Aberdeen Diversified Income and Growth Trust PLC

Investing across asset classes aiming to deliver reliable income and growth

Half Yearly Report
31 March 2020

Investment Objective

The Company's investment objective is to target a total portfolio return of LIBOR (London Interbank Offered Rate) plus 5.5 per cent. per annum (net of fees) over rolling five-year periods.

Investment Policy

The Company invests globally using a flexible multi-asset approach via quoted and unquoted investments. The Company has not set maximum or minimum exposures for any geographical regions or sectors and will achieve an appropriate spread of risk by investing in a diversified portfolio of securities and other assets.

Visit our Website

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

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Performance Highlights

Net asset value total return per Ordinary share with debt at fair value[A]
Six months ended 31 March 2020

–11.5%

Year ended 30 September 2019 +1.1%

Share price total return per Ordinary share[A]
Six months ended 31 March 2020

–14.4%

Year ended 30 September 2019 –9.0%

LIBOR + 5.5% \total return
Six months ended 31 March 2020

+3.0%

Year ended 30 September 2019 +6.4%

(Discount)/premium to net asset value[A]
As at 31 March 2020

(12.1)%

As at 30 September 2019 (7.6)%

Revenue return per Ordinary share
Six months ended 31 March 2020

2.46p

Six months ended 31 March 2019 2.70p

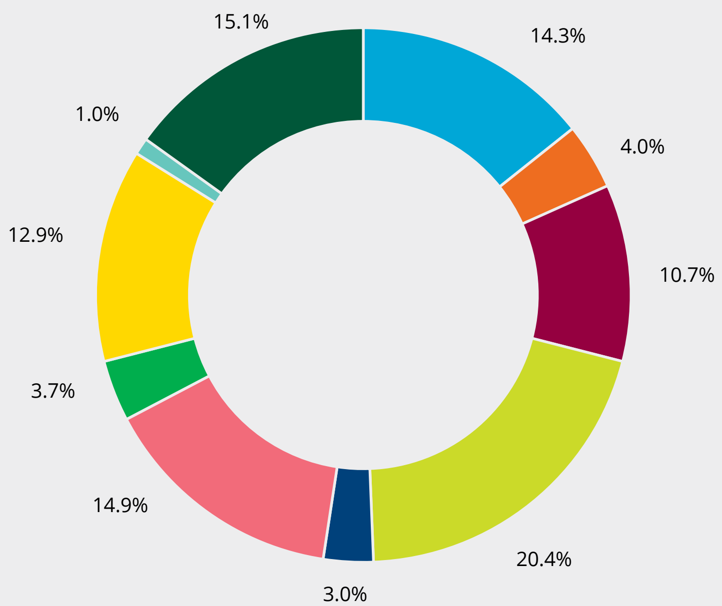
Ongoing charges ratio[A]
Forecast year ended 31 March 2020

0.85%

Year ended 30 September 2019 0.84%

[A] Considered to be an Alternative Performance Measure. Further details can be found on pages 31 and 32.

Investment Portfolio by Asset Class



Asset Class

- Listed Equities - 14.3%
- Private Equity - 4.0%
- Property - 10.7%
- Infrastructure - 20.4%
- Loans - 3.0%
- Asset Backed Securities - 14.9%
- Insurance-Linked Securities - 3.7%
- Special Opportunities - 12.9%
- Real Assets - 1.0%
- Fixed Income - 15.1%

Financial Calendar

Expected payment dates of quarterly dividends	27 March 2020 10 July 2020 16 October 2020 22 January 2021
Financial year end	30 September 2020
Expected announcement of results for year ending 30 September 2020	December 2020
Annual General Meeting (London)	February 2021

Financial Highlights

	31 March 2020	30 September 2019	% change
Total assets[A]	£417,666,000	£473,182,000	–11.7
Equity shareholders' funds (Net Assets)	£358,144,000	£413,679,000	–13.4
Net asset value per Ordinary share – debt at fair value (capital basis)[B]	102.61p	116.85p	–12.2
Ordinary share price (mid market)	90.20p	108.00p	–16.5
(Discount)/premium to net asset value on Ordinary shares – debt at fair value (capital basis)	(12.09)%	(7.57)%	
Net gearing[B]	7.77%	12.50%	
Ongoing charges ratio[B]	0.85%	0.84%	

[A] Total assets as per the Statement of Financial Position less current liabilities.
[B] Considered to be an Alternative Performance Measure. Details of the calculation can be found on pages 31 and 32.

	Six months ended 31 March 2020	Six months ended 31 March 2019	% change
Net revenue return after taxation	£7,893,000	£8,930,000	–11.6
Revenue return per share	2.46p	2.70p	–8.9
Dividends			
First interim dividend	1.36p	1.34p	+1.5
Second interim dividend	1.36p	1.34p	+1.5
Total dividends declared in respect of the period	2.72p	2.68p	+1.5

Chairman's Statement

Looking back over the start of 2020 it is now hard to recall the optimism that had built up within markets to create all-time highs in global equities in February 2020 and the majority view that the UK economy had the potential to move forward in 2020 on the back of positive growth. The Covid-19 outbreak in China was daily news but no-one anticipated how the events would unfold so rapidly.

At the time of writing this Report, the country remains in partial lockdown and we hope our shareholders and their families are safe and well. Your Company has continued to operate as normal, albeit with everyone working from their homes. The Board has monitored the business continuity plans of all our service providers, including the Manager, which are being successfully implemented, with minimal disruption to the operation of the Company.

Whilst this Report serves to focus on the six months ended 31 March 2020, our shareholders will also want to understand our expectations for the future. Unfortunately, short term predictions will make us all look foolish as they will be undermined by the timing and the manner in which the lockdown is being lifted, which at the time of writing is uncertain. There are no experiences for the professionals to draw on as 'this time is different', four words I was always told never to use when looking at investment markets, but I fear they should be used to preface this Report.

Portfolio Performance

Over the six month period ended 31 March 2020, the Company's net asset value ("NAV") per share, with debt at fair value, fell by 11.5% on a total return basis. This is disappointing when compared to our benchmark (LIBOR+5.5%) return of +3.0%, although less disappointing when compared to the FTSE All-Share Index, which was down 25.1% and FTSE All-World (£) down 15.9%. Against the backdrop of collapsing markets, the Company's share price closed the period under review at 90.2 pence, compared to 108.0 pence at 30 September 2019, resulting in a disappointing share price fall of 16.5%.

Strategy

Whilst huge uncertainties remain over the short term outlook, from which the Company will not be immune, the Board remains confident in its medium-term strategy, and its ability to withstand these perils. The Company maintains a diversified portfolio, including exposure to alternative asset classes, an attractive income and volatility around half that of equities. It also benefits from the broad expertise of Aberdeen Standard Investments and the closed-ended company structure.

The Company's multi-asset portfolio has developed further over the last few months, at times taking advantage of the asset price falls – further information may be found in the Investment Manager's Report. Over the six months, new investments were added in litigation finance, economic infrastructure (energy and transport) and private equity. Smaller follow-on investments were made in other areas including real estate, farmland and private equity. In total, a net £9.7m was invested over the period in longer term funds. The Manager has a pipeline of similar opportunities under research.

Dividend

A major component of our investor proposition is offering a dependable and regular dividend. The Company's revenue return for the six months ended 31 March 2020 was 2.46 pence per share, compared to 2.70 pence per share in the comparable period ended 31 March 2019. For the year to 30 September 2020, a first interim dividend of 1.36 pence (2019 – 1.34 pence) per share was paid to shareholders on 27 March 2020. The Board has declared a second interim dividend of 1.36 pence per share to be paid on 10 July 2020 to shareholders on the register on 19 June 2020 with an ex-dividend date of 18 June 2020. These dividends, paid and declared, are equivalent to a dividend yield of 6.0% using the period end share price of 90.2p.

Discount management policy

The Company's discount management policy seeks to maintain the Company's share price discount to NAV (calculated excluding income, with debt at fair value) below 5%, subject to normal market conditions. Unfortunately, as explained in the Investment Manager's Report, we were not in anything like normal market conditions. As the pandemic worries took hold and investor concerns multiplied through March, the Company's share price fell sharply which resulted in the discount (calculated with debt at fair value) widening from 7.6% at 30 September 2019 to 12.1% at 31 March 2020.

During the period, the Company bought back 3.1 million shares into treasury at a cost of £3.4 million. The Board will continue to monitor the discount and buy back shares in support of the discount management policy (or undertake share issuance if required) when it believes it is in the best interests of shareholders, whilst also having regard to the prevailing gearing level and the composition of the Company's portfolio.

Governance

At the AGM on 26 February 2020, I succeeded James Long as Chairman of the Company on his retirement. Together with the other Directors, I would like to pass on my sincere thanks to James for his service as a Director of the Company for over 13 years and his stewardship as Chairman for five years.

Replacement for LIBOR

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

Outlook

The key risks for both the UK and global economies remains the Covid-19 pandemic, how effectively the virus is contained, and, once this has happened, how resources and efforts are redirected towards igniting an economic recovery. In the meantime, it is clear the economic cost will be severe and a global recession is almost assured. It is therefore crucial that governments globally act decisively and in concert.

The Company's investment strategy, which provides diversification and seeks lower volatility, should stand us in good stead compared to many equity funds. Broad diversification is provided in the portfolio through its investment in a range of asset classes, both listed and unlisted. We all remain mindful of the challenges ahead and your Board together with the Manager continue to review positioning on a regular basis. We believe, however, that we are well-placed to take advantage, as the economy recovers, of access to investment opportunities not available to conventional investors.

The Board continues to monitor closely the dividend strategy, liquidity and the level of share buybacks. In these uncertain times, the Company's revenue reserves of almost two years' dividend payments hopefully provide a level of reassurance from an income perspective. Understandably during these difficult times for investors, consistent income from an investment in a company like this is very important. One advantage of the closed end structure is the nature of revenue reserves which have been built up over time and this will be an increasingly important differentiator for investors relying on dividend payments from UK companies and beyond.

Electronic Communications for Registered Shareholders

The Board is proposing making increased use of electronic-based forms of communication to our shareholders which has the benefits of being cost-effective as well as a faster and a more environmentally friendly way of providing information to our shareholders. Registered shareholders will therefore find enclosed, with the posted Half Yearly Report, a letter containing our electronic communications proposals and an opportunity to supply an email address to the Registrar, Computershare Investor Services plc. Registered shareholders who wish to continue to receive hard copies of documents and communications by post are encouraged to send back their replies in the enclosed prepaid envelope as soon as possible and by 7 August 2020 at the latest.

Shareholders who hold their shares through the Aberdeen Standard Investment Trust Share Plan, ISA and Children's Plan ("Planholders") will continue to receive all documentation by post in hard copy form for the time being. Aberdeen Asset Managers Limited, the plan manager, is currently assessing how to adopt more electronically-based communications within these savings plans and Planholders will be contacted directly with further details in due course.

For and on behalf of the Board

Davina Walter
Chairman
11 June 2020

Interim Management Report and Directors' Responsibility Statement

The Chairman's Statement on pages 4 and 5 and the Investment Manager's Report on pages 8 to 11 provide details of the important events which have occurred during the period and their impact on the financial statements.

Principal Risks and Uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Performance;
- Portfolio;
- Gearing;
- Income/dividend;
- Regulatory;
- Operational;
- Market; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements (the "Annual Report") for the year ended 30 September 2019; a detailed explanation can be found in the Strategic Report on pages 8 to 10 of the Annual Report which is available on the Company's website: **aberdeendiversified.co.uk**.

The Board considers that the uncertainty posed by Brexit continues and there remains a lack of clarity around the arrangements to follow the end of the transition period on 31 December 2020.

The key uncertainty affecting the operations of the Company, which emerged in the period, stemmed from the Covid-19 pandemic and its impact on the operations of the Company's portfolio holdings. The Manager will continue to review the composition of the Company's portfolio and to be pro-active in taking investment decisions as necessary. Separately, Covid-19 has the potential to disrupt the suppliers of services to the Company including the Manager and other key third parties. These services have continued to be supplied without interruption during the period, and thereafter, and the Board receives regular reports from the Manager on these business continuity arrangements.

In the view of the Board, with the exception of Covid-19, there have not been any changes to the fundamental nature of these risks since the previous Annual Report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year ending 30 September 2020 as they were to the six months under review.

Going Concern

The Financial Statements of the Company have been prepared on a going concern basis. The Directors have assessed the financial position of the Company with particular focus on the impact of Covid-19, as outlined above and in the Chairman's Statement on pages 4 and 5. While it is premature to evaluate the longer term effects of the global pandemic on the Company, the Board takes comfort from the Manager's construction of an actively managed portfolio of diversified assets which is designed to provide both a level of resilience in the face of shorter term volatility and the potential for an attractive return when the economic recovery materialises.

The forecast projections and actual performance are reviewed on a regular basis throughout the period and the Directors believe that this is the appropriate basis and that the Company is financially sound with adequate resources to continue in operational existence for the foreseeable future (being a period of twelve months from the date that these financial statements were approved). The Company is able to meet all of its liabilities from its assets, including its ongoing charges.

Related Party Disclosures and Transactions with the Alternative Investment Fund Manager and Investment Manager

Aberdeen Standard Fund Managers Limited ("ASFML") was appointed as the Company's Alternative Investment Fund Manager ("AIFM") on 11 February 2017.

ASFML has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to Aberdeen Asset Managers Limited and Aberdeen Asset Management PLC which are regarded as related parties under the UKLA's Listing Rules. Details of the fees payable to ASFML are set out in note 3 to the condensed financial statements.

Directors' Responsibility Statement

The Disclosure and Transparency Rules of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with applicable UK Accounting Standard FRS 104 'Interim Financial Reporting' and give a true and fair view of the assets, liabilities, financial position and loss of the Company for the period ended 31 March 2020; and

- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules.

This Half-Yearly Financial Report has been reviewed by the Company's auditor, PricewaterhouseCoopers LLP, and their report is set out on page 33.

The Half-Yearly Financial Report was approved by the Board and the above Director's Responsibility Statement was signed on its behalf by the Chairman.

For and on behalf of the Board
Davina Walter
Chairman
11 June 2020

Investment Manager's Report

The six months ended 31 March 2020 have been notable for the pandemic caused by Covid-19 which was followed by unprecedented government actions and a return to levels of financial market volatility last seen during the Global Financial Crisis in 2008. There have been wide-ranging and, in some cases, unforeseen operational impacts on the Company's investment portfolio. Shareholders will have many questions as to how the investment approach and, indeed, the portfolio, will be affected by Covid-19. In these circumstances, the Investment Manager's Report has adopted a 'Question and Answer' format in order to address a number of these directly.

What impact is the Covid-19 pandemic having on the Company's portfolio?

The tragic and distressing events of recent months have impacted your portfolio in three ways: operationally, fundamentally and in terms of performance.

In early March, Aberdeen Standard Investments adopted a policy of remote working in the UK and the Diversified Assets team quickly adapted to the new environment. We use a range of technologies to monitor closely all the portfolio investments.

The economic impact of the wholly unprecedented lockdowns imposed in many countries soon became more apparent: a sharp rise in unemployment in the United States, oil price futures trading below zero and business confidence collapsing everywhere were three of the most noticeable indicators. However, mindful of the lessons of the Global Financial Crisis, central banks and governments have responded very rapidly, putting in place a range of programmes to try to offset the deflationary effects of the pandemic.

From the portfolio perspective, some investments are impacted directly by the lockdown measures – most notably in aircraft leasing – but, for many others, the effects will only become apparent over time. In some cases, particularly in infrastructure investments, these impacts will be marginal. For others, particularly those long term funds - in healthcare royalties, Latin American infrastructure and private equity secondary opportunities - which are at an early stage of their development, the world after Covid-19 could potentially offer a wider array of opportunities at more favourable valuations than before.

In terms of performance, financial market participants have had to make snap judgements on the complex questions raised by the pandemic and the reactions to it. In the face of considerable uncertainty, a decline in value of all but the most defensive assets was inevitable as over-leveraged investors sold whichever assets they were able to. The diverse mix of assets, and the changes we made during March, helped insulate the portfolio from the worst of the declines as we discuss below.

What changes did you make to the portfolio during March?

For the first four months of the reporting period, financial markets generally performed well. Investor sentiment was boosted by improving US-China trade relations and, in October, a cut in US interest rates. We made no material changes to the portfolio during this period, other than to fund the acquisition of new investments within the unlisted, longer term funds by reducing listed holdings. This was particularly the case in areas such as listed infrastructure which had performed well and were starting to appear fully valued.

As it became clearer that Covid-19 was spreading globally, the initial response was to seek to scale back portfolio risk by cutting the exposure to equities and emerging market (EM) bonds. We reduced both positions by 4 – 5 percentage points in early March and further reduced the EM bond position later in the month. This asset class held up well during the initial phases of the market fall but, looking ahead, we take the view that these countries are less well placed to weather the likely economic storms ahead. With valuations looking less attractive relative to other asset classes, we now view a lower level of exposure to EM bonds as being appropriate.

We subsequently took advantage of extreme market volatility to reinvest around half of the cash raised, ending the period with a cash balance of £32m. The additions, at what generally proved to be very favourable prices, were mainly in listed social and renewable infrastructure – including **HICL, INPP, 3i Infrastructure, Greencoat UK Wind** and a new holding **in Aquila European Renewables**. We also increased the holding in **BioPharma Credit** and added a new asset class to the portfolio, music royalties (via **Hipgnosis Songs**, which is described on page 18). The revenue streams which underpin the future returns from these investments are, in the Manager's view, relatively unaffected by the adverse developments in the global economy or, indeed, the progression of the pandemic. We also topped up the position in **Pollen Street Secured Lending**, somewhat opportunistically, when its shares briefly traded at a 50% discount to net asset value.

Which asset classes have had the biggest impact on performance?

Over the six months ended 31 March 2020, the portfolio delivered a NAV Total Return of -11.5% which was equivalent to around half of the decline recorded by the FTSE All-Share Index and two-thirds of the fall delivered by the MSCI World Index (total return, hedged to sterling).

In terms of asset classes, economically sensitive ones – Asset Backed Securities (ABS: –2.7% impact on portfolio performance) and listed equities (–2.5%) had the biggest impact on portfolio performance. In special opportunities (-1.5%), the listed investments in aircraft leasing and litigation finance were a notable drag on performance. Smaller contributions came from emerging market bonds (–1.2%) and private equity (–0.8%), where we made a small adjustment to carrying values of three assets at the end of the period to reflect the latest information available on Covid-19.

NAV returns were further impacted by around –1.7% by gearing, partially offset by a small NAV enhancement from share repurchases during the period.

Infrastructure (+0.8%) was the only positive contributor, boosted, in part, by the well-timed additions noted above. Over the period as a whole, the listed investments held up well, reflecting the relative resilience of revenues and cash flows from underlying projects which, in many cases, have government backing and inflation linkage. In addition, the valuation of our development infrastructure fund, **AGIP II,** was increased when one of its projects reached completion.

Three asset classes are worthy of brief further comment. In ABS, the investment in TwentyFour Asset Backed Opportunities fund, a diverse fund with a focus on medium-risk securities largely in mortgage-backed and collateralised loan obligation ("CLO") investments, delivered a disappointing return of –15% over the period. Although this was in line with the return from global equities, weakness in structured credit markets reflected uncertainties over the outlook for credit losses at this early stage of the economic downturn. The other CLO investments were also poor performers and all three have reduced or suspended their dividends. In the Manager's view, current pricing in ABS markets reflects a much worse economic scenario than is factored into equity market valuations.

In listed equities, the **Multi-factor Global Equity Income** fund (which was renamed during the period) performed broadly in line with its benchmark index over much of the six month period but lagged behind the rally in global equity markets which took place at the end of March.

The return from emerging market bonds, which outperformed other economically sensitive asset classes over the period as a whole, was boosted by weakness in the funding basket currencies, notably the Norwegian krone and Australian dollar.

What progress has been made on the longer term investments and are there any Covid-19 impacts?

We added a new investment to the portfolio during the period, making an initial investment (0.2% of portfolio assets) in **Aberdeen Standard Secondary Opportunities Fund IV ("SOF IV"),** a private equity fund managed by Aberdeen Standard Investments. SOF IV participated in restructuring transactions involving two established private equity funds, managed by third parties. It has acquired stakes in two large unquoted companies (a European discount retailer and global ice cream manufacturer) at attractive valuations.

TrueNoord, the aircraft leasing co-investment, continued to develop in line with the Manager's expectations and its fleet now consists of 48 regional aircraft. TrueNoord has an experienced management team and, early in the reporting period, signed a new financing facility. Nevertheless, the airline industry is facing an unprecedented shutdown across much of the world and the carrying value for this investment has been adjusted to reflect this.

Good progress is being made in most of the other longer term investments. **Healthcare Royalty Partners IV** is starting to build its portfolio of healthcare royalty interests. So far, the manager has been able to identify a range of debt-related investments that meet its double-digit percentage annual return target. This improves the risk-return trade-off for this investment. **Aberdeen European Residential Opportunities** fund is starting to see its first sites near completion and, during the period, this had a positive impact on valuation. At the end of the reporting period, only one site – in Edinburgh – was closed owing to Covid-19 restrictions.

We have been in regular contact with the managers of all of the other long term investments and Covid-19 impacts are, at the time of writing, generally reported to be limited**. Aberdeen Property Secondaries Partners II**, which has built an interesting and diverse portfolio of third party property funds, will also see some impacts – such as delays to transactions and requests for rental relief – in its underlying property investments. However, at this stage, it is unclear how these will impact the overall performance of the fund.

The **Markel CATCo** insurance–linked investment has reached the end of its investment period and is now returning capital to us as claims on 2018 and 2019 insurance events are finalised.

At the end of April, **Burford Opportunity Fund** (BOF) published its 2019 update (which had been delayed by Covid-19). The $25m commitment to this fund is now over two-thirds drawn

Investment Manager's Report Continued

and, so far, the capital has been deployed in over 50 litigation finance investments. In the fund's first year of operation, four of these have already achieved a positive outcome, delivering a return on investment that is substantially ahead of the Manager's expectations. In its annual results statement, the manager of BOF, **Burford Capital**, commented that its business had made a particularly strong start to 2020 in terms of court results and arbitration awards. In addition, past experience shows that levels of litigation increase during economic downturns and it seems likely that demand for Burford's capital (and its expertise) will do the same as a result of the current crisis.

As the table on page 11 shows, the unlisted investments accounted for 32.3% of the Company's NAV at 31 March 2020. When the existing commitments are fulfilled, as the managers of some funds identify new investments, the exposure to unlisted investments is currently expected to extend to around 40% of the portfolio. The unlisted investments provide exposure to an increasingly diverse range of assets with different return drivers. With the earlier investments now reaching full maturity, these will play an increasingly important element in the delivery of portfolio returns.

How does the Company's valuation process take account of the Covid-19 impacts? Are they reflected in the NAV reports published by the Company each day?

At the moment, around 70% of the investment portfolio is made up of securities which are valued daily. This includes UCITs funds, emerging market bonds, listed alternative investment companies and similar. However, it is impractical to provide a daily "mark to market" valuation of the long term assets within the daily NAV announcement.

For unlisted investments, we usually use the latest valuation update from a fund's administrator as the current carrying value. Valuation updates are prepared in accordance with relevant accounting standards and are updated for any subsequent investments or distributions. They are received on a periodic basis – typically quarterly – although the BlackRock renewable investment fund publishes its asset value every six months and the Markel CATCo fund does so monthly. This inevitably means that an element of the daily NAV is out of date at any given time but, for the bulk of the long term investments, particularly in areas such as infrastructure and litigation finance, this is not a major concern. In any event, for all such assets, carrying values may be adjusted if further information, which is deemed to be material, becomes available. This process is overseen by the Manager's Alternative Valuation and Pricing Committee on behalf of, and reviewed by, the Company's Board.

At the end of the period, we incorporated valuation updates for the two **Maj** private equity funds, where consumer facing businesses have been subject to Covid-19 restrictions. In total, the valuation adjustments to the private equity investments (including TrueNoord which was highlighted earlier) amounted to less than 1% of net asset value.

How well is the portfolio placed to deliver on the Company's dividend target for 2020 and beyond?

Shareholders will be aware that a large number of quoted companies are suspending or reducing their dividends in response to the unprecedented situation that they find themselves in. For example, Royal Dutch Shell, one of the UK's largest companies, has announced its first dividend cut since 1945. A small number of the listed alternative investments have made similar announcements. This headwind will become greater in 2020–21 if these difficult economic conditions persist.

The portfolio incorporates a very wide range of investments and derives its income from many different sources. We have noted in previous reports that a number of the longer term investments – notably in infrastructure, healthcare royalties, farmland and litigation finance – will become increasingly important contributors to portfolio income as they increase in size and reach full maturity. The gain recently reported by Burford Opportunity Fund – which effectively receives a fee or interest income dependent on the successful outcome of each completed investment – is a particularly good example of this. These longer term investments underpin the Manager's medium term confidence in the income potential of the portfolio. Each month, the Board receives a report on income received and we discuss the latest forecasts and developments in the income account at each quarterly meeting.

And the capital return? How do you view the outlook from here?

The near term performance of financial markets will depend on how two competing forces are reconciled: economic fundamentals and financial market liquidity.

In terms of economic fundamentals, GDP growth expectations have been cut aggressively in recent weeks but may be cut further as the impact of the lockdowns in various countries works through the economic system. The economists in the Manager's Research Institute forecast a peak-to-trough hit to global GDP of 15%, and a year-average contraction of over 8% in 2020. This is much worse than the 2008-09 Global Financial Crisis, and is comparable to wars and the Great Depression.

Overview
Portfolio
Financial Statements
General Information
Corporate Information

In terms of financial market liquidity, central bank measures and government stimulus packages sparked a relief rally towards the end of the Company's reporting period which continued into April and May. However, as the damage to the corporate sector becomes increasingly apparent – in terms of reduced profit expectations as companies adapt to the "new normal", equity re-financing requirements to repair damaged balance sheets and, in some cases, corporate failures – we expect that this rally will abate. In the Manager's view, we are past '*peak panic*', but we are yet to see '*peak pessimism*'. The good news is that, while pre-crisis return forecasts reflected high valuations in many asset classes, the impact of these recent market falls offers the prospect of materially higher returns over the medium to long term from the current starting point. This is after allowing for the disappointment of corporate failures and debt defaults. It is especially so in ABS markets, where we have retained a high level of exposure. However, at this stage, we believe it is too soon to rebuild the portfolio's equity exposure.

Instead, we continue to see good value in listed alternative investment companies. We have used these to increase the portfolio's exposure to diversifying asset classes which, in our view, offer attractive return potential.

In addition, the Company's portfolio of longer term investments are well placed to achieve a higher level of returns going forward. In some funds, assets that have been deployed over the last three years will reach full maturity. This is particularly the case in economic infrastructure, residential and specialist property, farmland and litigation finance. At the same time, funds with "dry powder" – in private equity secondaries, healthcare royalties and Latin American infrastructure – are well positioned to take advantage of a wider range of opportunities that will meet their return targets.

Recent events have been testing for all of us and, if our economic forecasts are correct, may remain so for some time to come. This reinforces our view that the best way to approach uncertainty is to hold an actively managed portfolio of diversified assets which will provide a level of resilience in the face of further volatility and attractive return potential for when the recovery materialises.

Mike Brooks and Tony Foster,
Aberdeen Asset Managers Limited
Investment Manager
11 June 2020

		% of net assets						
Category	**Asset class**	**31/03/2020**	**30/09/2019**	**31/03/2019**	**30/09/2018**	**31/03/2018**	**30/09/2017**	**31/03/2017**
Equity	Listed equity	15.4	20.3	21.4	22.0	20.2	26.0	50.5
	Private equity	4.3	4.3	4.1	3.8	2.7	2.8	1.3
Physical assets	Property / Infrastructure / Transport / Agriculture / Gold	35.8	27.3	22.4	20.9	18.3	13.1	11.0
Fixed income & credit	Emerging market bonds / Asset backed securities / Loans / High yield / Developed government bonds	35.5	48.3	48.6	46.9	52.5	52.5	33.8
Other	Insurance linked / Litigation finance / Royalties / Direct lending / Absolute return	16.6	10.6	13.9	16.8	15.7	14.8	7.1
Total investments		**107.6**	**110.8**	**110.4**	**110.4**	**109.4**	**109.2**	**103.7**
Net borrowings		**–7.6**	**–10.8**	**–10.4**	**–10.4**	**–9.4**	**–9.2**	**–3.7**
Net assets		**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Unlisted investments		**32.3**	**26.3**	**18.3**	**19.2**	**14.0**	**6.3**	**5.2**

Ten Largest Investments

As at 31 March 2020

	At 31 March 2020 %	At 30 September 2019 %
Multi-Factor Global Equity Income Fund (formerly Smart Beta Low Volatility Global Equity Income Fund)[A]	14.3	20.3
Diversified global equity fund		
TwentyFour Asset Backed Opportunities Fund	12.7	14.2
Investments in mortgages, SME loans etc originated in Europe		
SL Capital Infrastructure II[AB]	5.5	4.6
European economic infrastructure		
Aberdeen Property Secondaries Partners II[AB]	3.7	3.5
Realisation of value from property funds which are in run-off		
Burford Opportunity Fund	3.1	1.5
Diverse portfolio of litigation finance investments intitiated by Burford Capital		
Aberdeen Standard Alpha – Global Loans Fund[A]	2.8	2.7
Portfolio of senior secured loans and corporate bonds		
BioPharma Credit	2.7	1.0
Provides capital to the life sciences industry via loans backed by royalties on product sales		
Aberdeen European Residential Opportunities Fund[AB]	2.7	2.0
Conversion of commercial property into residential		
Pollen Street Secured Lending	2.5	1.6
Specialist credit investments originated by non-bank lending platforms		
BlackRock Infrastructure Renewable Income Fund[B]	2.4	2.2
Renewable infrastructure fund – UK wind and solar		

[A] Denotes Standard Life Aberdeen managed products
[B] Unlisted holdings
All percentages on this page reflect the value of the holding as a percentage of total investments at 31 March 2020 and 30 September 2019. Together, the ten largest equity and alternative investments represent 52.4% of the Company's portfolio (30 September 2019 – 53.6%).

Investment Portfolio - Equities and Alternatives

As at 31 March 2020

Company	Valuation At 31 March 2020 £'000	Valuation At 31 March 2020 %	Valuation At 30 September 2019 £'000
Listed Equities			
Multi-Factor Global Equity Income Fund (formerly Smart Beta Low Volatility Global Equity Income Fund)[A]	55,115	14.3	84,133
Total Listed Equities	**55,115**	**14.3**	
Private Equity			
Truenoord Co-Investment[B]	5,585	1.4	7,416
HarbourVest International Private Equity VI[B]	3,034	0.8	3,055
Maj Equity Fund 4[B]	2,112	0.5	2,576
Mesirow Financial Private Equity IV[B]	1,637	0.4	1,806
Aberdeen Standard Secondary Opportunities Fund IV[AB]	817	0.2	–
Maj Equity Fund 5[B]	615	0.2	1,020
HarbourVest VIII Buyout Fund[B]	581	0.2	703
Mesirow Financial Private Equity III[B]	412	0.1	473
Dover Street VII[B]	353	0.1	405
HarbourVest VIII Venture Fund[B]	207	0.1	236
HarbourVest International Private Equity V[B]	53	–	51
Total Private Equity	**15,406**	**4.0**	
Property			
Aberdeen Property Secondaries Partners II[AB]	14,163	3.7	14,664
Aberdeen European Residential Opportunities Fund[AB]	10,423	2.7	8,241
Cheyne Social Property[B]	6,243	1.6	3,771
PRS REIT	3,823	1.0	3,783
Triple Point Social Housing	3,564	0.9	3,674
Residential Secure Income	3,093	0.8	3,428
Total Property	**41,309**	**10.7**	
Infrastructure			
SL Capital Infrastructure II[AB]	21,345	5.5	18,946
BlackRock Infrastructure Renewable Income Fund[B]	9,190	2.4	9,107
HICL Infrastructure	9,179	2.4	7,052
International Public Partnerships	9,093	2.4	6,054
John Laing Group	6,446	1.7	7,011
Aberdeen Global Infrastructure Partners II (USD)[AB]	6,158	1.6	3,489
Greencoat UK Wind	4,473	1.2	7,271
Aberdeen Global Infrastructure Partners II (AUD)[AB]	3,554	0.9	4,085
Greencoat Renewables	3,155	0.8	167
The Renewables Infrastructure Group	2,300	0.6	1,143
3I Infrastructure	1,334	0.3	–
Aquila European Renewables	1,310	0.3	–
Sequoia Economic Infrastructure Income	1,172	0.3	1,441
Andean Social Infrastructure Fund I[AB]	(100)	–	17
Total Infrastructure	**78,609**	**20.4**	

Investment Portfolio - Equities and Alternatives Continued

As at 31 March 2020

Company	Valuation At 31 March 2020 £'000	Valuation At 31 March 2020 %	Valuation At 30 September 2019 £'000
Loans			
Aberdeen Standard Alpha – Global Loans Fund[A]	10,875	2.8	11,078
NB Global Floating Rate Income Fund	603	0.2	–
Total Loans	**11,478**	**3.0**	
Asset Backed Securities			
TwentyFour Asset Backed Opportunities Fund	48,824	12.7	58,719
Blackstone/GSO Loan Financing	4,595	1.2	8,819
Marble Point Loan Financing	3,105	0.8	3,165
Fair Oaks Income Fund	974	0.2	2,418
Total Asset Backed Securities	**57,498**	**14.9**	
Insurance-Linked Securities			
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 SPI[B]	6,399	1.7	–
Markel CATCo Reinsurance Fund Ltd – LDAF 2018 SPI[B]	5,874	1.5	6,676
CATCo Reinsurance Opportunities Fund	1,477	0.4	1,301
Blue Capital Alternative Income[B]	584	0.1	1,504
Blue Capital Reinsurance Holdings	68	–	586
Total Insurance-Linked Securities	**14,402**	**3.7**	
Special Opportunities			
Burford Opportunity Fund[B]	12,157	3.1	6,660
BioPharma Credit	10,598	2.7	4,804
Pollen Street Secured Lending	9,507	2.5	7,266
Hipgnosis Songs Fund	5,814	1.5	–
Honeycomb Investment Trust	3,735	1.0	–
Burford Capital	1,895	0.5	3,733
Amedeo Air Four Plus	1,602	0.4	–
Tufton Oceanic Assets	1,545	0.4	1,692
Doric Nimrod Air Two	1,380	0.4	4,117
SME Credit Realisation Fund	971	0.3	1,859
Healthcare Royalty Partners IV[B]	322	0.1	683
Total Special Opportunities	**49,526**	**12.9**	
Real Assets			
Agriculture Capital Management Fund II[B]	3,705	1.0	3,783
Total Real Assets	**3,705**	**1.0**	
Total Alternatives	**271,933**	**70.6**	

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

Investment Portfolio – Fixed Income

As at 31 March 2020

	Valuation At 31 March 2020 £'000	Valuation At 31 March 2020 %	Valuation At 30 September 2019 £'000
Emerging Market Bonds			
Aberdeen Standard SICAV I – Frontier Markets Bond Fund[A]	8,826	2.3	11,944
Russian Federation 6.9% 23/05/29	3,182	0.8	4,995
Brazil (Fed Rep of) 10% 01/01/27	3,146	0.8	3,615
Poland (Rep of) 1.5% 25/04/20	2,942	0.8	5,862
Indonesia (Rep of) 7% 15/05/22	2,644	0.7	3,055
Indonesia (Rep of) 8.375% 15/03/34	2,574	0.7	3,156
Mexico (United Mexican States) 6.5% 09/06/22	2,129	0.5	3,231
South Africa (Rep of) 8% 31/01/30	1,810	0.5	1,344
Mexico Bonos Desarr Fix Rt 8.5% 18/11/38	1,681	0.4	3,927
Thailand (King of) 3.775% 25/06/32	1,672	0.4	2,275
Top ten investments	**30,606**	**7.9**	
Malaysia (Govt of) 3.828% 05/07/34	1,618	0.4	–
Peru (Rep of) 6.95% 12/08/31	1,610	0.4	2,185
Russian Federation 7.7% 23/03/33	1,514	0.4	2,299
Brazil (Fed Rep of) 10% 01/01/25	1,440	0.4	5,131
Colombia (Rep of) 10% 24/07/24	1,405	0.4	3,791
Turkey (Rep of) 10.4% 20/03/24	1,263	0.3	2,158
Russian Federation 6.4% 27/05/20	1,257	0.3	2,522
Mexico Bonos Desarr Fix Rt 8% 11/06/20	1,255	0.3	928
South Africa (Rep of) 8.75% 31/01/44	1,207	0.3	3,245
South Africa (Rep of) 6.25% 31/03/36	1,201	0.3	1,300
Top twenty investments	**44,376**	**11.5**	
Mexico Bonos Desarr Fix Rt 10% 05/12/24	1,070	0.3	3,136
Indonesia (Rep of) 8.125% 15/05/24	1,014	0.2	–
Peru (Rep of) 5.7% 12/08/24	927	0.2	1,973
South Africa (Rep of) 8.25% 31/03/32	814	0.2	1,116
Colombia (Rep of) 7.5% 26/08/26	742	0.2	945
Mexico (United Mexican States) 7.75% 13/11/42	701	0.2	1,694
Indonesia (Rep of) 9% 15/03/29	682	0.2	3,297
Colombia (Rep of) 6% 28/04/28	638	0.2	1,448
Czech (Rep of) 2% 13/10/33	634	0.2	1,373
Brazil (Fed Rep of) 10% 01/01/21	619	0.2	4,399
Top thirty investments	**52,217**	**13.6**	

Investment Portfolio – Fixed Income Continued

As at 31 March 2020

	Valuation At 31 March 2020 £'000	Valuation At 31 March 2020 %	Valuation At 30 September 2019 £'000
Egypt (Arab Rep of) 6.588% 21/02/28	613	0.2	–
Turkey (Rep of) 10.6% 11/02/26	594	0.2	685
Turkey (Rep of) 10.7% 17/08/22	593	0.2	1,808
Malaysia (Govt of) 4.498% 15/04/30	551	0.1	1,739
Ukraine (Rep of) 7.75% 01/09/22	546	0.1	–
Czech (Rep of) 4.2% 04/12/36	531	0.1	579
Turkey (Rep of) 10.7% 17/02/21	519	0.1	1,021
Malaysia (Govt of) 4.048% 30/09/21	410	0.1	2,198
Mongolia (Govt of) 10.875% 06/04/21	408	0.1	–
Poland (Rep of) 2.0% 25/04/21	354	0.1	–
Top forty investments	**57,336**	**14.9**	
Thailand (King of) 3.625% 16/06/23	261	0.1	1,405
Colombia (Rep of) 7% 30/06/32	223	0.1	1,450
Petroleos Mexicanos 7.19% 12/09/24	205	–	269
Indonesia (Rep of) 6.125% 15/05/28	170	–	1,959
Malaysia (Govt of) 3.844% 15/04/33	168	–	890
Total Emerging Market Bonds	**58,363**	**15.1**	

[A] Denotes Standard Life Aberdeen managed products.

Investment Portfolio – Net Assets Summary

As at 31 March 2020

	Valuation At 31 March 2020 £'000	Net assets At 31 March 2020 %	Valuation At 30 September 2019 £'000	Net assets At 30 September 2019 %
Total investments	**385,411**	**107.6**	**458,522**	**110.8**
Cash and cash equivalents	31,696	8.8	7,852	1.9
Forward contracts	(2,166)	(0.6)	3,195	0.7
6.25% Bonds 2031	(59,522)	(16.6)	(59,503)	(14.4)
Other net assets	2,725	0.8	3,613	1.0
Net assets	**358,144**	**100.0**	**413,679**	**100.0**

Investment Case Studies

Unitank – a liquid oil storage business operating across Germany and Belgium

SL Capital Infrastructure Fund II (5.5% of portfolio)

SL Capital Infrastructure Fund II (SLCI II) is a long-term unlisted vehicle overseen by the Manager's highly experienced Infrastructure team. The fund is looking to acquire a diversified portfolio of up to ten operational economic infrastructure assets across Europe and the UK. SLCI II will be investing out to 2035, and possibly beyond, in assets that should offer long term, sustainable and predictable cash flows, often with an element of inflation-linkage. The fund has a target return of 8-10% p.a. net of fees, half of which is expected to be generated from income.

The Company committed €28.5m to SLCI II in 2018, the majority of which has drawn and invested in a portfolio of solar farms in Poland; a UK rail rolling stock investment; two district heating investments in Finland and an energy storage business operating in both Germany and Belgium. Comparable listed funds often trade at a premium to net asset value and changes in premium levels can add to return volatility. Accessing this attractive asset class through an unlisted vehicle improves the risk-return trade-off for the Company's shareholders.

Hipgnosis Songs Fund (1.5% of portfolio)

Hipgnosis Songs Fund (SONG) is a listed investment company that buys and owns the rights to music royalties. SONG owns the rights to approximately 7,500 songs performed by a diverse range of artists including Beyonce, Ed Sheeran, Eurythmics and Justin Bieber. Through the collection of royalty revenues on the songs in its portfolio, which typically last for the life of the author/artist plus another 50+ years, SONG is targeting a 10%+ net total return inclusive of a 5% dividend yield. One of the key attractions of the investment is that the primary return driver, mainly the growth in music streaming platforms such as Spotify, Tencent and Apple Music, is largely uncorrelated to other return drivers within the Company's portfolio.

HIPGNOSIS

Hipgnosis Songs Fund

Condensed Statement of Comprehensive Income

		Six months ended 31 March 2020			Six months ended 31 March 2019 (Restated)		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments		–	(55,306)	(55,306)	–	(17,644)	(17,644)
Foreign exchange gains[A]	2	–	10,187	10,187	–	1,565	1,565
Income	3	9,460	–	9,460	10,664	–	10,664
Investment management fee	4	(281)	(421)	(702)	(313)	(470)	(783)
Administrative expenses		(471)	(6)	(477)	(494)	(4)	(498)
Net return/(loss) before finance costs and taxation		8,708	(45,546)	(36,838)	9,857	(16,553)	(6,696)
Finance costs		(758)	(1,137)	(1,895)	(761)	(1,141)	(1,902)
Net return/(loss) before taxation		7,950	(46,683)	(38,733)	9,096	(17,694)	(8,598)
Taxation	5	(57)	(359)	(416)	(166)	2,454	2,288
Return/(loss) attributable to equity shareholders		**7,893**	**(47,042)**	**(39,149)**	**8,930**	**(15,240)**	**(6,310)**
Return/(loss) per share (pence)	6	**2.46**	**(14.65)**	**(12.19)**	**2.70**	**(4.61)**	**(1.91)**

[A] Figures for the six months ended 31 March 2019 have been restated in accordance with guidance under the AIC SORP issued in October 2019. This has had no impact on the return/(loss) attributable to equity shareholders.

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

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

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

Condensed Statement of Financial Position

	Notes	As at 31 March 2020 (unaudited) £'000	As at 30 September 2019 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss		385,411	458,522
Deferred taxation asset	5	2,104	2,373
		387,515	460,895
Current assets			
Debtors and prepayments		1,246	2,039
Derivative financial instruments		5,507	3,282
Cash and short term deposits		31,984	7,809
		38,737	13,130
Creditors: amounts falling due within one year			
Derivative financial instruments		(7,673)	(87)
Other creditors		(913)	(756)
		(8,586)	(843)
Net current assets		30,151	12,287
Total assets less current liabilities		417,666	473,182
Non-current liabilities			
6.25% Bonds 2031	8	(59,522)	(59,503)
Net assets		**358,144**	**413,679**
Capital and reserves			
Called-up share capital	10	91,352	91,352
Share premium account		116,556	116,556
Capital redemption reserve		26,629	26,629
Capital reserve		87,076	137,509
Revenue reserve		36,531	41,633
Equity shareholders' funds		**358,144**	**413,679**
Net asset value per share (pence)	11		
– with Bonds at par value		**111.98**	**128.08**
– with Bonds at fair value		**103.72**	**119.90**

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

Condensed Statement of Changes in Equity

Six months ended 31 March 2020

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 September 2019		91,352	116,556	26,629	137,509	41,633	413,679
Ordinary shares purchased for treasury	10	–	–	–	(3,391)	–	(3,391)
(Loss)/return after taxation		–	–	–	(47,042)	7,893	(39,149)
Dividends paid	7	–	–	–	–	(12,995)	(12,995)
At 31 March 2020		**91,352**	**116,556**	**26,629**	**87,076**	**36,531**	**358,144**

Six months ended 31 March 2019

		Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 September 2018		91,352	116,556	26,629	153,182	40,410	428,129
Issue of shares from treasury	10	–	–	–	2,662	–	2,662
(Loss)/return after taxation		–	–	–	(15,240)	8,930	(6,310)
Dividends paid	7	–	–	–	–	(13,068)	(13,068)
At 31 March 2019		**91,352**	**116,556**	**26,629**	**140,604**	**36,272**	**411,413**

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

Condensed Statement of Cash Flows

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000
Operating activities		
Net loss before finance costs and taxation	(36,838)	(6,696)
Adjustments for:		
Dividend income	(5,883)	(5,914)
Fixed interest income	(3,574)	(4,744)
Interest income	(3)	(6)
Dividends received	5,010	5,013
Fixed interest income received	4,148	3,993
Interest received	3	6
Unrealised loss on forward contracts	5,361	2,857
Foreign exchange (gains)/losses	(71)	14
Losses on investments	55,306	17,644
Increase in other debtors	(22)	(15)
Decrease in accruals	(24)	(135)
Corporation tax paid	(101)	–
Taxation withheld	(141)	(61)
Net cash flow from operating activities	23,171	11,956
Investing activities		
Purchases of investments	(69,269)	(62,343)
Sales of investments and return of capital	88,477	59,895
Net cash flow from/(used in) investing activities	19,208	(2,448)
Financing activities		
Purchase of own shares to treasury	(3,391)	–
Issue of shares from treasury	–	2,662
Interest paid	(1,876)	(1,878)
Equity dividends paid (note 6)	(13,008)	(13,068)
Net cash flow used in financing activities	(18,275)	(12,284)
Increase/(decrease) in cash and cash equivalents	**24,104**	**(2,776)**
Analysis of changes in cash and cash equivalents during the period		
Opening balance	7,809	14,687
Foreign exchange	71	(14)
Increase/(decrease) in cash and cash equivalents as above	24,104	(2,776)
Closing balance	**31,984**	**11,897**

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

Notes to the Financial Statements

For the period ended 31 March 2020

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 October 2019 and with the Disclosure Transparency Rules issued by the Financial Reporting Council. Given the Company's portfolio comprises a significant proportion of "Level 1" and "Level 2" assets (listed on recognisable exchanges and realisable within a short timescale), and the Company's relatively low level of gearing, the Directors believe that adopting a going concern basis of accounting remains appropriate. The condensed financial statements have also been prepared on the assumption that approval as an investment trust will continue to be granted by HMRC. Annual financial statements are prepared under Financial Reporting Standard 102.

   Figures in the Statement of Comprehensive Income for the six months ended 31 March 2019 have been restated in accordance with guidance under the AIC SORP issued in October 2019. This has had no impact on the return/(loss) attributable to equity shareholders and details of this restatement can be found in note 2.

   The interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements. There have been no new standards, amendments or interpretations effective for the first time for this interim period that require a change in accounting policies.

   Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires Directors to exercise their judgement in the process of applying the accounting policies. The area where judgements, estimates and assumptions have the most significant effect on the amounts recognised in the financial statements is the determination of the fair value of unlisted investments (Level 3 assets in the Fair Value Hierarchy table in note 13 on pages 27 and 28) and the recognition of a deferred tax asset, details of which can be found in note 5 on page 24.

2. **Foreign exchange gains.** The Company has restated figures for the six months ended 31 March 2019 in accordance with guidance under the AIC SORP ("the SORP") issued in October 2019. In place of separately disclosing amounts relating to realised and unrealised gains and losses on foreign exchange movements and amounts relating to realised and unrealised gains and losses on forward contracts, the Company has chosen to present these amounts in aggregate under guidance of the SORP. This has had no impact on the return/(loss) attributable to equity shareholders as shown below.

As presented in the 31 March 2019 Half Yearly Report	**£'000**
Realised foreign exchange losses	(30)
Unrealised foreign exchange losses	(14)
Realised gains on forward contracts	4,466
Unrealised losses on forward contracts	(2,857)
	1,565

As presented in the 31 March 2020 Half Yearly Report	**£'000**
Foreign exchange gains	1,565

Notes to the Financial Statements Continued

3. Income

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000
Income from investments		
UK listed dividends	1,472	836
Overseas listed dividends	3,361	3,860
Stock dividends	1,050	1,218
Fixed interest income	3,574	4,744
	9,457	10,658
Other income		
Interest	3	6
Total income	**9,460**	**10,664**

4. Investment management fee

	Six months ended 31 March 2020			Six months ended 31 March 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	281	421	702	313	470	783

The investment management fee is levied by ASFML at the following tiered levels and allocated 60% to capital and 40% to revenue, in line with the Company's expected long-term returns:

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

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

5. Taxation

The taxation charge for the period represents withholding tax suffered on overseas dividend income and fixed interest income and applicable corporation tax.

The Company has recognised a deferred tax asset of £2,104,000 as it is considered likely that accumulated unrelieved management expenses and loan relationship deficits will be extinguished in future years. In arriving at the amount recognised, the Company has taken account of current year and future levels of taxable income forecast to be generated.

The Company does not apply the marginal method of allocation of tax relief.

6. Return per Ordinary share

	Six months ended 31 March 2020 p	Six months ended 31 March 2019 p
Revenue return	2.46	2.70
Capital return	(14.65)	(4.61)
Total return	**(12.19)**	**(1.91)**

The figures above are based on the following:

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000
Revenue return	7,893	8,930
Capital return	(47,042)	(15,240)
Total return	**(39,149)**	**(6,310)**
Weighted average number of shares in issue[A]	**321,017,437**	**330,619,287**

[A] Calculated excluding shares held in treasury.

7. Dividends

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000
Third interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,342	4,304
Fourth interim dividend for 2019 – 1.34p (2018 – 1.31p)	4,301	4,333
First interim dividend for 2020 – 1.36p (2019 – 1.34p)	4,352	4,431
	12,995	**13,068**

On 9 September 2019, the Board declared a third interim dividend of 1.34 pence per share which was paid on 11 October 2019 to shareholders on the register on 20 September 2019. On 13 December 2019, the Board declared a fourth interim dividend of 1.34 pence per share which was paid on 24 January 2020 to shareholders on the register on 27 December 2019. On 27 February 2020, the Board declared a first interim dividend of 1.36 pence per share (2019 – 1.34p) which was paid on 27 March 2020 to shareholders on the register on 6 March 2020.

Subsequent to the period end, the Board declared a second interim dividend of 1.36p per share (2019 – 1.34p), which will be paid on 10 July 2020 to shareholders on the register as at 18 June 2020. The total cost of this dividend, based on 318,950,238 as the number of shares in issue, excluding treasury shares, as at the date of this Report, will be £4,338,000 (2019 – £4,342,000).

Notes to the Financial Statements Continued

8. Non-current liabilities – 6.25% Bonds 2031

	Six months ended 31 March 2020 £'000	Year ended 30 September 2019 £'000
Balance at beginning of period	59,503	59,479
Amortisation of discount and issue expenses	19	24
Balance at end of period	**59,522**	**59,503**

The Company has in issue £60 million Bonds 2031 which were issued at 99.343%. The bonds have been accounted for in accordance with accounting standards, which require any discount or issue costs to be amortised over the life of the bonds. The bonds are secured by a floating charge over all of the assets of the Company with interest paid in March and September each year.

Under the covenants relating to the bonds, the Company is to ensure that, at all times, the aggregate principal amount outstanding in respect of monies borrowed by the Company does not exceed an amount equal to its share capital and reserves.

The fair value of the 6.25% Bonds using the last available quoted offer price from the London Stock Exchange as at 31 March 2020 of 143.21p (30 September 2019 – 143.21p) per bond was £85,926,000 (30 September 2019 – £85,926,000).

9. Analysis of changes in net debt

	At 30 September 2019 £000	Currency differences £000	Cash flows £000	Non-cash movements £000	At 31 March 2020 £000
Cash and cash equivalents	7,809	16,004	8,171	–	31,984
Forward contracts	3,195	(5,361)	–	–	(2,166)
Debt due after one year	(59,503)	–	–	(19)	(59,522)
Total	**(48,499)**	**10,643**	**8,171**	**(19)**	**(29,704)**

	At 30 September 2018 £000	Currency differences £000	Cash flows £000	Non-cash movements £000	At 31 March 2019 £000
Cash and cash equivalents	14,687	6,018	(8,808)	–	11,897
Forward contracts	140	(2,857)	–	–	(2,717)
Debt due after one year	(59,479)	–	–	(14)	(59,493)
Total	**(44,652)**	**3,161**	**(8,808)**	**(14)**	**(50,313)**

10. **Called-up share capital.** During the period the Company purchased 3,140,467 Ordinary shares to be held in treasury (year ended 30 September 2019 – 7,720,000 Ordinary shares purchased to be held in treasury and 2,150,000 Ordinary shares were issued from treasury) at a cost of £3,393,000 (year ended 30 September 2019 – cost of Ordinary shares purchased to be held in treasury – £8,317,000, proceeds of shares issued from treasury – £2,662,000) including expenses.

At the end of the period there were 319,841,238 (30 September 2019 – 322,981,705) Ordinary shares in issue and 45,569,636 (30 September 2019 – 42,429,169) shares held in treasury.

11. Net asset value per share

	As at 31 March 2020	As at 30 September 2019
Debt at par		
Net asset value attributable (£'000)	358,144	413,679
Number of Ordinary shares in issue excluding treasury	319,841,238	322,981,705
Net asset value per share (p)	111.98	128.08

Debt at fair value	**£'000**	**£'000**
Net asset value attributable	358,144	413,679
Add: Amortised cost of 6.25% Bonds 2031	59,522	59,503
Less: Market value of 6.25% Bonds 2031	(85,926)	(85,926)
	331,740	**387,256**
Number of Ordinary shares in issue excluding treasury	**319,841,238**	**322,981,705**
Net asset value per share (p)	**103.72**	**119.90**

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

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000
Purchases	149	15
Sales	31	4
	180	**19**

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

Level 1 – Quoted prices in active markets for identical instruments. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs. This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation.

Notes to the Financial Statements Continued

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The investment manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

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

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

As at 31 March 2020	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets/(liabilities) at fair value through profit or loss				
Equity investments	96,208	103,939	115,423	315,570
Fixed interest instruments	–	58,363	–	58,363
Loan investments	603	10,875	–	11,478
Forward currency contracts – financial assets	–	5,507	–	5,507
Forward currency contracts – financial liabilities	–	(7,673)	–	(7,673)
Net fair value	**96,811**	**171,011**	**115,423**	**383,245**

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

Level 3 Financial assets at fair value through profit or loss	As at 31 March 2020 £'000	As at 30 September 2019 £'000
Opening fair value	108,238	82,055
Purchases including calls (at cost)	17,118	48,170
Disposals and return of capital	(7,926)	(14,348)
Total gains or losses included in gains/(losses) on investments in the Statement of Comprehensive Income:		
– assets disposed of during the period	(848)	2,908
– assets held at the end of the period	(1,159)	(10,547)
Closing balance	**115,423**	**108,238**

The Company's holdings in unlisted investments are classified as Level 3. Unquoted investments, including those in Limited Partnerships ("LPs") are valued by the Directors at fair value using International Private Equity and Venture Capital Valuation Guidelines.

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

14. Related party disclosures

Transactions with the Manager. The investment management fee is levied by ASFML at the following tiered levels, payable monthly in arrears:

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

During the period, the Manager charged the Company £100,000 (2019 – £100,000) in respect of promotional activities carried out on the Company's behalf.

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

Notes to the Financial Statements Continued

The table below details all investments held at 31 March 2020 that were managed by the Group.

	31 March 2020 £'000
Multi-Factor Global Equity Income Fund (formerly Smart Beta Low Volatility Global Equity Income Fund)[A]	55,115
SL Capital Infrastructure II[B]	21,345
Aberdeen Property Secondaries Partners II[C]	14,163
Aberdeen Standard Alpha – Global Loans Fund[A]	10,875
Aberdeen European Residential Opportunities Fund[B]	10,423
Aberdeen Standard SICAV I – Frontier Markets Bond Fund[C]	8,826
Aberdeen Global Infrastructure Partners II (USD)[D]	6,158
Aberdeen Global Infrastructure Partners II (AUD)[D]	3,554
Aberdeen Standard Secondary Opportunities Fund IV[C]	817
Andean Social Infrastructure Fund I[B]	(100)
	131,176

[A] The Company is invested in a share class which is not subject to a management charge from the Group.
[B] The value of this holding is removed from the management fee calculation to ensure that no double counting occurs.
[C] The Company receives a monthly rebate based on the value of the holding to ensure that no double counting occurs.
[D] The invested capital commitment is removed from the management fee calculation to ensure that no double counting occurs.

15. **Segmental information.** The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

16. **Subsequent events.** Subsequent to the period end, the Company's NAV has increased following a recovery in stockmarket values from lows caused by the Covid-19 pandemic. At the date of this Report the latest NAVs per share were 118.86p with debt at par value and 110.50p with debt at fair value as at the close of business on 10 June 2020, representing increases of 6.1% and 6.5% respectively, compared with the NAV per share of 111.98p with debt at par value and 103.72p with debt at fair value at the period end.

17. **Half–Yearly Report.** The financial information in this Report does not comprise statutory accounts within the meaning of Section 434 – 436 of the Companies Act 2006. The financial information for the year ended 30 September 2019 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified and contained no statement under Section 498 (2), (3) or (4) of the Companies Act 2006. The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

    PricewaterhouseCoopers LLP has reviewed the financial information for the six months ended 31 March 2020 pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

18. This Half-Yearly Report was approved by the Board and authorised for issue on 11 June 2020.

Alternative Performance Measures

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

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

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the six months ended 31 March 2020 and 31 March 2019 and total returns.

2020	Dividend rate	NAV (debt at par)	NAV (debt at fair value)	Share price
30 September 2019	N/A	128.08p	119.90p	108.00p
24 December 2019	1.34p	127.09p	119.69p	111.50p
5 March 2020	1.36p	125.17p	116.81p	108.00p
31 March 2020	N/A	111.98p	103.72p	90.20p
Total return		**–10.7%**	**–11.5%**	**–14.4%**

2019	Dividend rate	NAV (debt at par)	NAV (debt at fair value)	Share price
30 September 2018	N/A	130.31p	124.17p	124.50p
27 December 2018	1.31p	120.75p	114.29p	112.00p
7 March 2019	1.34p	123.24p	116.78p	117.50p
31 March 2019	N/A	124.41p	117.60p	116.00p
Total return		**–2.4%**	**–3.1%**	**–4.7%**

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

	As at 31 March 2020 £'000	As at 30 September 2019 £'000
Net asset value attributable	358,144	413,679
Add: Amortised cost of 6.25% Bonds 2031	59,522	59,503
Less: Market value of 6.25% Bonds 2031	(85,926)	(85,926)
Less: Revenue return for the period	(7,893)	(18,706)
Add: Interim dividends paid	4,352	8,847
	328,199	**377,397**
Number of Ordinary shares in issue excluding treasury shares	**319,841,238**	**322,981,705**
Net asset value per share (p)	**102.61**	**116.85**

Alternative Performance Measures Continued

(Discount)/premium to net asset value per Ordinary share – debt at fair value (capital basis). The (discount)/premium is the amount by which the Ordinary share price of 90.20p (30 September 2019 – 108.00p) is (lower)/higher than the net asset value per Ordinary share – debt at fair value (capital basis) of 102.61p (30 September 2019 – 116.85p), expressed as a percentage of the net asset value – debt at fair value (capital basis). The Board considers this to be the most appropriate measure of the Company's (discount)/premium.

Net gearing. Net gearing measures the total borrowings of £59,522,000 (30 September 2019 – £59,503,000) less cash and cash equivalents of £31,697,000 (30 September 2019 – £7,852,000) divided by shareholders' funds of £358,144,000 (30 September 2019 – £413,679,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to brokers at the period end of £287,000 (30 September 2019 – due from brokers – £43,000), in addition to cash and short term deposits per the Statement of Financial Position of £31,984,000 (30 September 2019 – £7,809,000).

Ongoing charges. Ongoing charges is considered to be an alternative performance measure. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year. The ratio for 31 March 2020 is based on forecast ongoing charges for the year ending 30 September 2020.

	31 March 2020 £	30 September 2019 £
Investment management fees	1,308,000	1,532,000
Administrative expenses	902,000	935,000
Less: non-recurring charges[A]	–	(50,000)
Ongoing charges	**2,210,000**	**2,417,000**
Average net assets with debt at fair value	**357,315,000**	**390,389,000**
Ongoing charges ratio (excluding look-through costs)	**0.62%**	**0.62%**
Look-through costs[B]	**0.23%**	**0.22%**
Ongoing charges ratio (including look-through costs)	**0.85%**	**0.84%**

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

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

Independent Review Report to Aberdeen Diversified Income and Growth Trust plc

Report on the interim financial statements

Our conclusion

We have reviewed Aberdeen Diversified Income and Growth Trust plc's interim financial statements (the "interim financial statements") in the Half Yearly Report of Aberdeen Diversified Income and Growth Trust plc for the 6 month period ended 31 March 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with FRS 104 "Interim Financial Reporting" issued by the Financial Reporting Council and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Statement of Financial Position as at 31 March 2020;
- the Condensed Statement of Comprehensive Income for the period then ended;
- the Condensed Statement of Cash Flows for the period then ended;
- the Condensed Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Yearly Report have been prepared in accordance with FRS 104 "Interim Financial Reporting" issued by the Financial Reporting Council and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Company is applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland".

Responsibilities for the interim financial statements

Our responsibilities and those of the directors

The Half Yearly Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Yearly Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half Yearly Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Yearly Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Edinburgh
11 June 2020

Investor Information

AIFMD and Pre-Investment Disclosure Report

Aberdeen Diversified Income and Growth Trust plc (the "Company") has appointed Aberdeen Standard Fund Managers Limited as its alternative investment fund manager ("AIFM") and BNY Mellon as its depositary under the Alternative Investment Fund Managers Directive ("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, including details of the leverage and risk policies. The Company's Pre-Investment Disclosure Document is available for viewing on the Company's website at: aberdeendiversified.co.uk

Keeping You Informed

Information may be found on the Company's website, including the Company's share price, net asset value and performance data as well as London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports and the latest monthly factsheet issued by the Manager.

Shareholder Enquiries

In the event of queries regarding shareholdings, lost certificates dividend payments, registered details, etc shareholders holding their shares directly in the Company should contact the registrar, Computershare Investor Services (see Corporate Information on page 37 for details). Changes of address must be notified to the registrar in writing.

If you have any general questions about your Company, the Manager or performance, please telephone the Customer Services Department of Aberdeen Standard Investments (see Corporate Information on page 37 for details).

Dividend Tax Allowance

Individuals are liable for tax on their dividend income in excess of £2,000 per tax year at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

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 the Customer Services Department using the details on page 37.

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

How to buy shares in the Company

Direct

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 Aberdeen Standard Investments Children's Plan, Share Plan or Individual Savings Account.

Aberdeen Standard Investments Children's Plan

Aberdeen Standard Investments operates a Children's Plan which covers a number of investment companies under its management including Aberdeen Diversified Income and Growth Trust plc. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within 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%) on entry, where applicable. 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 Aberdeen Standard Investments in writing at any time.

Aberdeen Standard Investments Share Plan

Aberdeen Standard Investments operates a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors only pay Government Stamp Duty (currently 0.5%) on purchases, 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 Investments ISA
Aberdeen Standard Investments offers an ISA through which an investment may be made of up to £20,000 in the tax year 2020/2021.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. 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 under the ISA. Under current legislation, investments in ISAs can grow free of capital gains tax.

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

Nominee Accounts and Voting Rights
In common with other schemes of this type, all investments in Aberdeen Standard Investments Children's Plan, Share Plan and ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

Literature Request Service
For literature and application forms for Aberdeen Standard Investments Children's Plan, Share Plan, ISA or ISA Transfer please visit the contact:

Aberdeen Standard Investments Administration
PO Box 11020
Chelmsford
Essex CM99 2DB

Telephone: 0500 00 00 40
(free when dialling from a UK landline)

Terms and conditions for Aberdeen Standard Investments managed savings products can also be found under at:
invtrusts.co.uk/en/investmenttrusts/literature-library

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

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, so that the shares issued by Aberdeen Diversified Income and Growth Trust plc 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").

The Company's shares are excluded from the Financial Conduct Authority's restrictions which apply to NMPIs because they are shares in an investment trust.

Key Information Document ("KID")
The KID relating to the Company and published by the Manager can be found on the Company's website.

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

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

Financial advisers
To find an adviser who recommends on investment trusts, visit: **unbiased.co.uk**

Investor Information Continued

Regulation of Stockbrokers

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

Tel: 0800 111 6768 or search at: **register.fca.org.uk**
Email: **consumer.queries@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 34 to 36 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.

Corporate Information

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

Company Secretaries, Registered Office and Company Number
Aberdeen Asset Management PLC
1 George Street
Edinburgh EH2 2LL

Registered in Scotland under Company Number SC3721

Website
aberdeendiversified.co.uk

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

Legal Entity Identifier Number ("LEI")
2138003QINEGCHYGW702

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

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

Freephone: 0808 500 00 40
Brochure Request Line Freephone: 0808 500 4000
(open Monday – Friday, 9am – 5pm)

Email: inv.trusts@aberdeenstandard.com

Alternative Investment Fund Manager
Aberdeen Standard Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4MM 9HH

Authorised and regulated by the Financial Conduct Authority

Investment Manager
Aberdeen Asset Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH

Authorised and regulated by the Financial Conduct Authority

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

Alternatively, please contact the registrar -

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
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E-mail is available via the above website

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