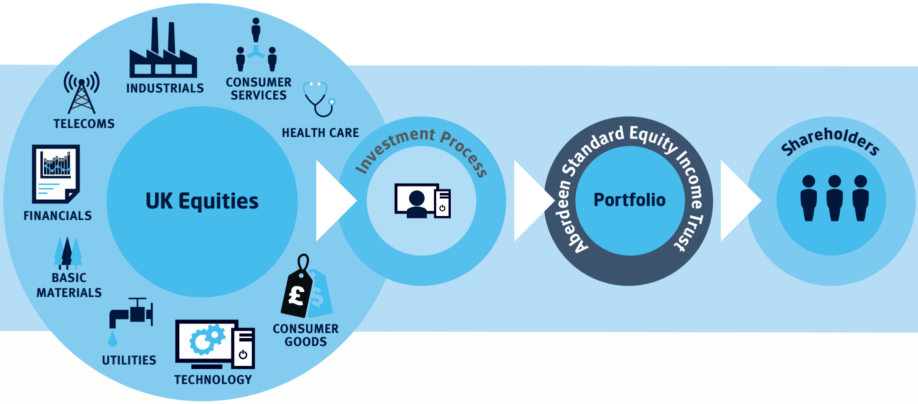
- **Regulatory Risk** The Company operates in a complex regulatory environment and faces a number of regulatory risks. Breaches of regulations, including but not limited to, the Companies Act 2006, the Corporation Tax Act 2010, the FCA Listing Rules, the FCA Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Foreign Account Tax Compliance Act, the Common Reporting Standard, the Packaged Retail and Insurance based Investment Product (PRIIPs) Regulation, the Markets in Financial Instruments Directive II (MiFID II) and the General Data Protection Regulation (GDPR), could lead to a number of detrimental outcomes and reputational damage.

Strategic Report
Principal Risks and Uncertainties

There is also a regulatory risk in ensuring compliance with the Alternative Investment Fund Managers Directive (AIFMD). In accordance with the requirements of the AIFMD, the Company appointed Aberdeen Standard Fund Managers Limited as its AIFM with effect from 10 December 2018 (previously Standard Life Investments (Corporate Funds) Limited) and BNP Paribas Securities Services as its Depositary. The Board receives regular reporting from the AIFM and the Depositary to ensure both are meeting their regulatory responsibilities in relation to the Company.

Strategic Report

Our Strategy



Aberdeen Standard Equity Income Trust plc offers an actively managed portfolio of UK quoted companies. The investment approach is index-agnostic and the focus is on those companies delivering sustainable dividend growth.

Strategic Report

Objective

To provide Shareholders with an above average income from their equity investment, while also providing real growth in capital and income.

Investment policy

The management of the Company's investments and the day to day operation of the Company is delegated to Aberdeen Standard Fund Managers Limited ("the Manager").

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 will exceed 10% of net assets; 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.

Strategic Report

Investment Process

Management

In December 2018, the investment management agreement with the Company's Manager was novated from Standard Life Investments (Corporate Funds) Limited to Aberdeen Standard Fund Managers Limited ("ASFML", the "AIFM" or the "Manager"). ASFML is a wholly-owned subsidiary of Standard Life Aberdeen plc ("SLA"). The investment management to the Company has been and continues to be provided by Aberdeen Standard Investments ("ASI"), the investment division of SLA. Thomas Moore has been the Portfolio Manager since 2011.

Investment process

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 the appropriate risk control parameters. The aim is to evaluate changing corporate situations and identify 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 ASI. These meetings are used to ascertain the company's own views and expectations of the future prospects for their company and the markets in which they operate. 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.

Strategic Report
Investment Process

Investment process in practice

The index-agnostic approach ensures that the weightings of the 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 looks very different from many 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. Around 60% of the Company's portfolio is invested in companies outside the FTSE 100.

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.

Strategic Report

Investment Manager's Report

Thomas Moore
Portfolio Manager

For the 6 months ended 31 March 2019, the NAV total return was -7.0% against the FTSE All-Share Index total return of -1.8%. The period under review was characterised by two distinct phases. The three months to December 2018 witnessed one of the most dramatic sell-offs in the UK equity market in recent years during which the portfolio experienced meaningful underperformance relative to the benchmark. Market sentiment improved in the three months to the end of March 2019 and the portfolio recovered some of its earlier underperformance.

As we have previously observed, the index-agnostic approach we adopt in managing the portfolio makes this a highly active portfolio with only limited exposure to defensive large cap stocks. While we believe that this is the right approach in the long term, it can lead to periods in which the portfolio performs significantly worse than the wider market and this was one such period.

UK market review

In the first three months of the period under review, equity markets sold off as investors worried about fading global growth, continuing US/China trade tensions, the path of monetary policy and ongoing Brexit uncertainty. This period saw a rotation from cyclical stocks into defensive stocks, with large caps significantly outperforming small and mid-caps. The sell-off reached its climax shortly before the New Year and January saw the beginning of a phase in which investors regained their composure. The key trigger causing sentiment to improve was an abrupt change in signalling by the Federal Reserve on the future path of US interest rates. Jerome Powell, the Federal Reserve Chair, said that the case for continuing to raise rates had "weakened somewhat". Market participants had previously pencilled in two rate rises in 2019, but these were immediately priced out and some forecasters predicted a rate-cut within a year. The shift in policy boosted risk appetite and stock markets rallied sharply.

Brexit remained centre stage throughout. As the period progressed, the threat of 'no-deal' Brexit increased. This culminated in Prime Minster Theresa May failing to secure enough votes for her Withdrawal Agreement for a third time. As a result, she was forced to ask the EU to delay the departure date until 12 April and the deadline was subsequently extended to 31 October 2019. While political uncertainty has not gone away, there were signs by the end of the period that investors had become hardened to it. Consumers also appeared to be taking Brexit uncertainty in their stride, helped by buoyant employment conditions, rising wage growth and improving household consumer cash flows. The UK continued to confound expectations on GDP growth, growing at a similar rate to Germany and France, although sceptics pointed to the impact of manufacturers stockpiling goods ahead of Brexit.

Portfolio performance

The portfolio's poor performance during the period can be attributed to two factors: (1) adverse market conditions during the first half of the period and (2) some sector and stock positions performing poorly.

The three months to December 2018 saw the biggest sell-off in the UK stock market since the third quarter of 2011, when the Eurozone crisis was in full swing. Companies that bucked the trend were few and far between, with only a handful of defensive growth stocks holding up while large parts of the stock market plummeted. Given our index-agnostic investment approach, these market conditions were particularly difficult for our portfolio. Conditions improved somewhat in the first quarter of 2019, although continued nervousness was reflected in the persistent outperformance of a small number of defensive growth stocks. Such stocks do not feature heavily in our portfolio as our Focus on Change investment process points us towards stocks on low valuations with the potential for improvement in their

Strategic Report

Investment Manager's Report

fundamentals, rather than stocks on high valuations that are already the "finished article" and consequently market expectations are high. While we are disappointed about the returns we have generated in the period, we remain confident that our investment process, which focuses on changing investment fundamentals, will ultimately reap rewards for our Shareholders.

The second source of underperformance came from some of the sector and stock positions in the portfolio. This was concentrated in 5 sectors, shown in the table below, whose aggregate negative contribution to performance exceeded the net return of the portfolio as a whole.

Given the concentrated nature of the portfolio, there are normally only two or three positions in each sector, so the performance of each individual holding will often have a marked impact on the sector return. With the benefit of hindsight the sector positioning of the portfolio was sub-optimal going into the market sell-off, in particular its heavy weightings to cyclical and financial stocks, and its limited exposure to defensive sectors.

Top 5 sector detractors to performance	Average portfolio weight (%)	Total return (%)	Contribution to portfolio return (%)
Construction & Materials	5.4	-29.5	-2.0
Travel & Leisure	6.8	-18.8	-1.5
Support Services	6.1	-20.7	-1.5
Oil Equipment, Services & Distribution	2.2	-34.2	-1.0
Banks	9.3	-10.0	-1.0
Total			**-7.0**
Top 5 sector positive contributors			
Gas, Water & Multi-utilities	0.9	+9.2	+0.1
General Retailers	5.4	+2.9	+0.2
Financial Services	21.7	+0.8	+0.4
Software & Computer Services	2.5	+36.0	+0.8
Mining	6.4	+21.8	+1.4
Total			**+2.9**

Strategic Report

Investment Manager's Report

Within Construction & Materials the key detractors to performance were **Tyman** and **Kier Group**. Tyman was sold off aggressively on fears over the impact of rising rates on the US housing market. Kier Group's share price declined following the announcement of a rights issue designed to strengthen its balance sheet following a change in risk appetite by the banks towards the construction sector after the collapse of Carillion. **GVC** is the portfolio's largest position in Travel & Leisure and it fell sharply on concerns over growing regulatory challenges in some of its major markets. Within Support Services the key detractors were **Staffline** and **Equiniti** both of which suffered from severe valuation de-rating. **Wood Group** is the only position in the Oil Equipment, Services & Distribution sector and it was adversely affected by fears over the impact of slowing global growth on their order book. Within Banks, **CYBG/Virgin Money** declined on fears over the earnings impact of intensifying mortgage market competition.

The portfolio had some significant successes, notably within Financial Services where **John Laing Group** whose consistently strong returns drove a valuation re-rating, **Litigation Capital Management** which soared after its IPO on completion of litigation projects and **Ashmore** which delivered strong performance while improving sentiment towards Emerging Markets drove a surge in demand for its funds. While General Retailers as a sector has been enduring tough trading conditions, our holding in **Dunelm** bucked the trend and its January trading update led to analysts upgrading their earnings forecasts. Within Software & Computer Services, **Micro Focus** performed well as strong execution has helped to restore investors' faith in management's ability to hit guidance. Within Mining, both **Rio Tinto** and **Anglo American** delivered returns of over 20% in the period on rising commodity prices and disruption to global iron ore supply caused by a burst dam owned by a Brazilian competitor.

Revenue Account

The dividend income, including stock dividends, received by the portfolio during the period was £5.2m, which was 1.0% or £54k less than last year. UK investment income, which makes up 82% of the income, was down 4.7%, while the income from overseas and property income distributions was up 1.8%. 97% of the dividend income came from recurring rather than special dividends, which provides reassurance that the income is sustainable in the future.

In the three years prior to the current year, the income generated in the first six months has been between 40% and 45% of the total income for the year. Our forecasts for the full year indicate

Strategic Report

Investment Manager's Report

that the current year will follow this pattern and that the second half of the year will ensure that we are able to pay the projected full year dividend out of the earnings for the year.

Activity

Purchases

We bought back into **Imperial Brands** where we believe the market is too fearful about the impact of new competition on earnings and dividends. Imperial appears to be gaining momentum in vaping, with potential for its Blu brand to become a leading player in a consolidating market. Recent management guidance has driven earnings upgrades, which should in due course drive the share price from the starting point of a very low valuation. We also bought shares in mining business **Glencore** where the management team appears to be highly incentivised to deliver for shareholders. We like the diversified nature of Glencore's portfolio, with stable marketing revenues in addition to high quality mining assets. While there remain some regulatory risks, these appear to be more than fully priced in at the current valuation.

Sales

We took profits in **Legal & General** where management's strategy has been successful in addressing growth opportunities by linking the company's investing, annuities, investment management and insurance businesses. However, this is now better understood by the wider market, as reflected in the valuation which has moved ahead of its peers after a period of very strong share price performance. We also took profits in **Dunelm** where the investment case appeared to have played out and the valuation had moved ahead of its closest competitors. Dunelm's success can be attributed to management's focus on its core business which is enabling the company to overcome the headwinds being faced elsewhere in the sector. This is an example of a UK domestic stock whose share price had been under pressure from macro concerns, but which has ultimately responded to positive corporate fundamentals. We anticipate that other UK domestic stocks will follow Dunelm's lead and we expect this to be a helpful driver of the portfolio's performance in the months ahead.

Strategic Report

Investment Manager's Report

Outlook

While the weak performance of the portfolio during the period was disappointing, we remain convinced in the long-term merits of our investment process which looks to identify stocks whose potential for improvement in fundamentals has not been priced into their valuations. This process tends to perform best when investors are receptive to changes in company fundamentals. This was not such a period. The primary focus for many investors during the period was fear of macro turmoil, notably slowing global growth and the risk of a hard Brexit. The result was a widening in the valuation divergence between defensive growth stocks, to which the portfolio has limited exposure, and value/income stocks, to which the portfolio has considerable exposure. We see an abundance of stocks with attractive prospects on significantly lower valuations, with scope to rebound strongly.

We remain convinced of the importance of scrutinising a stock's valuation when assessing its investment case. Many investors talk about "reassuringly high" valuations, but we beg to differ. We would rather identify companies whose valuations offer scope to increase over time as their robust fundamentals become better appreciated by the market. Our focus remains on ensuring that the portfolio is set up to generate improved returns by sticking to our investment process and identifying companies with a combination of robust fundamentals and low valuations.

Currently we are finding the most compelling investment ideas within three areas.

- Global Yield stocks – attractively valued overseas earners whose strong cash flows underpin confidence in dividend delivery (this includes resource stocks and industrials).

Strategic Report

Investment Manager's Report

- Domestic Opportunities – UK-focused companies that offer the prospect of meaningful valuation re-rating as political uncertainty fades (this includes consumer and financial stocks).

- Uncorrelated Value - stocks whose growth prospects are independent of macro drivers (this includes stocks such as John Laing).

These attractive valuation opportunities exist partly as a result of the uncertain economic and political outlook. When the current uncertainty has disappeared, valuations are likely to be meaningfully higher. While taking a non-consensual view can be uncomfortable when investing, we believe that it holds the key to achieving strong investment returns over the long term.

While the capital performance of the portfolio has been disappointing, the income that the portfolio has generated has been stable in the first half of the financial year, on the back of a 19% increase this time last year. We firmly believe that the acceleration in the portfolio's dividend growth in recent years has been supported by the index-agnostic approach, which provides the flexibility to invest in small and mid-cap stocks whose long-term dividend growth prospects appear significantly more attractive than their large cap peers. Over time we would expect this approach to support capital growth, as well as dividend growth.

Thomas Moore
Portfolio Manager
21 May 2019

Strategic Report

Top Twenty Investments

As at 31 March 2019

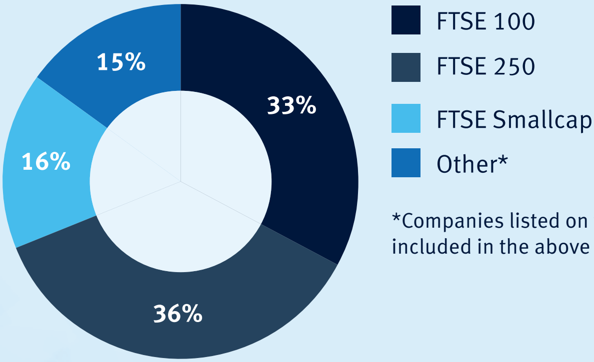
	Value £'000	% of Portfolio
John Laing	12,209	5.1
Royal Dutch Shell	9,225	3.8
BP	7,838	3.3
Close Brothers	6,974	2.9
Rio Tinto	6,628	2.8
Premier Asset Management	6,370	2.6
Prudential	6,270	2.6
HSBC	6,258	2.6
Aviva	6,253	2.6
Ashmore	5,276	2.2
Top ten investments	73,301	30.5
MJ Gleeson	5,077	2.1
National Express	4,955	2.1
Chesnara	4,825	2.0
Tyman	4,787	2.0
British American Tobacco	4,766	2.0
GVC	4,690	1.9
Diversified Gas & Oil	4,364	1.8
Micro Focus	4,315	1.8
DFS Furniture	3,972	1.6
Wood Group	3,931	1.6
Top twenty investments	**118,983**	**49.4**
Other investments (48)	122,001	50.6
Total Portfolio	**240,984**	**100.0**

Number of holdings

68

Strategic Report
Our Portfolio

Market Cap Exposure
As at 31 March 2019



*Companies listed on the London exchanges but not included in the above FTSE indices.

Strategic Report

Our Portfolio

Sector Distribution

At 31 March 2019

45.8% FINANCIALS

18.4% BASIC MATERIALS

16.0% INDUSTRIALS

9.1% CONSUMER SERVICES

5.7% CONSUMER GOODS

1.8% TECHNOLOGY

1.4% TELECOMS

1.0% HEALTHCARE

0.8% UTILITIES

Financial Statements

Condensed Statement of Comprehensive Income

	Notes	Six months ended 31 March 2019 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000
Net losses on investments at fair value		-	(21,073)	(21,073)
Currency gains/(losses)		-	2	2
Income	2	5,212	-	5,212
Investment management fee		(225)	(526)	(751)
Administrative expenses		(213)	-	(213)
NET RETURN BEFORE FINANCE COSTS AND TAXATION		**4,774**	**(21,597)**	**(16,823)**
Finance costs		(85)	(199)	(284)
RETURN BEFORE TAXATION		**4,689**	**(21,796)**	**(17,107)**
Taxation	3	(51)	-	(51)
RETURN AFTER TAXATION		**4,638**	**(21,796)**	**(17,158)**
RETURN PER ORDINARY SHARE	4	**9.43p**	**(44.33p)**	**(34.90p)**

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

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Condensed Statement of Comprehensive Income.

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

The accompanying notes are an integral part of the Financial Statements.

Financial Statements

Condensed Statement of Comprehensive Income

Six months ended 31 March 2018 (unaudited)		
Revenue £'000	Capital £'000	Total £'000
-	(13,846)	(13,846)
-	(6)	(6)
5,251	-	5,251
(254)	(593)	(847)
(197)	-	(197)
4,800	**(14,445)**	**(9,645)**
(57)	(132)	(189)
4,743	**(14,577)**	**(9,834)**
(12)	-	(12)
4,731	**(14,577)**	**(9,846)**
9.62p	**(29.65p)**	**(20.03p)**

Financial Statements

Condensed Statement of Financial Position

	Notes	As at 31 March 2019 (unaudited) £'000	As at 30 September 2018 (audited) £'000
FIXED ASSETS			
Investments at fair value through profit or loss		240,984	266,742
CURRENT ASSETS			
Debtors		2,154	1,886
Money-market funds		3,734	1,350
Cash and short-term deposits		206	35
		6,094	**3,271**
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank loan		(29,851)	(30,000)
Other creditors		(1,049)	(1,564)
		(30,900)	**(31,564)**
NET CURRENT LIABILITIES		(24,806)	(28,293)
NET ASSETS		**216,178**	**238,449**
CAPITAL AND RESERVES			
Called-up share capital	6	12,295	12,295
Share premium account		52,043	52,043
Capital redemption reserve		12,616	12,616
Capital reserve	7	128,879	150,675
Revenue reserve		10,345	10,820
EQUITY SHAREHOLDERS' FUNDS		**216,178**	**238,449**
NET ASSET VALUE PER ORDINARY SHARE	8	**439.72p**	**485.02p**

The Financial Statements of Aberdeen Standard Equity Income Trust plc, registered number 2648152, were approved by the Board of Directors and authorised for issue on 21 May 2019 and were signed on its behalf by:

Richard Burns
Chairman

Financial Statements

Condensed Statement of Changes in Equity

Six months ended 31 March 2019 (unaudited)

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2018		12,295	52,043	12,616	150,675	10,820	238,449
Return after taxation		-	-	-	(21,796)	4,638	(17,158)
Dividends paid	5	-	-	-	-	(5,113)	(5,113)
BALANCE AT 31 MARCH 2019		**12,295**	**52,043**	**12,616**	**128,879**	**10,345**	**216,178**

Financial Statements

Condensed Statement of Changes in Equity

Six months ended 31 March 2018 (unaudited)

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2017		12,295	52,043	12,616	148,939	11,380	237,273
Return after taxation		-	-	-	(14,577)	4,731	(9,846)
Dividends paid	5	-	-	-	-	(6,834)	(6,834)
BALANCE AT 31 MARCH 2018		**12,295**	**52,043**	**12,616**	**134,362**	**9,277**	**220,593**

Financial Statements
Notes to the Financial Statements

1. Accounting policies

Basis of accounting

The condensed Financial Statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014 and updated in February 2018 with consequential amendments. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The Half-Year Financial Statements and the net asset value per share figures have been prepared in accordance with FRS 102 using the same accounting policies as the preceding annual accounts.

2. Income

	Six months ended 31 March 2019 £'000	Six months ended 31 March 2018 £'000
Income from investments		
UK investment income		
Ordinary dividends	4,204	4,324
Special dividends	59	151
	4,263	**4,475**
Overseas and Property Income Distribution investment income		
Ordinary dividends	675	663
Special dividends	78	-
	753	**663**
	5,016	**5,138**
Other income		
Money-market interest	12	7
Stock dividends	174	106
Underwriting commission	10	-
	196	**113**
Total income	**5,212**	**5,251**

Notes to the Financial Statements

3. Taxation on ordinary activities

The taxation charge for the period, and the comparative period, represents withholding tax suffered on overseas dividend income.

4. Return per ordinary share

	Six months ended 31 March 2019 p	Six months ended 31 March 2018 p
Revenue return	9.43	9.62
Capital return	(44.33)	(29.65)
Total return	**(34.90)**	**(20.03)**

The figures above are based on the following figures:

	£'000	£'000
Revenue return	4,638	4,731
Capital return	(21,796)	(14,577)
Total return	**(17,158)**	**(9,846)**
Weighted average number of ordinary shares*	**49,162,782**	**49,162,782**

* Calculated excluding shares in treasury. At 31 March 2019 there were 15,985 shares in treasury (2018: 15,985).

Financial Statements

Notes to the Financial Statements

5. Dividends

	Six months ended 31 March 2019 £'000	Six months ended 31 March 2018 £'000
Ordinary dividends on equity shares deducted from reserves:		
Third interim dividend for 2017 of 4.00p per share	-	1,967
Final dividend for 2018 of 5.50p per share (2017: 5.50p)	2,704	2,704
First interim dividend for 2019 of 4.90p (2018: 4.40p)	2,409	2,163
	5,113	**6,834**

The third interim dividend for the financial year to 30 September 2017 was declared on 1 September 2017 with an ex-dividend date of 14 September 2017. This dividend of 4.00p per share was paid 6 October 2017 (during the six months ended 31 March 2018) and was not included as a liability in the Financial Statements to 30 September 2017.

6. Called-up share capital

	Number	£'000
Issued and fully paid:		
Ordinary shares 25p each		
Balance at 30 September 2018	49,162,782	12,291
Balance at 31 March 2019	49,162,782	12,291
Treasury shares		
Balance at 30 September 2018	15,985	4
Balance at 31 March 2019	15,985	4
Called-up share capital at 31 March 2019		**12,295**

No Ordinary shares were repurchased during the six months ended 31 March 2019 or 31 March 2018.

Financial Statements

Notes to the Financial Statements

7. Capital reserve

The capital reserve figure reflected in the Condensed Statement of Financial Position includes investment holdings gains at the period end of £2,603,400 (30 September 2018: gains of £28,901,930) which relate to the revaluation of investments held at the reporting date and realised gains of £126,275,743 (30 September 2018: £121,773,085).

8. Net asset value per ordinary share

	As at 31 March 2019	As at 30 September 2018
Attributable net assets (£'000)	216,178	238,449
Number of ordinary shares in issue*	49,162,782	49,162,782
NAV per ordinary share (p)	439.72	485.02

* Excludes shares in issue held in treasury. At 31 March 2019 there were 15,985 shares in treasury (2018: 15,985).

9. Transaction costs

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

	Six months ended 31 March 2019 £'000	Six months ended 31 March 2018 £'000
Purchases	91	217
Sales	22	34
	113	**251**

Financial Statements

Notes to the Financial Statements

10. Loans

The loan facility by Scotiabank (Ireland) Limited was repaid on 17 December 2018 and refinanced by a £40,000,000 facility provided by Banco Santander S.A., London Branch. The facility consists of a five year revolving facility which has a maturity date of 20 November 2023.

At 31 March 2019, £30,000,000 had been drawn down (30 September 2018: £30,000,000) at a rate of 1.846% (30 September 2018: 1.57463%).

The loan is shown in the Condensed Statement of Financial Position net of amortised expenses of £149,000.

11. 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: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

All of the Company's investments are in quoted equities (30 September 2018: 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 have therefore been deemed as Level 1 (30 September 2018: same).

Financial Statements

Notes to the Financial Statements

12. Half-Yearly Report

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434-436 of the Companies Act 2006. The financial information for the six months ended 31 March 2019 and 31 March 2018 has not been audited.

The information for the year ended 30 September 2018 has been extracted from the latest published audited Financial Statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

This Half-Yearly Financial Report was approved by the Board on 21 May 2019.

Additional Information

Directors' Responsibility Statement

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with applicable laws and regulations. The Directors confirm that to the best of their knowledge –

- the condensed set of Financial Statements have been prepared in accordance with the Accounting Standards Board's statement "Half-Yearly Financial Reports"; and
- the Interim Management Report includes a fair review of the general conditions required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The Half-Yearly Financial Report, for the six months ended 31 March 2019, comprises an Interim Management Report, in the form of the Chairman's Statement, the Directors' Responsibility Statement and a condensed set of Financial Statements, which has not been audited or reviewed by the auditors pursuant to the Accounting Principles Board guidance on Review of Interim Financial Information.

For and on behalf of the Directors of Aberdeen Standard Equity Income Trust plc.

Richard Burns
Chairman

21 May 2019

Additional Information

Glossary

Alternative Performance Measures	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.
Discount and Premium	A discount is the percentage by which the market price per share of an investment trust is lower than its Net Asset Value per share. A premium is the percentage by which the market price per share of an investment trust exceeds its Net Asset Value per share.
Net Asset Value per share (NAV)	Net Assets divided by the number of Ordinary shares in issue produces the Net Asset Value per share.
Net Gearing	Net borrowings (both short and long-term, less cash held in the portfolio) as a percentage of Shareholders' funds. Calculated in accordance with AIC guidance "Gearing Disclosures post RDR".
Revenue Earnings Per Share (Revenue EPS)	The net income from dividends and interest received, after tax, of the Company divided by the weighted average number of shares in issue during the year.
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.

Additional Information

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: www.aberdeenstandardequityincometrust.co.uk

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

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

Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over 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. Changes of address must be notified to the Registrars in writing.

Additional Information

Investor Information

If you have any general questions about your Company, the Investment Manager or performance, please telephone the Aberdeen Standard Investments Customer Services Department, send an email to inv.trusts@aberdeenstandard.com or write to:

Aberdeen Standard 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 2019/20 tax year (2018/19: £2,000). 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 Aberdeen Standard Investment Plan for Children, Investment Trust Share Plan or Investment Trust Individual Savings Account ("ISA").

Aberdeen Standard Investment Plan for Children
Aberdeen Standard Investments operates 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 (subject to the eligibility criteria as stated within the terms and conditions), including parents, grandparents and family friends. 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%) on entry where applicable. Selling costs are £10 + VAT. There is no restriction on how

Additional Information
Investor Information

long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

Aberdeen Standard Investment Trust Share Plan
Aberdeen Standard Investments 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 simply 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 Aberdeen Standard Investments in writing at any time.

Aberdeen Standard Investment Trust ISA
Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the 2019/20 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 Aberdeen Standard Investments, 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
All investments in the Aberdeen Standard Investments Children's Plan, Investment Trust Share Plan and Investment Trust ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

Additional Information

Investor Information

Keeping You Informed

Further information about the Company may be found on its dedicated website: www.aberdeenstandardequityincometrust.co.uk. 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.

Alternatively, please call 0808 500 0040 (Freephone) or email inv.trusts@aberdeenstandard.com or write to the address for Aberdeen Standard 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 its website at: invtrusts.co.uk.

Literature Request Service

For literature and application forms for Aberdeen Standard Investment's investment trust products, please contact us through: inv.trusts@aberdeenstandard.com

By telephone:- 0808 500 4000

Or write to:-

Aberdeen Standard Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Additional Information
Investor Information

Terms and Conditions
Terms and conditions for Aberdeen Standard Investments managed savings products can also be found under the Literature section of our 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 who are seeking long-term capital growth by investment in UK-quoted smaller companies, and who understand and are willing to accept the risks of exposure to equities.

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.

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 & Financial Advice Association at: pimfa.co.uk.

Additional Information
Investor Information

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: register@fca.org.uk

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 39 to 44 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.

Additional Information

Company Information and Contact Details

Directors
Richard Burns (Chairman)
Josephine Dixon
Caroline Hitch
Jeremy Tigue
Mark White

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

Registered Number
Registered in England & Wales
No. 2648152

Investment Manager
Aberdeen Standard
Fund Managers Limited
1 George Street
Edinburgh EH2 2LL
(Authorised and regulated by the
Financial Conduct Authority)
Telephone: 0808 500 0040

Website Address:
www.aberdeenstandardequityincometrust.co.uk

Company Secretary
Maven Capital Partners UK LLP
1st Floor
Kintyre House
205 West George Street
Glasgow G2 2LW
Telephone: 0141 306 7400
www.mavencp.com

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

Solicitors
Dickson Minto
16 Charlotte Square
Edinburgh EH2 4DF

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

Lenders
Banco Santander S.A.
2-3 Triton Square
Regent's Place
London NW1 3AN

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

Registered Office:

Aberdeen Standard Equity Income Trust plc
Bow Bells House
1 Bread Street
London
EC4M 9HH
www.aberdeenstandardequityincometrust.co.uk

Managed by:

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