Aberdeen Diversified Income and Growth Trust plc

The diversified multi-asset investment trust

Annual Report
30 September 2018

Contents

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Financial Highlights

Aberdeen Diversified Income and Growth Trust plc (the "Company") is an investment trust with its Ordinary shares listed on the premium segment of the London Stock Exchange. The Company targets a total portfolio return of LIBOR (London Interbank Offered Rate) plus 5.5% per annum (net of fees) over rolling five-year periods.

The Company is governed by a board of directors, all of whom are independent, and has no employees.

Like most other investment companies, the Company outsources its investment management and administration to an investment management group, Standard Life Aberdeen plc, and other third party providers. The Company does not have a fixed life but a resolution on whether the Company should continue will be put to shareholders at the Annual General Meeting in 2020 and annually thereafter.

Net asset value total return[AB]

+2.5%

2017 **+7.6%**

Share price total return[A]

+7.9%

2017 **+14.6%**

Revenue return per share

6.15p

2017 **5.31p**

Dividend per share

5.24p

2017 **5.89p**

Ongoing charges[AC]

0.88%

2017 **0.58%**

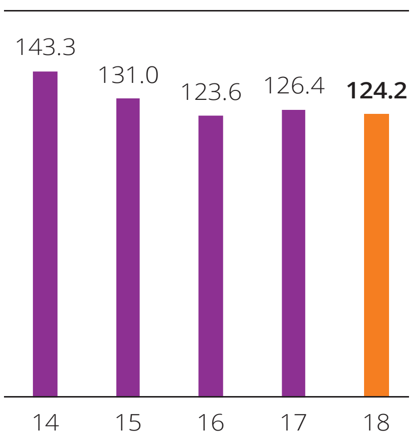
Premium/(discount) to net asset value (capital basis)[BD]

3.2%

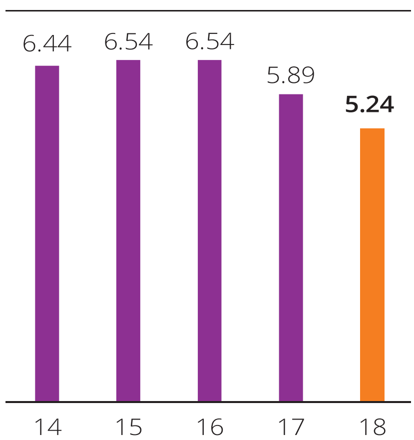
2017 **(3.1%)**

[A] Considered to be an Alternative Performance Measure (see pages 16, 94 and 103 for more information).
[B] Debt at fair value.
[C] 2017 figure lower than would normally be expected due to management fee waiver in place during the year (see note 4 on page 74 and note 19 on page 91 for details).
[D] See note 16 on page 81 for the net asset value (capital basis) calculation.

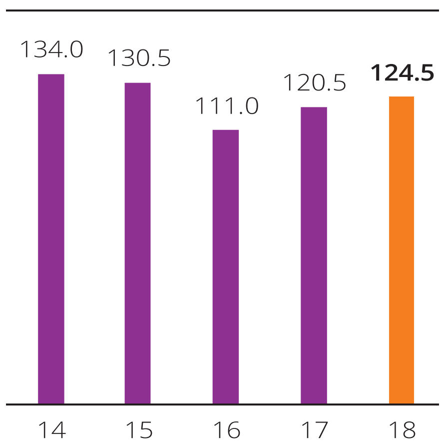
Net Asset Value per Ordinary share with debt at fair value
At 30 September – pence



Dividend per Ordinary Share
Year ended 30 September - pence



Ordinary Share price
At 30 September - pence



Financial Calendar

Financial Calendar

25 January 2019	Fourth interim dividend payable for year ended 30 September 2018
27 February 2019	Annual General Meeting in London (12.30pm)
29 March 2019	Expected payment date of first interim dividend for year ending 30 September 2019
31 March 2019	Half year end
5 July 2019	Expected payment date of second interim dividend for year ending 30 September 2019
30 September 2019	Year end
11 October 2019	Expected payment date of third interim dividend for year ending 30 September 2019
24 January 2020	Expected payment date of fourth interim dividend for year ending 30 September 2019

Chairman's Statement

James M Long, TD
Chairman

Our Proposition

The Board believes that your Company offers shareholders a compelling investment proposition, especially in the current investment climate of low yields and volatile markets.

The Company offers a combination of the potential for attractive long term returns, as recognised in our medium term objective to outperform LIBOR by 5.5% per annum net of fees over rolling five year periods; a strong yield, currently 4.2% in the financial year just ended; low volatility relative to equity markets; and low costs relative to many other investment trusts. We also operate a policy on discount management. The combination of these features, we believe, makes your Company very attractive to investors.

We are now about one third of the way through our first rolling five year period. For the period starting from our adoption of the new investment objective, that is from 31 March 2017, to 30 September 2018, the Company's share price total return was 15.4% whilst net asset value total return (calculated with debt at fair value) was 7.3% and LIBOR + 5.5% per annum (net of fees) was 9.3%. For context, benchmark returns for UK equities (FTSE All-Share Index) and UK gilts were 9.7% and -1.1%, respectively.

Since March 2017, returns to shareholders have been encouraging - enhanced in part by an improved rating on the shares relative to net asset value. The portfolio is behind the medium term objective quoted above, but this was expected in the early stages of the new portfolio's construction which included significant portfolio change and the deployment of the cash from Aberdeen UK Tracker Trust into several infrastructure, property and other unquoted asset types that have returns loaded towards the medium to longer term. The Investment Manager's Report on page 18 discusses in more detail the reasons for this shorter term lagging of the medium term objective and outlines how the higher return, long term investments are expected to contribute to delivery of returns ahead of the objective over a rolling five year period. In particular, the report addresses how the current estimate of the fall in the value of the Company's investment in Markel CATCo, as a result of storms, tornadoes and hurricanes, detracted from an asset class which the Manager still believes will deliver a good diversified return over the longer term.

Total Return

Over the year ended 30 September 2018, the Company's NAV per share, with debt at fair value, rose 2.5% on a total return basis. The Company's share price ended the year at 124.50 pence, compared to 120.50 pence at 30 September 2017, resulting in a total return to shareholders over the year of 7.9%. By way of comparison, LIBOR + 5.5% per annum (net of fees) was equivalent to a total return of 6.2% for the year under review.

Earnings and Dividends

The Company's revenue return for the year ended 30 September 2018 was 6.15 pence per share, compared to 5.31 pence per share for the prior year, which represents an increase of 15.8%. This increase largely reflects the benefit of a full year of dividends from a number of new fund positions established during the spring and summer of 2017.

The portfolio includes exposure to a diverse range of asset classes, many of which deliver an attractive level of income. The Board reviews portfolio revenue forecasts at each Board meeting. Although the increase in revenue noted above was in part because of the timing issue mentioned, the level of revenue is currently viewed as a reasonable guide for the year ahead.

First, second and third interim dividends of 1.31 pence per share were paid to shareholders on 29 March 2018, 27 July 2018 and 12 October 2018. On 17 December 2018, the Board declared a fourth interim dividend of 1.31 pence per share to be paid on 25 January 2019 to shareholders on the register on 28 December 2018. The ex dividend date is 27 December 2018. This equates to a dividend yield of 4.2% based on the year end share price of 124.50 pence. Total dividends for the year are 5.24p per share, lower than the 5.89p per share paid in the prior year, reflecting the Company's rebasing of dividends as set out in the prospectus published in March 2017 (the "Prospectus").

For the year to 30 September 2019, the Board currently intends to declare four quarterly dividends of 1.34 pence per share or 5.36p per share in total. This represents an increase of 2.3% and compares to consumer prices inflation of 2.4% over the year ended 30 September 2018. The Company's policy, included in the Prospectus, is to "pay an attractive dividend consistent with the underlying portfolio yield".

As in previous years, the Board intends to put to shareholders at the next Annual General Meeting ("AGM") on 27 February 2019 a resolution in respect of its current policy to declare four interim dividends each year.

Changes in allocation of expenses between capital and income

The Company has in recent years charged 65% of the Company's management fee and loan stock financing costs to capital and 35% to revenue. After a review of recent actual and currently anticipated sources of return, the Board has changed the allocation to charge 60% to capital and 40% to revenue with effect from 1 October 2018.

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

It is pleasing to report that, as result of sustained demand in the market, the Company's shares moved from a discount of 3.1% at 1 October 2017 to a premium of 3.2% at 30 September 2018 (all figures calculated with debt at fair value and excluding income).

During the period 515,000 shares were repurchased in line with the Board's discount management policy which is, subject to normal market conditions, the prevailing gearing level, and the composition of the Company's portfolio, to seek to maintain the Company's share price discount to net asset value (ex income, with debt at fair value) at no wider than 5%. Since the year end, a total of 2,150,000 shares have been sold from treasury at prices above the prevailing net asset value per share.

The Board continues to monitor closely the Company's discount or premium and will undertake share buybacks, or consider further sales of shares from treasury, respectively, if such action is in shareholders' interests.

Gearing

The Company's net gearing, that is after taking account of cash balances, fell to 10.6% at 30 September 2018, from 12.8% at 30 September 2017.

Board Composition

Since the completion of the merger with Aberdeen UK Tracker Trust plc, in April 2017, the focus of the Board has been upon the change of the investment objective and adoption of a new investment policy involving significant reshaping of the portfolio under its new investment manager.

The Board has also undertaken a review of its skills mix, size and diversity, in preparation for the next phase of the Company's development and growth. As part of this review, the Board carefully noted the recommendations in the Financial Reporting Council's new Corporate Governance Code published in July 2018.

Accordingly, on 25 September 2018, the Company announced a detailed and comprehensive plan designed to ensure that, going forward, it has a Board that is demonstrably and appropriately skilled, diversified and sized.

As a first step in this succession process, it was confirmed that Ian Russell and Paul Yates would both retire on 31 October 2018 and that Kevin Ingram will retire at the AGM in 2019. Tom Challenor has become the Chairman of the Audit Committee following Ian's retirement. I undertook to oversee the refreshment of the Board's composition and the succession process, including the selection of my successor as Chairman and said that I would retire from the Board when this has been completed at, or before, the Company's AGM in 2020.

We immediately commenced a formal process, utilising the services of an independent search consultancy, to find a new Director, and I am delighted to announce that Davina Walter will be joining the Board on 1 February 2019. Davina has been employed in the City of London since 1974, having spent over 11 years in US equity research at Cazenove & Co. and more than 16 years as an investment manager of US equity portfolios. Most recently she was a Managing Director at Deutsche Asset Management Limited. She has been involved in investment trusts since 1985 and is presently employed as an Investment Consultant. Davina is also Chairman of JPMorgan US Smaller Companies Investment Trust plc and brings strong investment trust board, leadership and investment management skills. I shall be proposing her election as a Director at the AGM.

My fellow Directors and I would like to record our sincerest thanks to Ian Russell and Paul Yates, who, as mentioned above, stood down in October, for their very valuable individual contributions to the Company, and, in particular for their diligence and insights over the period since the appointment of Aberdeen Standard Investments as Manager in February 2017. At the conclusion of the AGM we shall also bid farewell to Kevin Ingram, our Senior Independent Director. Kevin served as Chairman of Aberdeen UK Tracker Trust and his considerable positive impact throughout the merger process, as well as his constant wise guidance as we sought to reshape the newly merged company, are much appreciated by his colleagues.

Aberdeen Standard Investments Plans

Since April 2017 it has been possible to acquire shares in the Company via Aberdeen Standard Investments' Plan for Children, Investment Trust Share Plan and Investment Trust ISA. Further information may be found on page 99 of this Report.

AGM

This year's AGM, which will be held at the Manager's offices at Bow Bells House, 1 Bread Street, London EC4M 9HH at 12.30pm on 27 February 2019, provides shareholders with an opportunity to receive a presentation from the Manager and to ask any questions that they may have of both the Board and the Manager. The formal Notice of AGM may be found on pages 106 to 110. I look forward to meeting shareholders and Aberdeen Standard Investments Planholders at the AGM.

Action to be Taken

Shareholders will find enclosed with this Annual Report a Form of Proxy for use in relation to the AGM. Whether or not you propose to attend the AGM, you are encouraged to complete the Form of Proxy in accordance with the instructions printed on it and return it in the prepaid envelope as soon as possible but in any event so that it might be received no later than 12.30pm on 25 February 2019. Completion of a Form of Proxy does not prevent you from attending and voting in person at the AGM if you wish to do so.

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

Further details on how to attend and vote at Company Meetings for holders of shares via share plans and platforms can be found in the published Annual Report and at www.theaic.co.uk/shareholder-voting-consumer-platforms.

Replacement for LIBOR

The Company's investment objective contains a reference to LIBOR, the London Interbank Offered Rate. The FCA has announced that LIBOR will be phased out by 2021 and the Manager is in the process of identifying an alternative measure, consistent with the underlying choice of LIBOR, following which the Board will approach shareholders for approval of a resulting change to the investment objective.

Conclusion

The Investment Manager's Report on pages 18 to 26 gives more detail of your investments in these markets and the wide range of other asset classes that go to make up your portfolio. The Company's new financial year has started with a sharp fall in global equities and, inevitably, commentators are suggesting that the bull market is over. From 1 October 2018 to the latest practicable date prior to publication, the MSCI World Index had fallen 8.1%, as compared to a decline in the Company's NAV of 5.9% with debt at fair value, both in total return terms.

The Board believes that, at times of great volatility such as these, the Company's diversified portfolio of assets, each with differing return drivers and risk characteristics, continues to offer a sound investment proposition for shareholders.

James M Long
Chairman

14 January 2019

Strategic Report

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

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

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

An intercity train operated by John Laing Infrastructure Fund ("JLIF"), which is an example of infrastructure assets owned by the Company; JLIF was subject to a takeover bid, at a 24% premium, which completed in October 2018 after the Company's year end

Overview of Strategy

Business Model

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

Investment Objective

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

Investment Policy

The Company 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. This includes, but is not limited to, achieving exposure to the following securities and asset classes:

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

Asset allocation is flexible allowing investment in the most attractive investment opportunities at any point in time whilst always maintaining a diversified portfolio.

The Company complies with the following investment restrictions, at the time of investment:

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

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

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

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

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

The Company may invest from time to time in funds managed by the Manager.

Risk Diversification

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

Gearing

The Board is responsible for determining the gearing strategy for the Company, with day-to-day gearing decisions being made by the Manager within the remit set by the Board. The Board has set its gearing limit at a maximum of 20% of the net asset value at the time of draw down. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent considered appropriate.

Overview of Strategy continued

Management and Delivering the Investment Objective

The Directors are responsible for determining the Company's investment objective and investment policy.

Day-to-day management of the Company's assets has been delegated to Aberdeen Standard Fund Managers Limited ("ASFML", the "AIFM" or the "Manager"). In turn, the investment management of the Company has been delegated by ASFML to Aberdeen Asset Managers Limited ("AAML" or the "Investment Manager"). Both companies are subsidiaries of Standard Life Aberdeen plc.

Investment Process

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

The Company's portfolio consists of investments from the widest range of asset classes. The portfolio may include equity-focused investments, alternative diversifying assets (including, but not limited to, high yield bonds and loans, emerging market debt, asset backed securities, property, infrastructure, commodities, absolute return investments, insurance linked, farmland, royalty-based investments and aircraft leasing) and low return assets such as gold, investment grade credit, tail risk hedging and government bonds. Detailed investment research (including operational due diligence for unquoted funds managed by third parties) is carried out on each potential opportunity by specialist teams within the Investment Manager (see page 97 and 98 for further information).

The weighting ascribed to each investment in the portfolio reflects the perceived attractiveness of the investment case, including the contribution to portfolio diversification. The Investment Manager also ensures that the weighting is in keeping with their overall strategic framework for the portfolio based on the return and valuation analysis of the Investment Manager's Research Institute. The fundamental and valuation drivers of each investment are reviewed on an ongoing basis. A schematic of the investment process is included on page 98 of this Report along with a description of the Investment Manager's risk control process.

Key Performance Indicators ("KPIs")

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

KPI	Description
Investment performance	The Board reviews the performance of the portfolio as well as the net asset value and share price for the Company over a range of time periods and compares this to the return on the Company's target of LIBOR plus 5.5% per annum (net of fees) over rolling five-year periods. The Board also reviews NAV and share price performance in comparison to the performance of competitors in the Company's chosen peer group to assess how the Company's performance compares in the shorter term, given the limited relevance of the target objective over shorter periods. The Board also monitors the Company's yield and compares this to the yield generated by competitors in the Company's peer group. The Board reviews the sustainability of the Company's dividend policy and regularly reviews revenue forecasts and analysis provided by the Investment Manager on the sources of portfolio income in order to monitor the extent to which dividends are covered by revenue. The Company's performance returns may be found on pages 16 and 17.

Premium/discount to net asset value ("NAV")	The Board monitors the level of the Company's premium or discount to NAV and considers strategies for managing this. Subject to normal market conditions, the prevailing gearing level and the composition of the Company's portfolio, the Company has implemented a discount control mechanism to maintain the Company's share price discount to net asset value per share (calculated ex income with debt at fair value) at no wider than 5%, by repurchasing Ordinary shares in the market. In addition, the Company has adopted a formal policy for the issuance of new shares and/or the sale of shares from treasury to meet demand for shares in the market where the Company's share price is trading at a minimum premium to its net asset value per share (calculated including income, with debt at fair value).
Ongoing charges	The ongoing charges ratio reflects those expenses which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company as a collective investment fund, excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments. The ongoing charges are based on actual costs incurred in the year as being the best estimate of future costs. The Board reviews the ongoing charges and monitors the expenses incurred by the Company. The Company's ongoing charges for the year, and the previous year, are disclosed on page 15, noting that the figure of 0.58% for the year ended 30 September 2017 reflected a reduction in net management fees following the Manager's agreement to waive its entitlement to a management fee.

Principal Risks and Uncertainties

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

The RCSA, its method of preparation and the operation of the key controls in the Manager's and third party service providers' systems of internal control are reviewed on a regular basis by the Audit Committee. In order to gain a more comprehensive understanding of the Manager's and other third party service providers' risk management processes, and how these apply to the Company's business, the Manager's internal audit department presents to the Audit Committee setting out the results of testing performed in relation to the Manager's internal control processes. The Audit Committee also periodically receives presentations from the Manager's compliance, internal audit and business risk teams, and reviews ISAE3402 reports from the Manager and from the Company's custodian (The Bank of New York Mellon (International) Limited). The custodian is appointed by the Company's Depositary and does not have a direct contractual relationship with the Company.

The Board has carried out a robust assessment of these risks, which include those that would threaten its business model, future performance, solvency or liquidity. The Board is confident that the procedures which the Company has in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the year ended 30 September 2018.

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

Overview of Strategy continued

Risk	Mitigating Action
Performance risk The Board is responsible for determining the investment policy to fulfil the Company's objectives and for monitoring the performance of the Company's Investment Manager and the strategy adopted. An inappropriate policy or strategy may lead to poor performance, dissatisfied shareholders and a lower premium or higher discount. The Company may invest in unlisted alternative investments (such as agricultural land, development property, infrastructure, private equity and trade finance). These types of investments are expected to have a different risk and return profile to the rest of the Company's investment portfolio. They may be relatively illiquid and it may be difficult for the Company to realise these investments over a short time period, which may have a negative impact on performance.	To manage these risks the Board regularly reviews the Company's investment mandate and long term strategy, and has put in place appropriate limits over levels of unlisted alternative assets and gearing. No more than 40% of the Company's total assets, at the time of investment, may be invested in aggregate in unlisted alternative assets. The Investment Manager provides the Board with an explanation of significant investment decisions, the rationale for the composition of the investment portfolio and movements in the level of gearing. The Board monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the Company's investment policy.
Portfolio risk Risk analysis for a multi-asset portfolio is more complex due to the need to ensure that correlation of risk is appropriate across the various portfolio strategies.	The Board reviews portfolio risk to ensure that the risks being taken within the portfolio are appropriately diversified and relevant to the Company's portfolio objective and market conditions. The Board also reviews portfolio attribution data to understand the impact on the Company's relative performance of the various components such as asset allocation, stock selection and gearing.
Gearing risk The Company has the authority to borrow money or increase levels of market exposure through the use of derivatives and does so when the Investment Manager is confident that market conditions and opportunities exist to enhance investment returns. However, if the investments fall in value, any borrowings will magnify the extent of this loss. In addition, the Company has in place fixed borrowings in the form of a £60 million 6.25% Bond 2031 (the "Bond").	All borrowings require the approval of the Board and gearing levels are reviewed regularly by the Board and the Investment Manager. Borrowings (including the Bond) would not normally be expected to exceed 20% of shareholders' funds. Total gearing, including net derivative exposure, would not normally be expected to result in net economic equity exposure in excess of 120%.
Income/dividend risk The amount of dividends will depend on the Company's underlying portfolio. Any change in the tax treatment of the dividends or interest received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of dividends received by shareholders.	The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting.

Regulatory risk

The Company operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments.

The Investment Manager monitors investment movements, the level and type of forecast income and expenditure and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached and the results are reported to the Board at each meeting. Following authorisation under the Alternative Investment Fund Managers Directive (AIFMD), the Company and its appointed AIFM are subject to the risk that the requirements of this Directive are not correctly complied with. The Board and the AIFM also monitor changes in government policy and legislation which may have an impact on the Company.

Operational risk

In common with most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent on the control systems of the Manager and The Bank of New York Mellon (International) Limited (the Depositary).

The security of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of these systems in place with third parties. These have been regularly tested and monitored throughout the year which is evidenced through their industry-standard controls reports to provide assurance regarding the effective operation of internal controls which are reported on by their reporting accountants and give assurance regarding the effective operation of controls.

Market risk

Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments in the face of negative market movements. The Company invests in global equities across a range of countries, and changes in general economic and market conditions in certain countries, such as interest rates, exchange rates, rates of inflation, industry conditions, competition, political events and trends, tax laws, national and international conflicts, economic sanctions and other factors can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price.

The Board considers the diversification of the portfolio, asset allocation, stock selection, unquoted investments and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager.

Financial risks

The Company's investment activities expose it to a variety of financial risks which include foreign currency risk and interest rate risk.

Further details are disclosed in note 17 to the financial statements, together with a summary of the policies for managing these risks.

Promoting the Company

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

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

Board Diversity

In September 2018, the Board announced a succession plan designed to move its composition more in line with guidance contained in the FRC's UK Code on Corporate Governance published in July 2018, which is first applicable to the Company for the year ended 30 September 2020.

At 30 September 2018, there were seven Directors, prior to the retirement of Ian Russell and Paul Yates on 31 October 2018.

The Board recognises the benefits, and is supportive, of diversity and the importance of having a range of skilled, experienced individuals with relevant knowledge in order to allow it to fulfill its obligations. The Board initiated an independent search for a new Director following which Davina Walter was appointed a Director with effect from 1 February 2019.

Environmental, Social and Human Rights Issues

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

Socially Responsible Investment Policy

The Directors, through the Manager, encourage companies in which investments are made to adhere to best practice in the area of corporate governance and socially responsible investing. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in both areas. The Manager's ultimate objective, however, is to deliver superior investment returns for its clients. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in these areas, this should not be to the detriment of the return on the investment portfolio.

UK Stewardship Code and Proxy Voting as an Institutional Shareholder

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager.

The full text of the Company's response to the Stewardship Code may be found on its website.

Modern Slavery Act

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

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Viability Statement

In accordance with the provisions of the UKLA's Listing Rules and the FRC's UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the "Going Concern" provision. The Board conducted this review for the period up to the AGM in 2024, being a five year period from the date of shareholders' approval of this Report. The five year review period was selected because it is aligned with the medium term performance period of five years over which the Company is assessed in its objective of target returns of LIBOR +5.5% per annum (net of fees) over rolling five-year periods. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than five years.

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

- the principal risks and uncertainties detailed on pages 10, 11 and 12 and the steps taken to mitigate these risks;
- the relevance of the Company's investment objective and investment policy, especially in the current low yield environment, which targets a truly diversified multi-asset approach to generate highly attractive long-term income and capital returns;
- the majority of the Company's investment portfolio is invested in securities which are realisable within a short timescale;
- the level of share buy backs carried out in the past have not resulted in significant reductions to the capital of the Company;
- although the Company's stated investment policy contains a gearing limit of 20% of the net asset value at the time of draw down, the Board's policy is to operate with a level of equity gearing and the financial covenants attached to the Company's borrowings provide for significant headroom;
- the continuation vote to be put to shareholders at the AGM in 2020 and at each subsequent AGM; and
- the level of demand for the Company's shares.

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

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

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

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

Taking into account the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this Report, subject to shareholders' approval of the continuation vote at the AGM in 2020, and at each AGM thereafter.

Outlook

The Board's view on the general outlook for the Company can be found in the Chairman's Statement on pages 4 to 7 while the Investment Manager's views on the outlook for the portfolio are included in their report on pages 18 to 26.

On behalf of the Board

James M Long
Chairman

14 January 2019

Results

Financial Highlights

	2018	2017	% change
Total assets less current liabilities (before deducting prior charges)	£487,608,000	£496,399,000	–1.8
Equity shareholders' funds (Net Assets)	£428,129,000	£436,767,000	–2.0
Market capitalisation	£409,047,000	£396,525,000	+3.2
Ordinary share price (mid market)	124.50p	120.50p	+3.3
Net asset value per Ordinary share (debt at fair value)(capital basis)[A]	120.64p	124.30p	–2.9
Premium/(discount) to net asset value on Ordinary shares (debt at fair value)(capital basis)[A]	3.20%	(3.06%)	
Gearing (ratio of borrowings less cash to shareholders' funds)			
Net gearing[B]	10.6%	12.8%	
Dividends and earnings per Ordinary share			
Revenue return per share	6.15p	5.31p	+15.8
Dividends per share[C]	5.24p	5.89p	–11.0
Dividend cover (including proposed fourth interim dividend)[D]	1.17	0.90	
Revenue reserves[E]	£40,410,000	£37,424,000	+8.0
Ongoing charges[F]	0.88%	0.58%	

[A] Considered to be an Alternative Performance Measure. Details of the calculation can be found in note 16 on page 81.
[B] Considered to be an Alternative Performance. Calculated in accordance with AIC guidance "Gearing Disclosures post RDR" (see pages 94 and 95).
[C] The figure for dividends per share reflects the years to which their declaration relates (see note 8 on page 77).
[D] Considered to be an Alternative Performance Measure. Further details can be found in the Glossary on pages 102 and 103.
[E] The revenue reserve figure does not take account of the third and fourth interim dividends amounting to £4,304,000 and £4,332,000 respectively (2017 – £4,317,000 and £4,304,000).
[F] Considered to be an Alternative Performance Measure. Ongoing charges are calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average cum income net asset value throughout the year. Details of the calculation can be found on page 95 and in the Glossary on pages 102 and 103. The calculation includes costs associated with holdings in collective investment schemes as defined by Committee of European Securities Regulators' guidelines on the methodology for the calculation of the ongoing charges figure, issued on 1 July 2010.

Performance

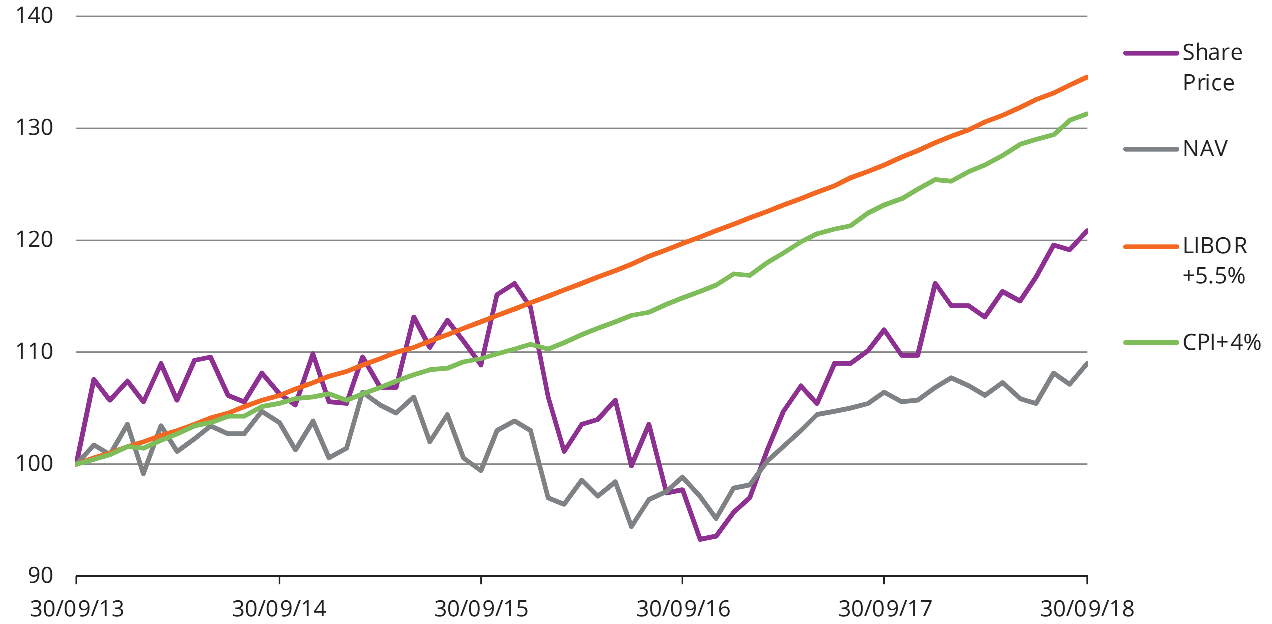
Performance (total return)

	31 March 2017 – 30 September 2018[B] % return	1 year % return	3 years % return	5 years % return
Net asset value – debt at par[A]	+5.5	+2.2	+9.5	+13.2
Net asset value – debt at fair value[A]	+7.3	+2.5	+9.6	+9.0
LIBOR +5.5%	+9.3	+6.2	+19.4	+34.6
Share price[A]	+15.4	+7.9	+11.0	+20.9

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

Total Return of NAV (debt at fair value) and Share Price vs LIBOR +5.5% and CPI +4%

Five years ended 30 September 2018 (all figures rebased to 100 at 30 September 2013)



Source: Morningstar & Lipper

The Company's objective changed on 31 March 2017 from targeting a total portfolio return of UK Consumer Price Index ("CPI") plus 4% per annum (before ongoing charges) over a 5 to 7 year cycle to targeting a total portfolio return of LIBOR (London Interbank Offered Rate) plus 5.5% per annum (net of fees) over rolling five-year periods. The above graph shows the total return of the Company's NAV and share price against the current objective for the five years ended 30 September 2018.

Ten Year Financial Record

Year to 30 September	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total revenue (£'000)	18,369	17,156	19,166	21,887	22,382	23,608	23,120	23,265	17,961	23,262
Per Ordinary share (p)										
Net revenue return	5.8	5.0	5.7	6.6	6.6	7.0	7.1	7.6	5.3	6.2
Total return	13.8	14.0	(5.8)	19.6	19.3	9.3	(4.5)	1.3	8.0	2.8
Net dividends payable	6.112	6.112	6.112	6.112	6.252	6.44	6.54	6.54	5.89	5.24
Net asset value per Ordinary share (p)										
Debt at par value	121.9	129.8	117.9	131.4	144.5	147.5	136.6	131.6	132.7	130.3
Debt at fair value	119.0	127.0	114.8	125.1	139.3	143.3	131.0	123.6	126.4	124.2
Equity shareholders' funds (£'000)	354,742	377,793	343,293	382,535	418,345	426,865	374,832	351,521	436,767	428,129

Dividends

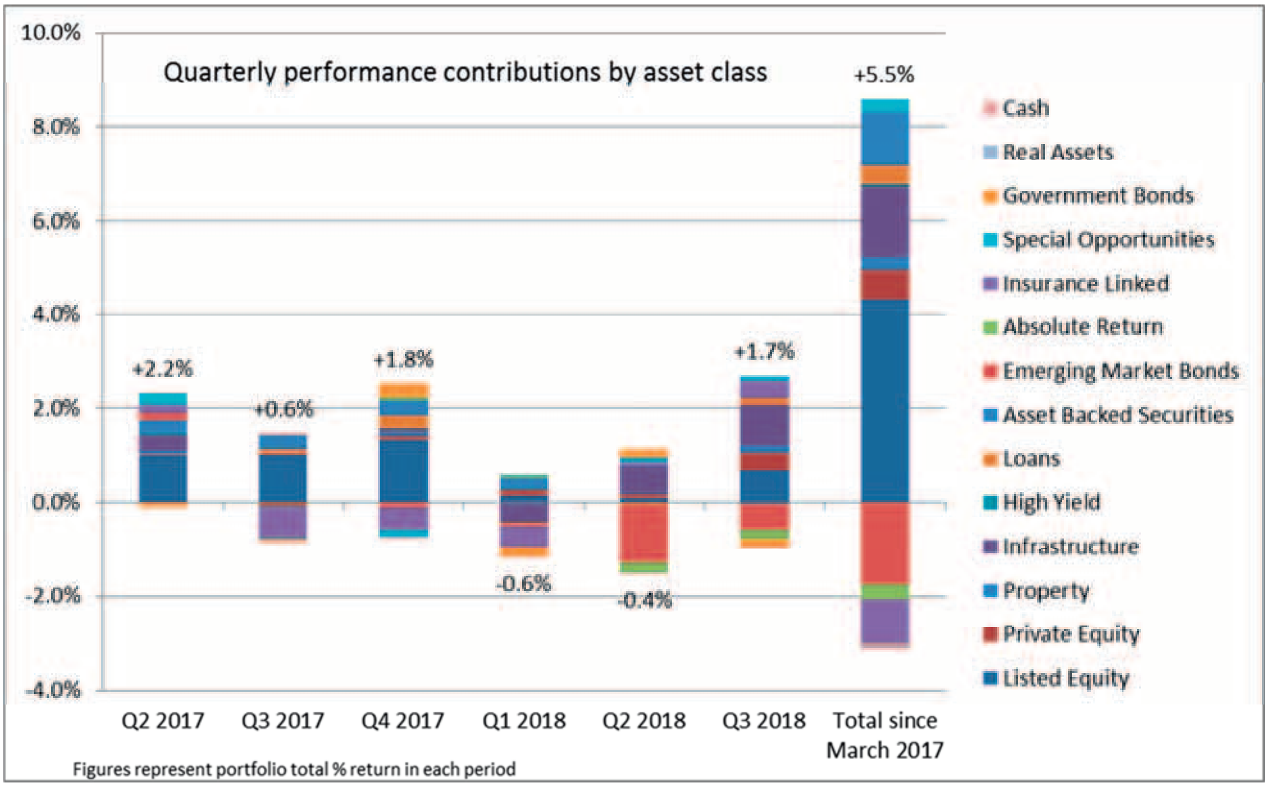
	Rate	xd date	Record date	Payment date
First interim 2018	1.310p	15 March 2018	16 March 2018	29 March 2018
Second interim 2018	1.310p	28 June 2018	29 June 2018	27 July 2018
Third interim 2018	1.310p	20 September 2018	21 September 2018	12 October 2018
Fourth interim 2018	1.310p	27 December 2018	28 December 2018	25 January 2019
2018	**5.240p**			
First interim 2017	1.635p	2 March 2017	3 March 2017	24 March 2017
Second interim 2017	1.635p	6 April 2017	7 April 2017	28 April 2017
Third interim 2017	1.310p	31 August 2017	1 September 2017	6 October 2017
Fourth interim 2017	1.310p	28 December 2017	29 December 2017	26 January 2018
2017	**5.890p**			

Investment Manager's Report

This Report marks the end of our first full financial year as managers of the Company. Last year, we described the journey that we had embarked upon – to deliver an attractive return to shareholders via a flexible, multi-asset investment approach – and the steps we had taken in order to reposition the portfolio. In the Half-Yearly Report, published in June 2018 (available on the Company's website), we provided shareholders with an update on the portfolio in four sections – equity, physical assets, fixed income & credit and other assets – with a particular focus on the longer term investments that are a key feature of our approach. In the sections below, we update this analysis of the portfolio.

As the Chairman observes in his Statement on page 4, although the portfolio delivered a positive return to shareholders over the year to 30 September 2018, this was behind our medium term performance objective. The chart below shows how different asset classes have contributed to portfolio returns over the period since the new performance objective was approved by shareholders in March 2017. Inevitably, some asset classes were a drag on performance – most notably, insurance linked securities and emerging market bonds – for reasons we go into below. Positive returns were achieved from a broader range of asset classes, with equities and asset backed securities to the fore. The contribution from a number of asset classes, such as property, real assets and special opportunities, is expected to grow over time as the initial long term investments we have made reach maturity and new opportunities are identified by the specialist managers to whom we have committed shareholder capital.

During the year under review, we added new investments in private equity, social infrastructure, primarily in Australia, and insurance linked securities. In addition, the Board has approved commitments to two funds investing in economic infrastructure in Europe and social infrastructure in Latin America. Specialist colleagues within Aberdeen Standard Investments are also researching third party managers in areas such as litigation finance and healthcare royalties. These investments each have different return drivers and risk characteristics but they share two things in common: they are specialist in nature and individual shareholders cannot easily access them. With many of these investments targeting double digit percentage annual returns, we expect them to be important contributors towards our delivery of the portfolio's performance objective over the medium term.



Source: Aberdeen Standard Investments

Equity (listed equity and private equity)

% of Net Assets reduced from 28.8% to 25.8%

Global equities delivered a positive return over the year to 30 September 2018. In the US, the continued recovery in the economy and strong growth in corporate earnings were the main drivers behind the particularly strong performance of the equity market. During the first part of the period, we reduced the portfolio's exposure to equities, largely on concerns over the high level of equity valuations. This reduction helped dampen the impact on portfolio performance of the 10% fall in global equity markets in the early part of 2018 when investors became fearful of an increased pace of monetary policy tightening in the US. Over the summer, sentiment in equity markets gradually improved, largely driven by the US for the reasons noted above. The period ended with the US equity market at an all-time high but, with US Treasury yields rising above 3%, our concerns over equity market over-valuation are reinforced, prompting us to maintain a relatively low exposure to the asset class.

Our holding in **Aberdeen Global Smart Beta Low Volatility Global Equity Income Fund** was a major contributor to the Company's NAV performance over the year. This actively managed portfolio, which consists of over 200 holdings selected for their exposure to factors such as quality, financial strength and value, is well diversified by geography and by sector. The table below shows the portfolio's top five equity exposures. In the UK, holdings include Vodafone, Centrica and Persimmon in preference to market heavyweights such as HSBC, Royal Dutch Shell and BP.

Aberdeen Global Smart Beta Low Volatility Global Equity Income Fund

Top 5 positions	Country	Sector	% of Net Assets as at 30 September 2018
Mitsui & Co	Japan	Industrials	0.4%
Humana Inc	United States	Health Care	0.4%
Netapp Inc	United States	Information Technology	0.4%
Target Corp	United States	Consumer Discretionary	0.4%
CVS Health	United States	Consumer Staples	0.4%

Top 5 sectors	% of Net Assets as at 30 September 2018	Top 5 countries	% of Net Assets as at 30 September 2018
Information Technology	3.2%	United States	9.8%
Healthcare	3.0%	Japan	4.0%
Industrials	2.6%	United Kingdom	1.3%
Consumer Discretionary	2.5%	Hong Kong	0.9%
Financials	2.4%	Taiwan	0.6%

As the name of the fund implies, our equity approach is designed to deliver a higher yield with lower volatility than a global equity benchmark. Over time, this approach is expected to deliver an attractive risk-adjusted exposure to equities. Indeed, over the first half of the reporting period, this proved to be the case but, as might be expected, during the stronger market conditions over the summer the fund lagged behind its benchmark.

Over the year as a whole, the fund delivered +11.8% compared to a benchmark return of +14.9% in sterling returns. Much of the underperformance stemmed from US equities and, in particular, the lack of exposure to very highly rated technology companies.

In private equity, we work closely with colleagues in the Aberdeen Standard Investments Private Equity team to identify attractive opportunities for the portfolio. They invest with a wide range of specialist managers and, to date, we have committed capital to three strategies identified by the team. Updates on these investments are given in the table on page 20. Two of them have already returned capital to us. **Maj Invest 4** was a notable contributor to performance over the period. It sold two businesses at substantial premiums to carrying value and, as a result, we received a distribution of £4.0m. Our stakes in the remaining investments in six businesses were valued at £3.0m at the latest quarterly valuation which means that we have earned a return of over 40% on our original investment of £4.9m. Half way through the financial year, we acquired holdings in a selection of funds managed by **Harbourvest** and **Mesirow** from an existing holder who wished to exit from private equity. These funds, which are approaching the end of their investment lives, have a focus on US private companies. The underlying portfolios are very widely diversified by strategy and in terms of industry. We receive a regular stream of distributions from these fund holdings as businesses are sold by the managers. Since we acquired these investments, £0.9m has been returned to us for redeployment in other investments. The initial investment was largely funded by the sale of **Forward Partners**, the UK-focussed venture capital fund, at a premium to the carrying value in the 30 September 2017 accounts.

Private Equity – Unlisted Summary

Investment Expected term from initial investment *Asset class*	Strategy *Latest update*	Capital commitment* Total investment made to 30 Sept. 2018*	Investment made in latest 12m	Distributions made in latest 12m: Capital *Income*	Valuation at: 30 Sept. 2018 30 Sept. 2017
Harbourvest / Mesirow Up to 6 years *Private equity*	**Portfolio of pre-2008 buyout, venture and direct fund interests in run-off.** *Assets being realised on a regular basis, at premium levels compared to acquisition cost.*	£7.2m £6.3m	£6.3m	£0.9m –	£7.6m –
Maj Investment 4 3+ years *Private equity*	**2012 fund: small / medium sized Danish growth businesses.** *Invested in six businesses across various sectors. Recent exit from a Scandinavian affordable luxury furniture company and a cured meats manufacturer produced sizable double-digit gross IRRs.*	£5.3m £4.9m	–	£4.0m –	£3.0m £4.8m
Maj Investment 5 8+ years *Private equity*	**2016 fund: small / medium sized Danish growth businesses.** *Invested in four businesses in the IT, technology solutions, travel & leisure and food service sectors.*	£3.0m £0.9m	£0.3m	– –	£0.7m £0.6m
TrueNoord Up to 5 years *Private equity*	**Regional aircraft leasing company (equity co-investment).** *Portfolio of 22 aircraft. Recently completed the purchase of two E190s. 12 lessees including KLM, Wings, Astana, Hop!, TUI and Cityjet.*	£4.6m £3.8m	£1.5m	– –	£4.9m £2.3m

* For investments acquired via a secondary transaction from a previous investor, capital commitment includes any premium paid to book value at time of purchase.

Physical assets (property, infrastructure and real assets)

% of Net Assets increased from 11.9% to 19.7%

These asset classes are ideally suited to our investment approach in that they are long term in nature, offer attractive risk-adjusted returns and add considerably to portfolio diversification. The table gives a brief summary of progress made by each of the longer term investment funds as their managers identified suitable projects and we invested capital in line with the total commitment made to each fund. Given the timescales associated with bringing these investments to fruition, carrying values at 30 September 2018 are, in some cases, modestly behind the total amount invested to date. This partly reflects fees paid to the fund managers but, in the case of the **Aberdeen European Residential Opportunities Fund**, a small write down in one project was necessary following an increase in future development costs. Over time, we expect most of these long term investments to deliver double digit percentage annual returns, net of fees.

In infrastructure, we made a new long term investment in **Aberdeen Global Infrastructure Partners II ("AGIP II")**. As we noted in the Half-Yearly Report, this stake was acquired in a related party transaction from Aberdeen Asset Management PLC. The due diligence process included an independent third party review of the fund valuation. Our investment in AGIP II coincided with the completion and successful opening of the Perth Stadium in Australia. The stadium, which is being operated on behalf of the State Government in Western Australia for 25 years, has been written up in value by AGIP II following its completion. As a result, AGIP II has begun paying dividends to its investors.

In addition, the Board has approved commitments to new infrastructure funds managed by specialist teams within Aberdeen Standard Investments: €28.5m to **SL Capital Infrastructure II**, which will invest in economic infrastructure (utilities, transportation and energy) in Europe; and, $25m in **Andean Social Infrastructure Fund I,** which will invest in social infrastructure projects in Latin America. These funds are respectively targeting net of fee returns to investors of 8-10% and 13-15% over periods of up to 15 years and 11 years. Both are expected to acquire their first projects shortly and have attractive deal pipelines.

While the longer term investments are building up their project portfolios, we also maintain exposure to these asset classes via investments in a number of closed end funds. Over the year, our specialist property funds and renewable infrastructure funds generally performed in line with expectations but our social infrastructure investments are worthy of further comment. During the first half of the reporting period, we took advantage of share price weakness caused by heightened political uncertainty to acquire new shareholdings in two social infrastructure funds, **HICL Infrastructure and John Laing Infrastructure Fund ("JLIF")**. The collapse of one of their service partners, Carillion, caused further share price weakness at the beginning of 2018 and, encouraged by reassuring feedback on the fundamental health of the sector from a variety of sources, we added to these holdings and also acquired a new position in **3i Infrastructure**. During the summer, JLIF received a take-over approach from two private infrastructure funds and an agreed cash offer, at a 24% premium to the closing share price prior to the approach, was completed at the beginning of the new reporting period.

Physical Assets – Unlisted Summary

Investment Expected term from initial investment *Asset class*	Strategy Latest update	Capital commitment* Total investment made to 30 Sept. 2018*	Investment made in latest 12m	Distributions made in latest 12m: Capital *Income*	Valuation at: 30 Sept. 2018 30 Sept. 2017
Agricultural Capital Management II 8+ years *Real assets*	**Permanent cropland investments (blueberry, citrus etc).** *Invested in nine projects in California, Oregon and Australia covering c.10,500 acres. One farm is producing a cash yield; the others are still to reach profitability which is expected at this early stage of the investment.*	£5.4m £3.0m	£2.2m	– –	£2.8m £0.8m
Aberdeen Property Secondaries Partners II# 3+ years *Property*	**Realisation of value from property funds which are in run-off.** *Invested in three funds with exposure to 24 underlying properties across various sectors in the UK, Australia, Finland and Sweden. Most recent acquisition was at a sizeable discount to NAV with approximately half of the portfolio subject to advanced sale discussions.*	£20.5m £6.9m	£3.5m	– –	£7.1m £2.6m
Aberdeen European Residential Opportunities# 5+ years *Property*	**Conversion of commercial property into residential.** *Portfolio of nine assets in the UK, Denmark, Germany, Sweden and Finland. Most recent acquisition was a land plot that forms part of a former paper factory that has been converted to a mixed use scheme with retail, office and residential.*	£13.4m £7.3m	£4.2m	– –	£6.7m £3.1m
Cheyne Social Property 3 years *Property*	**Development of socially responsible residential property.** *Portfolio of eight assets, the majority of which are completed and generating cashflow. Recently commenced construction of 110 discounted market rent properties in Bristol.*	£8.5m £1.4m	£1.4m	– –	£1.4m –
Aberdeen Global Infrastructure II# 26 years *Infrastructure*	**Development of social infrastructure projects (US/ Australia).** *Portfolio consists of five assets in various stages of construction. The Perth Stadium became operational in Q4 2017 and is now income generating.*	£14.7m £3.6m	£3.6m	– *£0.1m*	£5.6m –
Blackrock UK Renewable Income 3+ years *Infrastructure*	**Diversified portfolio of UK renewable power projects.** *Portfolio of 50 operational solar and onshore and offshore wind projects, seven of which were purchased in H1 18. The portfolio is now delivering on its target yield of 6.5-7% p.a.*	£8.5m £8.5m	–	– *£0.7m*	£8.7m £8.6m

* For investments acquired via a secondary transaction from a previous investor, capital commitment includes any premium paid to book value at time of purchase.
# Managed by Aberdeen Standard Investments

Fixed Income & Credit

% of Net Assets reduced from 52.5% to 46.9%

With most developed market bonds and investment grade corporate bonds continuing to offer very low yields, we retain our preference for alternative forms of credit such as emerging market ("EM") bonds, asset backed securities ("ABS") and global loans. ABS and loans are floating rate in nature and performed well over the year to 30 September 2018 as the US Federal Reserve's benchmark interest rate increased from 1.25% to 2.25%. By contrast, investor sentiment towards EM assets deteriorated sharply in the second half of the reporting period, primarily as a result of financial crises in Argentina and Turkey. As the chart below shows, the asset class was a notable drag on portfolio returns over the spring and summer.

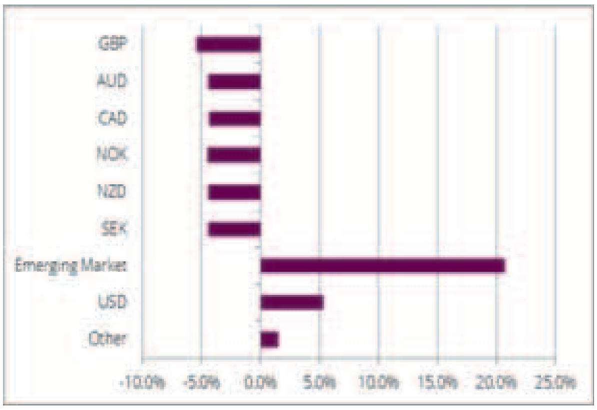
As we have noted in previous updates, the economic fundamentals for a variety of EM countries remain positive. Our economists' "heat map" of financial indicators across the EM complex shows that most countries are in much better health than at the time of previous crises. For example, currencies are not generally over-valued and many countries' debt levels are lower with less reliance on overseas currency funding. We retain our view that a diversified portfolio of local currency EM bonds offers an attractive yield over a medium term view. For example, Mexican 10 year bonds yielded over 8% at the period end. The table below updates our exposures to individual markets. During the period, we reduced our exposure to India, reflecting a steady pick up in its rate of inflation, driven, in part, by the rising oil price.

Country	% of Net Assets
Mexico	2.6
Frontier Markets	2.4
Brazil	2.2
India	2.2
Russia	2.1
Indonesia	2.1
South Africa	2.1
Poland	1.6
Malaysia	1.3
Columbia	1.3
Peru	0.8
Other (6 countries)	2.5

Source: Aberdeen Standard Investments

Currency exposure

The currency exposure table below shows the currencies we use to fund our EM weighting. As we have noted previously, our analysis shows that these funding currencies, which are often impacted adversely by any deterioration in the global economic outlook, can help offset the volatility associated with our EM bond position.



Source: Aberdeen Standard Investments

EM currency exposures are a key part of our expected return from the asset class. For other assets, our policy on currency hedging is generally to hedge exposures back to sterling so that the portfolio NAV is not unduly impacted by fluctuations in currency values. This is important for our globally diversified portfolio which has over 75% of its assets denominated in currencies other than sterling. Our policy means that the portfolio did not benefit materially from sterling's fall over the summer when Brexit uncertainty increased. However, the portfolio NAV would be largely insulated from the adverse impact of a sharp rally in sterling on the announcement of a favourable agreement. Towards the end of the period, we made a minor adjustment to our currency hedging policy: a portion of our US dollar assets is no longer hedged. This means that we would benefit from any "flight to safety" towards the dollar associated with a pick-up in global political uncertainty.

In ABS, **TwentyFour Asset Backed Opportunities** delivered a return of +5.3% over the period. The fund has a focus on medium-risk securities underpinned by diverse portfolios of mortgages and corporate loans from UK and European borrowers. The portfolio had a gross purchase yield of 5.3% at 30 September 2018. **Marble Point Loan Financing,** a new addition to the portfolio during the year, is aiming to deliver a higher income yield to investors: 8% per annum initially, rising to 10%. It is investing in a diversified portfolio of secured loans issued by over 300 US corporate borrowers.

Aberdeen Global Loans Fund performed in line with our expectations over the year to 30 September 2018. Like some of our ABS investments, it provides an additional means to access US corporate loans. Over the period, the premium on offer from US loans over Treasury bonds was squeezed by the increase in bond yields (mentioned earlier), prompting us to reduce our exposure to this asset class.

Other asset classes

% of Net Assets increased from 16.0% to 18.0%

This category includes a mix of different asset classes, mostly with return drivers which are not directly connected to financial market conditions.

We made a substantial addition to our exposure to insurance linked securities ("ILS") at the beginning of 2018 in order to take advantage of higher annual premiums being charged for catastrophe cover following record losses in 2017. We invested £25.3m in a new holding, the **Markel CATCo 2018 Fund**, which has an investment term ending in December 2020. This fund is not exposed to losses associated with 2017's hurricanes, earthquakes, wild fires and other catastrophe events which totalled close to $150bn. These events caused sharp share price falls in our existing ILS holdings at the end of 2017 and in the first half of 2018. In May 2018, the board of **Blue Capital Alternative Income Fund** held a shareholder consultation on the future of the fund and decided to wind it up. It delisted in July but remains in the portfolio as an unquoted holding. Capital will be returned to shareholders over the next year or so as the fund's existing insurance contracts expire.

Insured losses for 2018 have been at lower levels than 2017, with the autumn storms Florence, Michael and Jebi (which struck the Carolinas, northern Florida and Japan respectively), now expected to total around $30bn. However, after the financial year end, two wildfires in California, including the deadliest and most destructive ever seen, led to tens of fatalities and the destruction of over 20,000 buildings. To put this into context, the largest previous single fire in October 2017 destroyed 5,600 structures and prior to that no fire had destroyed more than 3,000 properties. Industry experts are predicting insured wildfire losses will likely be over $20bn.

In November, Markel CATCo, the manager of two of our ILS investments, declared that these losses would have a "material impact" on our holding in the **Markel CATCo 2018 Fund**. In line with the accounting policy on unlisted investments, the Company's daily NAV announcements to the London Stock Exchange between 22 November 2018 and 24 December 2018 included an adjustment to the carrying value of this fund prior to the formal publication of the 2018 fund's November NAV announcement.

The loss to the portfolio associated with these events is clearly very disappointing. Nevertheless, the asset class retains the potential to provide an attractive, diversifying return over the long term and also to contribute to portfolio income. As with any investment, we have regularly reviewed our analysis of the risk / return potential and have also been in frequent communication with the managers and boards as part of that process. As we have already noted, pricing is influenced by claims levels and 2019 is expected to see further increases over 2018. As things stand, we believe that the case for investing in ILS remains a valid one.

Elsewhere, we reduced our exposure to absolute return investments (by selling the "trend-following" investment, **AQR Managed Futures** after a strong period of positive performance in 2017). These holdings combine exposure to a range of investment strategies which target positive returns over time. However, their performance over shorter periods can be influenced – positively or negatively – by a range of factors including, for example, volatility in equity or foreign exchange markets. Over the spring / summer of 2018, performance was adversely impacted by the pick-up in EM currencies and persistently low equity market volatility.

Our special opportunities asset class includes investments in market place lending, aircraft leasing and healthcare royalties. These performed broadly in line with our expectations over the period. However, our commitment to a long term trade finance fund lapsed after the manager failed to secure suitable investments within the agreed time frame. New long term opportunities in litigation finance and healthcare royalties were approved for inclusion in the portfolio after the end of the year under review.

Portfolio positioning and outlook

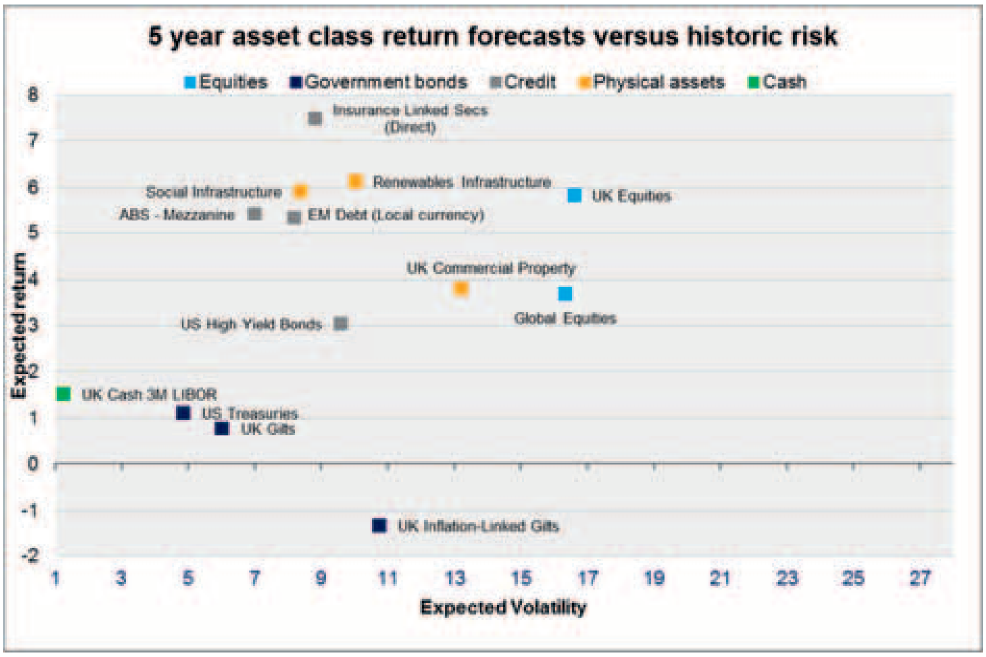
As multi-asset investors in one of Europe's largest asset management companies, we are able to call upon our colleagues' specialist insights into the widest range of asset classes when we are building the Company's portfolio. Teams within Aberdeen Standard Investments manage funds and sub-portfolios for us, allowing the Company's shareholders access to investment opportunities that are not normally available to the retail investor. As at, at 30 September 2018, these investments accounted for 59.0% of the portfolio. In some asset classes, we invest via third party managers to ensure that shareholders have access to the widest range of opportunities. In addition, the market insights of our colleagues in Global Strategy and our economists in the Aberdeen Standard Investments Research Institute help us determine how to allocate shareholders' capital to the many opportunities available to us.

A year ago, we were broadly optimistic about the global economic outlook. Since then, the US economy has performed especially well. However, America's more belligerent policy on trade and its tightening of monetary policy have been reflected in growth disappointments in a number of economies outside the US. This has led us to reduce modestly our forecast of global GDP growth to 3.4% in 2019 and 3.2% in 2020. In the UK, we expect growth of around 1.4% in each year, assuming a smooth exit from the European Union. We expect short term interest rates to rise to around 3% in the US in 2020 and to 1.5% in the UK. With inflation forecast to be just over 3% globally and around 2% domestically for the next 2 – 3 years, the economic backdrop appears fairly benign.

The Company's year ended with US equity markets at an all-time high amid newspaper reports of "the longest bull market in history". It is nearly ten years since the end of the global financial crisis and it is therefore not surprising that many investment commentators regularly advise caution. Indeed, a year ago, US / North Korean tensions were deemed worthy of a mention in this report and, over the short term, investment market sentiment is often led by such events and news flow. Over the year ahead, the UK's exit from the European Union will undoubtedly keep our economists and strategists busy. It is worth highlighting that the portfolio has relatively low direct exposure to Brexit risks: UK equities account for only 1.3% of net assets via the global equity fund and our market place lending investments would also be impacted. Other investments, such as social infrastructure and specialist property holdings, would be likely to experience some share price volatility, especially in the short term.

However, over the longer term – which remains the focus of most serious investors – our Global Strategy team observe that "one of the most robust and important findings in finance research is that today's valuation levels predict long-term returns." The team's Long Term Investment Outlook builds upon their assessment of the fundamental drivers and valuation levels of each asset class in order to assess expected investment returns. Their latest forecasts, which provide the foundation for our portfolio construction process, are summarised in the chart below.

Valuations in the US market, which accounts for over 60% of global equities, now seem stretched. Profit margins have most likely reached their cycle peak and more sluggish earnings growth should be expected. A slower but still solid global growth outlook may provide support for equities in the near term, but worries persist about risks resulting from tighter monetary policy and slower growth in China, as well as political uncertainties and threats of trade wars. This has been reflected in the return of -11.3% from global equities in Sterling terms over the three months ended 31 December 2018.



Source: Aberdeen Standard Investments' Long Term Investment Outlook

If investors are cautious on the outlook for equities, then traditional safe havens, such as developed market bonds and investment grade credit, may not provide attractive alternatives. Government bond yields remain near historical lows in developed markets, with the exception of the US. Low starting yields make for low long-term bond returns: the Manager's 10-year forecast is just under 1% per annum in the UK, and no better in Europe and Japan. Much better value is on offer from less familiar forms of credit such as ABS and emerging market government bonds. The former benefits from any increase in short term interest rates and offers higher returns than high yield bonds. Emerging market government bonds have experienced a difficult year. The recent crises in Turkey and Argentina have deterred many investors but markets already reflect the negative news flow. Emerging market currencies have depreciated sharply over recent years and so the combination of high yields and cheap currencies means that this asset class offers good value for long-term investors.

The Company's investment mandate is deliberately designed to offer considerable flexibility. This allows us to access specialist asset classes via funds which aim to deliver premium returns over longer time frames as noted in the sections above. As we build our exposure to these investments – which are likely to account for around one third of the portfolio – this will enable us to deliver on our return objective: Libor + 5.5% per annum net of fees over rolling five year periods.

There will inevitably be bumps along the way – in 2018, insurance linked securities and emerging market bonds provided two noticeable ones – and double digit percentage target returns, underpinned by a high level of income in several cases, clearly necessitate a degree of risk-taking: there can be no guarantee that we will meet our investment objective. Nevertheless, the risks we take are identifiable and, in many cases, are not correlated. There is no connection between, for example, sales of individual pharmaceutical products which underpin healthcare royalty income, returns from catastrophe insurance investments or the successful completion of infrastructure development projects. As the Chairman has commented, this has been reflected in relative resilience of the portfolio during periods of equity market weakness in the middle and after the end of this reporting period.

Many of the Company's shareholders that we meet already have exposure to more mainstream risks – via their holdings of UK equity-focussed funds, for example – which are complemented by those risks built into the Company's portfolio. Our experience shows that, over time, our approach can deliver a more attractive risk-adjusted return to shareholders.

Mike Brooks
Tony Foster
Aberdeen Asset Managers Limited
Investment Manager

14 January 2019

Portfolio

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

The portfolio includes four holdings which target attractive returns from the generation of renewable energy.

Portfolio

Ten Largest Equity and Alternative Investments

As at 30 September 2018

	At 30 September 2018 %	At 30 September 2017 %
Aberdeen Global Smart Beta Low Volatility Global Equity Income Fund[A] Diversified equity fund	19.9	23.8
TwentyFour Asset Backed Opportunities Fund Investments in mortgages, SME loans etc originated in Europe	12.6	13.0
Markel CATCo Reinsurance Fund Ltd – LDAF Investments linked to catastrophe reinsurance risks	5.9	–
Aberdeen Alpha Global Loans Fund[A] Portfolio of senior secured loans and corporate bonds	5.3	9.1
Alternative Risk Premia Fund investing in risk factor indices for a variety of asset classes	3.0	2.9
Blackstone GSO Loan Financing Diversified exposure to senior secured loans via CLO securities	2.2	2.5
BlackRock Infrastructure Renewable Income Fund Renewable infrastructure investments – UK wind and solar	1.8	1.8
Aberdeen Property Secondaries Partners II[A] Realisation of value from property funds which are in run-off	1.6	0.5
P2P Global Investments Range of investments sourced via market-place lending platforms	1.5	1.5
Aberdeen European Residential Opportunities Fund[A] Conversion of commercial property into residential	1.4	0.6

[A] Denotes Standard Life Aberdeen managed products.

Largest Fixed Income Investments

As at 30 September 2018

	At 30 September 2018 %	At 30 September 2017 %
Aberdeen Global Frontier Markets Bond Fund[A] Diverse portfolio of bonds issued by governments or other bodies in frontier market countries.	2.1	2.1
Aberdeen Global Indian Bond Fund[A] Diverse portfolio of Indian bonds	2.0	4.1

All percentages on this page reflect the value of the holding as a percentage of total investments at 30 September 2018 and 30 September 2017. Together, the ten largest equity and alternative investments represent 55.2% of the Company's portfolio (30 September 2017 – 60.7%).
[A] Denotes Standard Life Aberdeen managed products.

Portfolio

Equities and Alternatives

As at 30 September 2018

Company	Valuation 2018 £'000	Net assets 2018 %	Valuation 2017 £'000
Low Volatility Income Strategy Equities			
Aberdeen Global Smart Beta Low Volatility Global Equity Income Fund[A]	94,151	22.0	113,511
Total Low Volatility Income Strategy Equities	**94,151**	**22.0**	**113,511**
Private Equity			
TrueNoord Co-Investment	4,888	1.1	2,236
HarbourVest International Private Equity VI	3,114	0.7	–
Maj Equity Fund 4	2,970	0.7	4,792
Mesirow Financial Private Equity IV	2,038	0.5	–
HarbourVest VIII Buyout Fund	847	0.2	–
Maj Equity Fund 5	719	0.2	569
Dover Street VII	629	0.2	–
Mesirow Financial Private Equity III	594	0.1	–
HarbourVest VIII Venture Fund	249	0.1	–
HarbourVest International Private Equity V	66	–	–
Total Private Equity	**16,114**	**3.8**	
Property			
Aberdeen Property Secondaries Partners II[A]	7,566	1.8	2,545
Aberdeen European Residential Opportunities Fund[A]	6,730	1.6	3,100
PRS REIT	4,436	1.0	4,457
Residential Secure Income	3,514	0.8	3,740
Triple Point Social Housing	3,143	0.7	4,159
Cheyne Social Property	1,439	0.4	–
Total Property	**26,828**	**6.3**	
Infrastructure			
BlackRock Infrastructure Renewable Income Fund	8,738	2.0	8,592
HICL Infrastructure	6,505	1.5	–
John Laing Infrastructure Fund	6,205	1.4	–
Foresight Solar Fund	6,012	1.4	5,985
John Laing Group	5,968	1.4	4,086
International Public Partnerships	5,816	1.4	5,063
The Renewables Infrastructure Group	5,600	1.3	6,528
3i Infrastructure	3,363	0.8	–
Aberdeen Global Infrastructure Partners II (AUD)[A]	3,159	0.7	–
Aberdeen Global Infrastructure Partners II (USD)[A]	2,411	0.6	–
Greencoat Renewables	1,194	0.3	2,681
Total Infrastructure	**54,971**	**12.8**	
Loans			
Aberdeen Alpha Global Loans Fund[A]	25,094	5.9	43,293
Total Loans	**25,094**	**5.9**	

Portfolio

Equities and Alternatives continued

As at 30 September 2018

Company	Valuation 2018 £'000	Net assets 2018 %	Valuation 2017 £'000
Asset Backed Securities			
TwentyFour Asset Backed Opportunities Fund	59,614	13.9	62,110
Blackstone/GSO Loan Financing	10,327	2.4	12,040
Marble Point Loan Financing	3,873	0.9	–
Fair Oaks Income Fund	2,810	0.7	3,016
Total Asset Backed Securities	**76,624**	**17.9**	
Insurance-Linked Securities			
Markel CATCo Reinsurance Fund Ltd – LDAF	28,068	6.5	–
Blue Capital Alternative Income	5,060	1.2	5,378
CATCo Reinsurance Opportunities Fund	5,048	1.2	9,343
Blue Capital Reinsurance Holdings	767	0.2	1,202
Total Insurance-Linked Securities	**38,943**	**9.1**	
Special Opportunities			
P2P Global Investments	6,997	1.6	7,221
Funding Circle SME Income Fund	4,979	1.2	9,625
Doric Nimrod Air Two	4,968	1.2	5,135
BioPharma Credit	4,786	1.1	4,782
Total Special Opportunities	**21,730**	**5.1**	
Absolute Return			
Alternative Risk Premia	13,956	3.3	13,915
36 South Funds Kohinoor Core Fund	2,329	0.5	3,255
Total Absolute Return	**16,285**	**3.8**	
Real Assets			
Agriculture Capital Management Fund II	2,770	0.6	764
Total Real Assets	**2,770**	**0.6**	
Total Alternatives	**279,359**	**65.3**	

[A] Denotes Standard Life Aberdeen managed products.

Portfolio
Bonds

As at 30 September 2018

Company	Valuation 2018 £'000	Net assets 2018 %	Valuation 2017 £'000
Emerging Market Bonds			
Aberdeen Global Frontier Markets Bond Fund[A]	10,047	2.3	9,812
Aberdeen Global Indian Bond Fund[A]	9,345	2.2	19,497
Poland (Rep of) 1.5% 25/04/20	6,950	1.6	6,633
Russian Federation 7.05% 19/01/28	6,028	1.4	6,048
Mexico (United Mexican States) 6.5% 09/06/22	4,969	1.2	–
South Africa (Rep of) 10.5% 21/12/26	4,443	1.0	7,546
Indonesia (Rep of) 9% 15/03/29	4,369	1.0	5,370
Brazil (Fed Rep of) 10% 01/01/25	4,000	1.0	5,660
Colombia (Rep of) 7% 30/06/32	3,820	0.9	3,311
Malaysia (Govt of) 4.048% 30/09/21	3,354	0.8	3,139
Top ten investments	**57,325**	**13.4**	
Brazil (Fed Rep of) 10% 01/01/21	2,984	0.7	–
Mexico Bonos Desarr Fix Rt 10% 05/12/24	2,656	0.6	–
Argentina (Rep of) FRN 21/06/20	2,378	0.5	–
Chile (Rep of) 4.5% 01/03/26	2,160	0.5	–
Peru (Rep of) 6.95% 12/08/31	2,116	0.5	–
South Africa (Rep of) 8.75% 31/01/44	2,076	0.5	–
Russian Federation 6.4% 27/05/20	1,719	0.4	–
Mexico Bonos Desarr Fix Rt 8% 11/06/20	1,660	0.4	2,722
Colombia (Rep of) 7% 04/05/22	1,585	0.4	1,555
Indonesia (Rep of) 8.375% 15/03/34	1,584	0.4	1,439
Top twenty investments	**78,243**	**18.3**	
Mexico (United Mexican States) 7.75% 13/11/42	1,549	0.4	1,622
Brazil (Fed Rep of) 10% 01/01/27	1,517	0.4	4,774
Malaysia (Govt of) 4.498% 15/04/30	1,507	0.4	1,291
Turkey (Rep of) 10.7% 17/02/21	1,500	0.3	6,346
Peru (Rep of) 6.15% 12/08/32	1,496	0.3	309
Indonesia (Rep of) 7.875% 15/04/19	1,476	0.3	995
South Africa (Rep of) 6.25% 31/03/36	1,303	0.3	–
Russian Federation 7.5% 27/02/19	1,254	0.3	1,386
Thailand (King of) 3.625% 16/06/23	1,168	0.3	–
Turkey (Rep of) 10.6% 11/02/26	879	0.2	2,159
Top thirty investments	**91,892**	**21.5**	
Ghana (Rep of) 24.75% 19/07/21	845	0.2	701
Indonesia (Rep of) 5.625% 15/05/23	840	0.2	–
South Africa (Rep of) 8% 31/01/30	783	0.2	–
Brazil (Fed Rep of) 10% 01/01/29	697	0.2	–
Turkey (Rep of) 10.7% 17/08/22	685	0.1	–
Uruguay (Rep of) 4.375% 15/12/28	651	0.1	–
Malaysia (Govt of) 4.378% 29/11/19	581	0.1	559
Indonesia (Rep of) 7% 15/05/22	498	0.1	–
Uruguay (Rep of) 9.875% 20/06/22	305	0.1	781
Turkey (Rep of) 8.5% 10/07/19	305	0.1	–
Top forty investments	**98,082**	**22.9**	

Bonds continued

As at 30 September 2018

Company	Valuation 2018 £'000	Net assets 2018 %	Valuation 2017 £'000
South Africa (Rep of) 7.75% 28/02/23	270	0.1	–
Petroleos Mexicanos 7.19% 12/09/24	265	0.1	1,726
Brazil (Fed Rep of) 10% 01/01/19	199	–	–
Malaysia (Govt of) 4.232% 30/06/31	91	–	–
Indonesia (Rep of) 6.125% 15/05/28	79	–	–
Total Emerging Markets Bonds	**98,986**	**23.1**	
Total Fixed Income	**98,986**	**23.1**	

[A] Denotes Standard Life Aberdeen managed products.

Portfolio

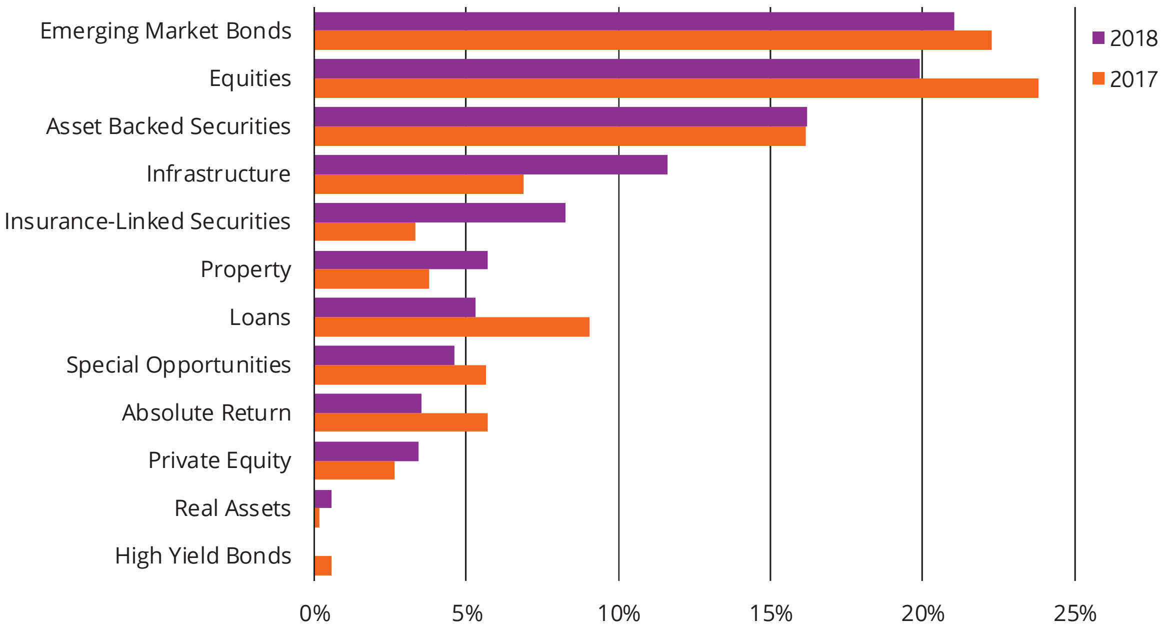
Net Assets Summary and Asset Allocation

As at 30 September 2018

Net Assets Summary

	Valuation 2018 £'000	Net assets 2018 %	Valuation 2017 £'000	Net assets 2017 %
Total investments	472,496	110.4	477,150	109.2
Cash and cash equivalents	14,883	3.5	3,627	0.8
Forward contracts	140	–	13,431	3.1
6.25% Bonds 2031	(59,479)	(13.9)	(59,632)	(13.6)
Other net assets	89	–	2,191	0.5
Net assets	**428,129**	**100.0**	**436,767**	**100.0**

Asset Allocation

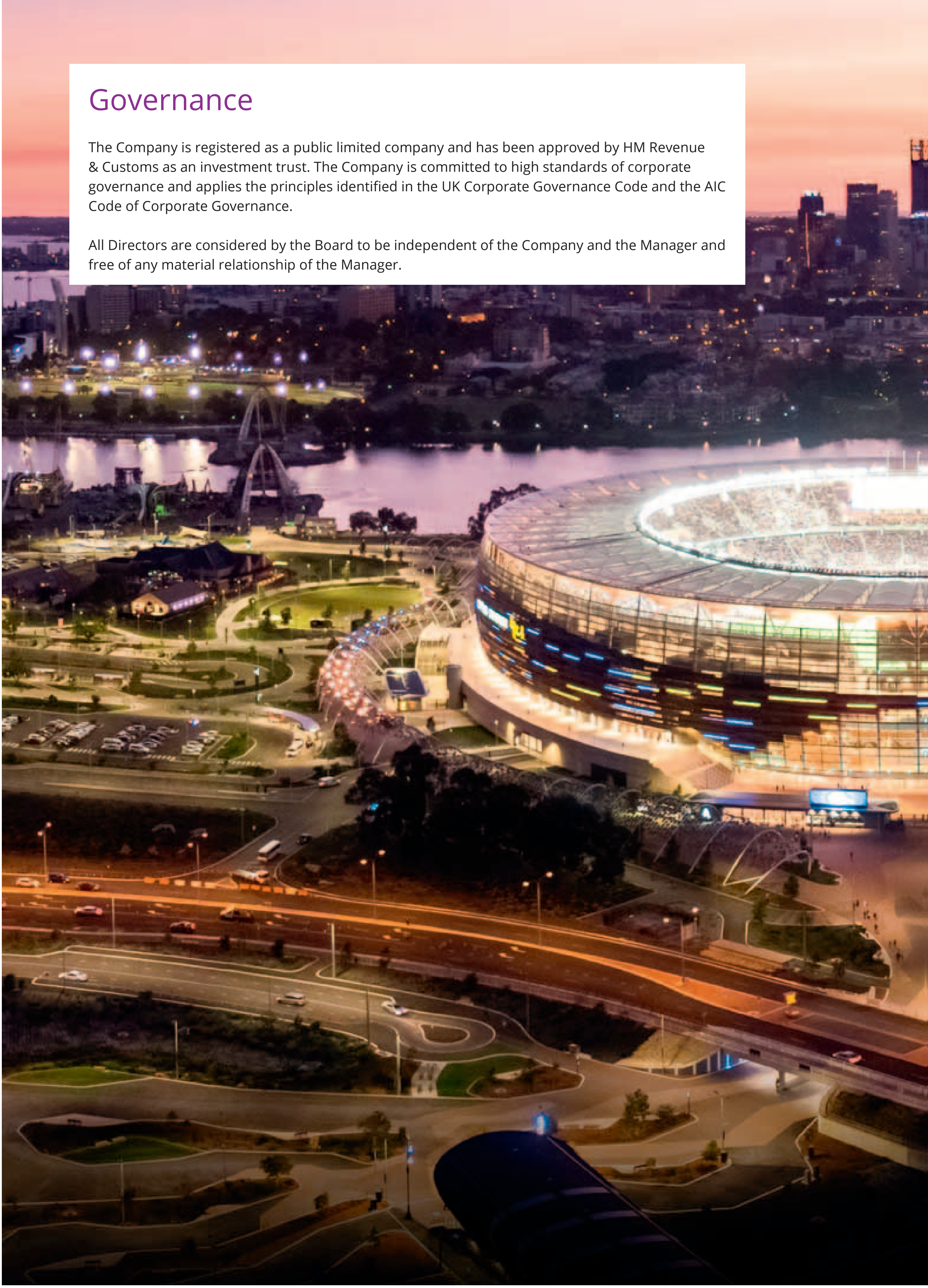


The chart illustrates each asset class as a percentage of <u>total</u> investments as at 30 September 2018 and 30 September 2017.

Governance

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

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



Perth Stadium, a holding in the Aberdeen Global Infrastructure Partners II fund, owned by the Company

Your Board of Directors

The current Directors' details, all of whom are non-executive and independent of the Manager, are set out below other than biographical information for Davina Walter which is contained on pages 5 and 6. The Directors supervise the management of the Company and represent the interests of shareholders.

James M Long, TD

Status: Chairman

Length of service: 12 years

Experience: James was formerly Director of Risk and Compliance for AstraZeneca Europe, Corporate Finance Director of Inchcape plc and Managing Director, Asia and Emerging Markets, for the ESAB Group. He was formerly Chairman of JPMorgan Asian Investment Trust plc.

Last re-elected to the Board: 2018

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

Kevin Ingram

Status: Senior Independent Non-Executive Director

Length of service: 1 year, 6 months

Experience: Kevin is a Chartered Accountant and was an Audit Partner of PricewaterhouseCoopers LLP heading its UK Investment Funds practice from 2000 to 2007. He is Acting Chairman of VPC Specialty Lending Investments plc and former Chairman of Aberdeen UK Tracker Trust plc.

Elected to the Board: 2018

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

Tom Challenor

Status: Independent Non-Executive Director

Length of service: 1 year, 6 months

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

Elected to the Board: 2018

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

Jim Grover

Status: Independent Non-Executive Director

Length of service: 5 years

Experience: Jim was formerly Group Strategy Director of Diageo plc and a member of its Executive Committee. He was formerly a Senior Advisor to the Consumer Markets group of KPMG LLP. He is currently a senior adviser to OC&C Strategy Consultants.

Last re-elected to the Board: 2018

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

Julian Sinclair

Status: Independent Non-Executive Director

Length of service: 3 years

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

Last re-elected to the Board: 2018

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

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30 September 2018.

Results and Dividends

The financial statements for the year ended 30 September 2018 are contained on pages 66 to 93. The Company's revenue return for the year ended 30 September 2018 was 6.15p per share compared to 5.31p per share in the previous year.

First, second and third interim dividends, each of 1.31p per Ordinary share, were paid on 29 March 2018, 27 July 2018 and 12 October 2018 respectively.

On 18 December 2018, the Directors declared a fourth interim dividend of 1.31p per Ordinary share payable on 25 January 2019 to shareholders on the register on 28 December 2018. The ex-dividend date is 27 December 2018. The Company intends to continue to declare and pay four interim dividends each year and, in line with corporate governance best practice, a resolution in respect of this dividend policy will be put to shareholders at each Annual General Meeting.

Investment Trust Status

The Company is registered as a public limited company (registered in Scotland No. SC3721) and is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company has been approved by HM Revenue & Customs as an investment trust subject to it continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011. The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 September 2018 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

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

Capital Structure and Voting rights

The issued Ordinary share capital at 30 September 2018 consisted of 328,551,705 Ordinary shares (2017 - 329,066,705) with voting rights and 36,859,169 Ordinary shares (2017 - 36,344,169) held in treasury. A total of 515,000 Ordinary shares were bought back into treasury during the year ended 30 September 2018. A total of 2,150,000 Ordinary shares were sold from treasury between 1 October 2018 and the date of approval of this Annual Report resulting in 330,701,705 Ordinary shares in issue, with voting rights, and 34,709,169 Ordinary shares in treasury.

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

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

Management Agreement

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

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

The Manager charges a monthly fee at the rate of one-twelfth of 0.50% on the first £300 million of NAV and 0.45% of NAV in excess of £300 million. In calculating the NAV, the 6.25% bonds due 2031 are valued at fair value. The value of any investments in ETFs, unit trusts, open ended and closed ended investment companies and investment trusts of which the Manager, or another company within the Standard Life Aberdeen plc group is the operator, manager or investment adviser, is deducted from net assets. Details of the management fee charged during the year are included in note 4 to the financial statements.

The management agreement is terminable on not less than six months' notice subject to a minimum notice period which expires no earlier than 11 February 2019. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period.

Corporate Governance

The Statement of Corporate Governance, which forms part of the Directors' Report, may be found on pages 45 to 49.

Directors

As at 30 September 2018, the Board comprised seven non-executive Directors. Subsequent to the year end, Ian Russell and Paul Yates retired from the Board on 31 October 2018. Kevin Ingram will retire from the Board at the AGM on 27 February 2019.

The names and biographies of each of the current Directors are shown on pages 5, 6, 37 and 38 and indicate their range of skills and experience as well as length of service.

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

The Directors attended scheduled meetings of the Board, Audit Committee and Nomination Committee during the year ended 30 September 2018 as follows (with their eligibility to attend the relevant meetings in brackets):

Director	Scheduled Board Meetings	Audit Committee Meetings	Nomination Committee Meetings
James Long [A]	5 (5)	-	1 (1)
Kevin Ingram	4 (5)	2 (2)	1 (1)
Ian Russell	5 (5)	2 (2)	1 (1)
Tom Challenor	5 (5)	2 (2)	1 (1)
Jim Grover	5 (5)	2 (2)	1 (1)
Julian Sinclair	5 (5)	2 (2)	1 (1)
Paul Yates	5 (5)	2 (2)	1 (1)

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

The Directors meet more regularly when business needs require.

Since the end of the year, the Board has announced that Davina Walter was appointed as an independent non-executive Director with effect from 1 February 2019. The Board considers Ms Walter, whose biographical details are contained in the Chairman's Statement on pages 5 and 6, to possess the range of skills and experience to complement those of the other Directors and the Board therefore recommends her election as a Director at the AGM.

In line with best practice in corporate governance, all Directors, other than Kevin Ingram, offer themselves for re-election at each AGM and, accordingly, James Long, Tom Challenor, Jim Grover and Julian Sinclair retire and, being eligible, each submit themselves for re-election at the AGM. The Board believes that all current Directors remain, and all Directors during the year ended 30 September 2018 were, independent of the Manager and free from any relationship which could materially interfere with the exercise of their judgement on issues of strategy, performance, resources and standards of conduct. In addition, the Board confirms that each Director demonstrates commitment to the role and their performance remains effective. In particular, the Board recognises the tenure of James Long as exceeding corporate governance guidance but notes, for the reasons set out in the Chairman's Statement on Board Composition, the Chairman's role in overseeing the refreshment of the Board and his stated intention to step down no later than the AGM in 2020.

The Board therefore recommends to shareholders the individual re-elections of Tom Challenor, Jim Grover, Julian Sinclair and James Long as Directors at the AGM.

Board Committees

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

Audit Committee

The Audit Committee's Report is contained on pages 53 to 56.

Management Engagement Committee

The Management Engagement Committee consists of all the Directors and was chaired by James Long throughout the year. The terms and conditions of the Manager's appointment, including an evaluation of performance and fees, are reviewed by the Committee on an annual basis. The Committee also keeps the resources of the Standard Life Aberdeen Group under review, together with its commitment to the Company and its investment trust business. In addition, the Committee conducts an annual review of the performance, terms and conditions of the Company's main third party suppliers. The Management Engagement Committee fulfilled its duties, in relation to the year ended 30 September 2018, at a meeting in December 2018.

The Board remains satisfied with the capability of Standard Life Aberdeen plc to deliver satisfactory investment performance, that its investment screening processes are thorough and robust, and that it employs a well-resourced team of skilled and experienced fund managers. In addition, the Board is satisfied that Standard Life Aberdeen plc has the secretarial, administrative and promotional skills required for the effective operation and administration of the Company. Accordingly, the Board believes that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole.

Nomination Committee

The Nomination Committee consists of all the Directors and was chaired by James Long throughout the year. The Committee reviews the effectiveness of the Board, succession planning, Board appointments, appraisals, training and the remuneration policy. As stated in the Directors' Remuneration Report on pages 50 to 52, the full Board determines the level of Directors' fees and there is no separate Remuneration Committee.

Further to the changes to the composition of the Board, and the ongoing independent search for a new Director announced in September 2018, the Committee, led by the Chairman, expects to arrange an annual, formal appraisal of each Director and the performance of the Board as a whole in 2019, following the reconstitution of the Board. An appraisal of the Chairman shall be led by the Senior Independent Director. An externally facilitated evaluation of the Board was undertaken in 2016 and, as the intention is that this should be repeated every three years, the next evaluation will also fall due in 2019.

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

Directors' and Officers' Liability Insurance

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

Management of Conflicts of Interest

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

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

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

Going Concern

The Financial Statements of the Company have been prepared on a going concern basis. The forecast projections and actual performance are reviewed on a regular basis throughout the period and the Directors believe that this is the appropriate basis and that the Company has adequate resources to continue in operational existence for the foreseeable future (being a period of twelve months from the date that these financial statements were approved) and is financially sound. The Company is able to meet all of its liabilities from its assets including its ongoing charges. The Company's longer term viability is considered in the Viability Statement on pages 13 and 14 of the Strategic Report.

Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements appear on pages 57 and 63.

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

Regulatory Changes

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

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

Data protection rights were harmonised across the European Union when the General Data Protection Regulation ("GDPR") – first adopted by the UK Parliament in April 2016 – applied in full from 25 May 2018. The Board has sought the appropriate assurances from its third party service providers to ensure compliance with the new regulations.

Substantial Interests

As at 30 September 2018, the following interests in the issued Ordinary share capital of the Company had been disclosed in accordance with the requirements of the FCA's Disclosure Guidance and Transparency Rules:

Shareholder	Number of shares held	% held [B]
Aberdeen Asset Managers Limited Retail Plans [A]	33,613,611	10.2
Aberdeen Standard Investments	24,211,742	7.4
Alliance Trust Savings	19,880,845	6.1
Cazenove Capital Management	18,085,878	5.5
Hargreaves Lansdown [A]	17,444.901	5.3
EFG Harris Allday	12,083,116	3.7
Charles Stanley	11,652,940	3.6
Investec Wealth & Investment	11,016,667	3.4

[A] Non-beneficial interest
[B] Based on 328,551,705 Ordinary shares in issue (excluding treasury shares) as at 30 September 2018

Relations with Shareholders

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

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (including the Company Secretary or the Manager) in situations where direct communication is required. In addition, the Company Secretary only acts on behalf of the Board, not the Manager, and there is no filtering of communication. At each Board meeting the Board receives full details of any communication from shareholders to which the Chairman responds personally as appropriate.

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

Annual General Meeting

The Annual General Meeting will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Wednesday 27 February 2019 at 12.30pm. The Notice of the Meeting is included on pages 106 to 110. Resolutions including the following business will be proposed:

Allotment of Shares

Resolution 11 will be proposed as an ordinary resolution to confer an authority on the Directors, in substitution for any existing authority, to allot up to 10% of the issued Ordinary share capital of the Company (excluding treasury shares) as at the date of the passing of the resolution (up to a maximum aggregate nominal amount of £8.3m based on the number of Ordinary shares in issue as at the date of this Report) in accordance with Section 551 of the Companies Act 2006. The authority conferred by this resolution will expire at the next Annual General Meeting of the Company or, if earlier, 31 March 2020 (unless previously revoked, varied or extended by the Company in general meeting).

The Directors consider that the authority proposed to be granted by resolution 11 is necessary to retain flexibility.

Limited Disapplication of Pre-emption Provisions

Resolution 12 will be proposed as a special resolution and seeks to give the Directors power to allot Ordinary shares or to sell Ordinary shares held in treasury (see below) (i) by way of a rights issue (subject to certain exclusions); (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions); and (iii) to persons other than existing shareholders for cash up to a maximum aggregate nominal amount representing 10% of the Company's issued Ordinary share capital as at the date of the passing of the resolution (up to an aggregate nominal amount of £8.3m based on the number of Ordinary shares in issue as at the date of this Report), without first being required to offer such shares to existing shareholders *pro rata* to their existing shareholding.

This power will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 31 March 2020 (unless previously revoked, varied or extended by the Company in general meeting).

The Company may buy back and hold shares in treasury and then sell them at a later date for cash rather than cancelling them. Such sales are required to be on a pre-emptive, pro rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary share capital on a non pre-emptive basis, resolution 12 will also give the Directors power to sell Ordinary shares held in treasury on a non pre-emptive basis, subject always in both cases to the limitations noted above. Pursuant to this power, Ordinary shares would only be issued for cash, and treasury shares would only be sold for cash, at a premium to the net asset value per share (calculated after the deduction of prior charges at market value). Treasury shares are explained in more detail under the heading "Market Purchase of the Company's own Ordinary Shares" below.

Market Purchase of the Company's own Ordinary Shares

Resolution 13 will be proposed as a special resolution to authorise the Company to make market purchases of its own Ordinary shares. The Company may do either of the following things in respect of its own Ordinary shares which it buys back and does not immediately cancel but, instead, holds in treasury:

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

Treasury shares may be resold quickly and cost effectively. The Directors therefore intend to continue to take advantage of this flexibility as they deem appropriate. Treasury shares also enhance the Directors' ability to manage the Company's capital base.

No dividends will be paid on treasury shares and no voting rights attach to them.

The maximum aggregate number of Ordinary shares which may be purchased pursuant to the authority is 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of the resolution (approximately 49.6 million Ordinary shares). The minimum price which may be paid for an Ordinary share is 25p (exclusive of expenses). The maximum price (exclusive of expenses) which may be paid for the shares is the higher of a) 5% above the average of the middle market quotations of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase; and b) the higher of the price of the last independent trade and the highest current independent bid on the main market for the Ordinary shares.

This authority, if conferred, will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 31 March 2020 (unless previously revoked, varied or extended by the Company in general meeting) and will be exercised only if it would result in an increase in net asset value per Ordinary share for the remaining shareholders and if it is in the best interests of shareholders as a whole.

Holding General Meetings on less than 14 days' clear notice

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

The Board believes that it is in the best interests of Shareholders to have the ability to call meetings on no less than 14 clear days' notice should an urgent matter arise. The Directors do not intend to hold a general meeting on less than 21 clear days' notice unless immediate action is required.

Recommendation

The Directors consider that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders and recommend that shareholders vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings, amounting to 413,306 Ordinary shares, representing 0.1% of the issued share capital.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary

7th Floor, 40 Princes Street
Edinburgh EH2 2BY

14 January 2019

Statement of Corporate Governance

Aberdeen Diversified Income and Growth Trust PLC (the "Company") is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and, as required by the Listing Rules of the UK Listing Authority, this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code (the "UK Code"), published in April 2016 and applicable for the Company's year ended 30 September 2018. The UK Code is available on the Financial Reporting Council's website: frc.org.uk.

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

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

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

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

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

The Board

1. The Chairman should be independent

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

The UK Code states that a test of independence applies on the appointment of the Chairman. Led by the Senior Independent Director, the other Directors are satisfied that Mr Long was independent on appointment and continues to remain independent, in their view, despite having served on the Board for more than nine years, as he stands for annual re-election as a Director at each AGM, and remains free of any relationship, including with the Manager, which could materially interfere with the exercise of his judgement on issues of the Company's strategy, performance, resources and standards of conduct. The other Directors also recognise that the Chairman's tenure is not in line with best practice in corporate governance but consider that his leadership of the Board during its refreshment, prior to his stepping down before or at the AGM in 2020, is important for the continuity of the Company's governance.

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

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

The Board comprised seven independent non-executive Directors throughout the year ended at 30 September 2018. Ian Russell and Paul Yates retired from the Board on 31 October 2018. Davina Walter has been appointed a non-executive Director with effect from 1 February 2019, subject to shareholder approval.

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

The names and biographies of each of the Directors may be found on pages 5, 6, 37 and 38. There is a procedure for Directors to take independent professional advice, if necessary, at the Company's expense.

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

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

The Nomination Committee has reviewed each Director's other commitments, as set out in their biography in the Governance section of the Annual Report, and is satisfied that each other Director is capable of devoting sufficient time to the effective running of the Company. The continuing independent and objective judgement of the Directors is assessed and confirmed.

Each Director has the requisite high level and range of business and financial experience which enables the Board to provide clear and effective leadership and proper stewardship of the Company and the other Directors recommend that shareholders support the election as a Director of Davina Walter and the individual re-election as Directors of Tom Challenor, Jim Grover, Julian Sinclair and James Long.

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

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

There is no pre-set criterion for retirement based on length of service as the Board takes the view that independence of individual Directors is not compromised by length of tenure and that experience can add significantly to the Board's strength. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned.

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

The names and biographies of each of the current Directors are shown on pages 4, 5, 37 and 38 of the Annual Report and indicate their range of investment, industrial, commercial and professional experience as well as length of service.

Detailed information on the Audit Committee, chaired throughout the year by Ian Russell and comprising all of the Directors with the exception of James Long, may be found in the Audit Committee's report within the Annual Report. Tom Challenor succeeded Ian Russell as Chairman of the Audit Committee on 31 October 2018.
Brief information on the constitution of the other Committees appointed by the Board (Management Engagement; Nomination) is included within the Directors' Report on pages 40 and 41 while further details are included in the other sections of this statement, where relevant.

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

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

A list of skills and expertise required by the Board has been agreed by the Board and is kept under review. Potential new Directors are identified against the requirements of the Company's business and the need to have a balance of skills, experience, independence, diversity, and knowledge of the Company within the Board. Appointments are made on merit, taking into account the benefits of diversity.

The Board announced a succession plan in September 2018 following which two Directors retired on 31 October 2018 while a further Director will retire at the AGM in February 2019. An independent search consultancy was engaged to identify a new Director following which Davina Walter was appointed a Director with effect from 1 February 2019. The appointments process is overseen by the Nomination Committee.

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

The Board normally undertakes a performance evaluation process by means of an annual questionnaire. The Chairman reviews the responses and addresses any matters arising; an evaluation of the Chairman is led by the Senior Independent Director, in the absence of the Chairman, prior to a meeting where the outcome is discussed. Due to the refreshment of the Board announced in September 2018, the Directors decided to delay the formal evaluation of the Board until 2019, which will include an externally-facilitated evaluation, last undertaken in 2016.

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

Directors' remuneration is determined by the Board as a whole as there is no separate Remuneration Committee. The Board's policy is that the remuneration of non-executive Directors should be sufficient to attract Directors of the quality required to run the Company successfully. The remuneration should also reflect the nature of the Directors' duties, responsibilities, the value of their time spent and be fair and comparable to that of other investment trusts with a similar size, capital structure and investment objective.

Detailed information on the remuneration arrangements for the Directors, including the Remuneration Policy, can be found in the Directors' Remuneration Report on pages 50 to 52. A resolution seeking approval of the Directors' Remuneration Policy was last put to shareholders at the AGM in 2017 and will next be put to shareholders at the AGM in 2020.

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

The Nomination Committee, chaired by James Long throughout the year, consists of all the Directors and is responsible for succession planning and Board appointments. The Committee considers the criteria for future Board appointments and the methods of recruitment, selection and appointment, including whether to engage the services of an external recruitment provider. The Committee engaged an independent search consultancy, Nurole Ltd, with no known conflict of interest with the Company or its Directors, to identify a new Director.

10. Directors should be offered relevant training and induction

Newly appointed Directors are provided with an induction programme by the Manager. On an ongoing basis, Directors are given key information on the Company's regulatory and statutory requirements as they arise, and every Director is entitled to receive appropriate training as deemed necessary, in consultation with the Chairman.

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

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

Board meetings and the relationship with the Manager

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

There were five scheduled Board meetings during the year, when representatives of the Manager formally reported to the Board, and a record of Directors' attendance is included on page 40 in the Directors' Report. The Board meets more frequently when business needs require. Representatives of the Manager and the corporate Company Secretary attend each Board meeting as well as certain committee meetings.

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

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

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

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

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

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

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

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

14. Boards should give sufficient attention to overall strategy

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

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

The Management Engagement Committee, chaired by James Long throughout the year, consists of all the Directors and reviews, on an annual basis, the terms and conditions of the Manager's appointment, including an evaluation of performance and fees. The Committee also keeps the resources of the Manager under review, together with the commitment of the Manager to the Company and its investment trust business. The Committee met in December 2018 in relation to the year ended 30 September 2018.

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

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

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

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

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

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

18. The Board should monitor and evaluate other service providers

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

Statement of Corporate Governance continued

and reviews the auditor's independence, objectivity, effectiveness, resources and qualification.

Shareholder communications

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

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

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

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (either the Company Secretary or the Manager) in situations where direct communication is required, and representatives from the Board meet with major shareholders on an annual basis in order to gauge their views.

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

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

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

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

The Company aims to provide shareholders with a full understanding of the Company's activities and performance by means of informative Annual and Half Yearly reports.

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

Further details on the Company's principal risks and uncertainties are set out in the Strategic Report on pages 10 to 12 and also included in the Manager's monthly factsheets and in the Company's Pre-Investment Disclosure Document, all of which are available on the Company's website.

Disclosure Guidance and Transparency Rules (DTRs)

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

- the Company's capital structure and voting rights are summarised on page 39 of the Directors' Report;
- details of the substantial shareholders in the Company are listed in the "Substantial Interests" section on page 42 of the Directors' Report;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association which are summarised above under point 3;
- amendment of the Company's Articles of Association and powers to issue or buy back the Company's shares require a special resolution to be passed by shareholders;
- there are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that might affect its control following a takeover bid; and,
- there are no agreements between the Company and its Directors concerning compensation for loss of office.

By order of the Board

James Long
Chairman

14 January 2019

Directors' Remuneration Report

This Directors' Remuneration Report comprises three parts:

(i) a Remuneration Policy which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) - most recently approved by shareholders at the Annual General Meeting on 30 March 2017;

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

(iii) an Annual Statement.

The law requires the Company's auditor to audit certain of the disclosures provided in the Directors' Remuneration Report. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on pages 58 to 65.

Remuneration Policy

The Directors' Remuneration Policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. There were no changes to the Directors' Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future.

No shareholder views were sought in setting the remuneration policy although any comments received from shareholders are considered.

Directors' remuneration is determined by the full Board and a separate Remuneration Committee has not been established.

Directors' fees are set within the limits of the Company's Articles of Association which limit the aggregate fees payable to the Board of Directors per annum. The current limit is £300,000 per annum which may only be increased by shareholder ordinary resolution. The Board's policy is that the remuneration of non-executive Directors should be sufficient to attract and retain the Directors needed to oversee the Company properly and to reflect its specific circumstances. The remuneration should also reflect the nature of the Directors' duties, responsibilities, the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, and have similar capital structures and similar investment objectives.

The level of fees for the years ended 30 September 2018 and 2017 is set out in the table. Fees are reviewed annually and, if considered appropriate, increased accordingly.

	30 September 2018 £	30 September 2017 £
Chairman	41,250	41,250
Chairman of Audit Committee	28,250	28,250
Senior Independent Director	26,250	26,250
Director	24,250	24,250

Appointment

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

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.

- No Director is entitled to any other monetary payment or any assets of the Company.
- Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.
- It is the Board's intention that this Remuneration Policy applies for the three year period ending 30 September 2019.

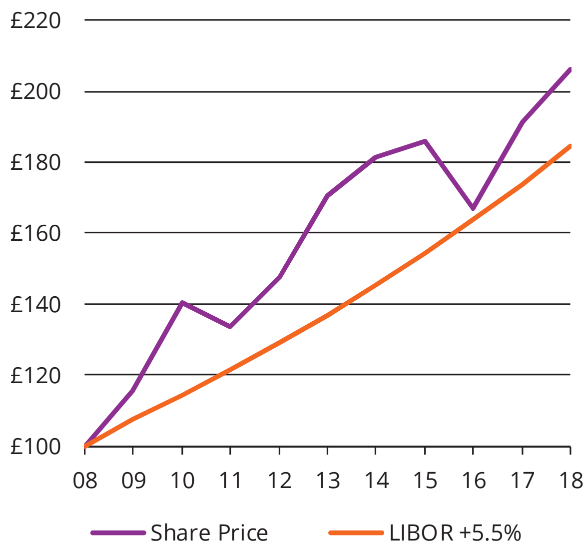
Implementation Report

Review of Directors' Fees

The level of Directors' fees was last revised with effect from 1 October 2015. The Board carried out a review of the level of Directors' fees during the year, including benchmarking against similar investment companies, and concluded that the Directors' fees should change, with effect from 1 October 2018, to the following rates per annum: £43,000 (Chairman), £30,000 (Audit Committee Chairman), £28,000 (Senior Independent Director) and £26,000 for each other Director.

Company Performance

The graph below shows the share price return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from LIBOR plus 5.5% over the ten year period ended 30 September 2018 (rebased to 100 at 30 September 2008). This Index was chosen for comparison purposes as it is the objective used for investment performance measurement purposes.



Statement of Voting at General Meeting

At the Company's last AGM, held on 2 March 2018, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 30 September 2017. The proxy votes shown in the table were received on the Resolution.

Resolution	For	Discretionary	Against	Withheld
2. Receive and Adopt Directors' Remuneration Report (excluding the Directors' Remuneration Policy)	95.2m (99.1%)	457,486 (0.5%)	431,792 (0.4%)	384,200

Spend on Pay

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

Audited Information

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 30 September 2018 and 30 September 2017 had no interest in the share capital of the Company other than those interests, all of which are beneficial, shown in the following table.

	30 September 2018 Ordinary shares	30 September 2017 Ordinary shares
James Long	42,895	41,135
Kevin Ingram	56,213	54,831
Ian Russell	27,500	27,500
Tom Challenor	156,042	155,491
Jim Grover	27,500	27,500
Julian Sinclair	76,644	36,200
Paul Yates	70,000	70,000

There have been no changes to the Directors' interests in the share capital of the Company since the year end up, to the date of approval of this Report, other than the purchase by James Long, Kevin Ingram and Tom Challenor of 452 shares, 351 shares and 139 shares, respectively, under dividend reinvestment schemes, and the purchase of 53,070 shares by Julian Sinclair. In addition, no Director had an interest in the Company's 6.25% Bonds 2031 during the year under review or up to and including the date of approval of this Report.

Fees Payable

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

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

Year ended 30 September 2017			
	Base fee £	Taxable benefits £	Total £
James Long (Chairman)	41,250	-	41,250
Kevin Ingram [A]	12,760	-	12,760
Ian Russell	28,250	11,781	40,031
Tom Challenor [A]	11,788	-	11,788
Jim Grover	24,250	-	24,250
Julian Sinclair	24,250	12	24,262
Paul Yates [A]	11,788	-	11,788
Lynn Ruddick [B]	12,473	8,629	21,102
James West [B]	13,562	1,126	14,688
	180,371	**21,548**	**201,919**

[A] Appointed as a Director on 6 April 2017

[B] Retired as a Director on 6 April 2017

Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties included in the fees referred to in the table above. Taxable benefits refer to travel costs associated with Directors' attendance at Board and Committee meetings.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, it is confirmed that the above Remuneration Report summarises, as applicable, for the year to 30 September 2018:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

James M Long
Chairman

14 January 2019

Report of the Audit Committee

The Audit Committee presents its Report for the year ended 30 September 2018.

Committee Composition

An Audit Committee has been established consisting of the whole Board, other than James Long as Chairman of the Company, which was chaired throughout the year by Ian Russell. Ian Russell is a Chartered Accountant, with recent and relevant financial experience, and the Board is satisfied that the Committee as a whole has competence appropriate for the investment trust sector. Tom Challenor, a member of the Institute of Chartered Accountants in England & Wales, was appointed Chairman of the Audit Committee following Ian Russell's retirement on 31 October 2018.

Functions of the Audit Committee

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

The Committee's main functions are listed below:

- to review and monitor the internal control systems and risk management systems (including review of non-financial risks) on which the Company is reliant (the Directors' statement on the Company's internal controls and risk management is set out below);
- to consider whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, half-yearly financial reports, announcements and related formal statements;
- to review the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to meet with the auditor to review the proposed audit programme of work and the findings of the auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the auditor to supply non-audit services. Non-audit fees paid to the auditor during the year under review amounted to £14,000 (2017: £15,000), comprising £7,000 (2017: £7,000) for the review of the Half-Yearly Financial Report, £6,000 (2017: £7,000) in relation to a review of the Manager transition in 2017, and £1,000 (2017: £1,000) for the annual review of compliance with the 2031 Bond covenants. All figures are exclusive of applicable VAT. The Committee will review any future fees in the light of statutory requirements and the need to maintain the auditor's independence;
- to review a statement from Aberdeen Standard Investments detailing the arrangements in place within Aberdeen Standard Investments whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the appointment of the auditor and to approve the remuneration and terms of engagement of the auditor; and
- to monitor and review the auditor's independence, objectivity, effectiveness, resources and qualification.

Activities During the Year

The Audit Committee met twice during the year when, amongst other matters, it considered the Annual Report and the Half-Yearly Financial Report. Representatives of Aberdeen Standard Investment's internal audit, risk and compliance departments reported to the Committee at both meetings on matters such as internal control systems, risk and the conduct of the business in the context of its regulatory environment.

Internal Control

There is an ongoing process, for identifying, evaluating and managing the Company's significant business and operational risks, which has been in place for the year ended 30 September 2018 and up to the date of approval of the Annual Report, which is regularly reviewed by the Board and complies with the FRC's guidance on internal controls.

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

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

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

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

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

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

- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board;
- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- as a matter of course Aberdeen Standard Investments' compliance department continually reviews its operations; and
- at its meeting in December 2018, the Audit Committee carried out an annual assessment of internal controls for the year ended 30 September 2018 by considering documentation from the Manager, including the internal audit and compliance functions, and taking account of events since 30 September 2018.

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

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 30 September 2018, the Audit Committee considered, through review of reports and other documentation, the following significant issues, in particular those communicated by the auditor during its planning and reporting of the year end audit:

Valuation and Existence of Investments

How the issue was addressed - The Company's investments have been valued in accordance with the accounting policies, as disclosed in note 2 to the financial statements. Within the FRS 102 Fair Value hierarchy, all investments are categorised as either Level 1 or 2, other than 23 investments (2017 - 6), totaling £82.1m (2017 - £13.7m), which are categorised as Level 3. The portfolio holdings and their pricing is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared for each Board meeting. The Company uses the services of an independent Depositary (The Bank of New York Mellon (International) Limited) to hold the assets of the Company. The Depositary checks the consistency of its records with those of the Manager on a monthly basis and reports to the Board on an annual basis.

Recognition of Investment Income

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

Allocation of finance costs and investment management fees

The Company's finance costs and investment management fees were charged 65% to capital and 35% to revenue during the year ended 30 September 2018. This charging allocation changed to 60% to capital and 40% to revenue with effect from 1 October 2018 given the Board's currently anticipated split of investment returns following the portfolio reflecting the changes to the investment objective and investment policy in March 2017.

Maintenance of Investment Trust Status

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

Review of Auditor

The Audit Committee has reviewed the effectiveness of the auditor, Ernst & Young LLP ("EY") including:

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

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

Tenure of the Auditor

EY, or its predecessor entities, have held office as auditor since at least 1956. In accordance with present professional guidelines the audit partner is rotated after no more than five years and the year ended 30 September 2018 is the fifth year for which the present senior statutory auditor has served.

Under legislation which took effect for financial years beginning on or after 17 June 2016, listed companies are required to rotate their auditor every ten years. However, under transitional arrangements for companies that have been audited by the same auditor for over 20 years there is a grace period of six years after the enactment of the legislation in 2014. Accordingly, EY will not be able to audit the Company after the year ended 30 September 2020 and the Committee expects to arrange an audit tender during 2019.

Tom Challenor
Chairman of the Audit Committee

14 January 2019

Financial Statements

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

Statement of Directors' Responsibilities

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

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

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

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

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

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

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

We confirm that to the best of our knowledge:

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

On behalf of the Board

James M Long
Chairman

14 January 2019

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

Opinion

We have audited the financial statements of Aberdeen Diversified Income and Growth plc (the 'Company') for the year ended 30 September 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to principal risks, going concern and viability statement

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

- the disclosures in the annual report set out on pages 10, 11 and 12 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 10 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 41 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on pages 13 and 14 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Incomplete or inaccurate recognition of investment income, including classification of items in the Statement of Comprehensive Income as revenue or capital • Valuation and existence of the investment portfolio
Materiality	Overall materiality of £4.28m which represents 1% of shareholders' funds (2017: £4.36m)

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate recognition of investment income, including classification of items in the Statement of Comprehensive Income as revenue or capital (as described on pages 54 and 55 in the Report of the Audit Committee and as per the accounting policies set out on pages 70 and 72). The investment income receivable by the Company during the year directly affects the Company's ability to make a dividend payment to shareholders. The income received for the year to 30 September 2018 was £23.25m (2017: £15.63m) which comprised of dividend and fixed income receipts from investments. The Directors are required to assess whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital'. During the year, the Company received 3 special dividends with an aggregate value of £0.84m, all of which were classified as revenue.	We have performed the following procedures: We obtained an understanding of the Manager's Administrator's processes and controls surrounding revenue recognition and allocation of special dividends by performing a walkthrough in which we evaluated the design and implementation of controls. We traced, for a sample of fixed income receipts, the coupon rates of interest from independent sources and recalculated the interest income based on the holdings of the respective debt instrument. We tested a sample of transactions to ensure that the premium or discount on the debt instruments have been amortised in accordance with the accounting policy. We agreed a sample of dividend receipts to the corresponding announcement made by the investee company, recalculated the amount receivable and confirmed that the cash received as shown on bank statements was consistent with the recalculated amount. We agreed a sample of investee company dividend announcements from an independent data vendor to the income recorded by the Company to test completeness of the income recorded. For all dividend and fixed income accrued at the year end, we reviewed the investee company	The results of our procedures are: We have no issues to communicate with respect to our assessment of the design and implementation of the Manager's and Administrator's processes and controls surrounding revenue recognition and allocation of special dividends. For a sample of fixed income securities, we noted no issues in tracing the coupon rates of interest from independent sources and recalculating the interest income based on the holdings of the respective debt instrument. We noted no issues in testing a sample of transactions to ensure that the discount or premium on the debt instruments have been amortised accurately in accordance with the accounting policy. We agreed the sample of dividend receipts to an independent source, recalculating these amounts and agreeing them to bank statements and noted no differences in excess of our reporting threshold. We agreed the sample of investee company announcements to the income entitlements recorded by the Company and noted no issues. We recalculated the accrued dividend and fixed income, agreeing, where possible, to post year end bank statements, and confirming that the income obligation arose prior to 30 September 2018 and noted no issues.

	announcements to assess whether the obligation arose prior to 30 September 2018. We agreed the dividend and coupon rate to corresponding announcements made by the investee company, recalculated the dividend and interest amount receivable and confirmed this was consistent with cash received as shown on post year-end bank statements. We reviewed the income report and the acquisition and disposal report produced by the Administrator to identify special dividends recorded in the year in excess of our testing threshold. For the 3 special dividends received by the Company, we confirmed that the classification as revenue or capital was consistent with the underlying substance of the payment. We reviewed the Company's accounting policies with respect to revenue recognition including special dividends to check that these have been applied as stated throughout the year and are in line with FRS 102 and the AIC SORP.	We agreed the accounting treatment adopted with respect to the 3 special dividends received during the year and in each case concurred with the treatment applied by the Manager and Administrator. We noted no issues with the application of the Company's accounting policies with respect to revenue recognition including special dividends, and noted that they were in compliance with FRS 102 and the AIC SORP.
Valuation and existence of the investment portfolio (as described on page 54 in the Report of the Audit Committee and as per the accounting policy set out on page 71). In accordance with the Company's accounting policy, all investments are classified as fair value through profit or loss. Unlisted investments are fair valued by the Directors and determined in accordance with the International Private Equity and Venture Capital Association ("IPEVCA") guidelines. The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and	We performed the following procedures: Obtained an understanding of the Manager's and Administrator's processes and controls surrounding investment pricing and trade processing by performing a walkthrough in which we evaluated the design and implementation of controls. For all listed investments in the portfolio, we compared the market values and exchange rates applied to an independent pricing vendor. We reviewed the investment valuations and assessed their compliance with the valuation principles of the International Private Equity and Venture Capital Valuation Guidelines as applicable to valuing fund interests.	The results of our procedures are: We have no issues to communicate with respect to our assessment of the design and implementation of the Manager's and Administrator's processes and controls surrounding investment pricing and trade processing. For all listed investments in the portfolio, we noted no material differences in market value or exchange rates when compared to an independent source. We noted no issues with the direct investment valuations and we are satisfied with their compliance with the valuation principles of the International Private Equity and Venture Capital Valuation Guidelines. From our discussions with the Manager, we gained an

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

the return generated for shareholders. The valuation of the unlisted investments is an area requiring significant judgement and estimation in the preparation of the financial statements. The valuation of the investment portfolio as at 30 September 2018 was £472.50m (2017: £477.15m). This includes quoted holdings of £390.44m (2017: £463.67m) and unquoted holdings of £82.06m (2017: £13.48m).	We discussed valuations with the Manager considering areas requiring most judgement and assessed the valuations are consistent with underlying general partner valuations. We reviewed the valuation information provided by the underlying general partner and ensured that the valuation was based on fair value basis. We reviewed the price exception and stale pricing reports produced by the Administrator to highlight and investigate any unexpected price movements in investments held as at the year-end. We agreed the Company's investments holdings to the independent confirmation received from the Company's depositary (The Bank of New York Mellon (International) Limited) as at 30 September 2018. For listed investments, we agreed a sample of key transaction details (e.g. units, trade date, cost and proceeds) for purchases and sales recorded by the Administrator to bank statements and trade tickets. For unlisted investments, we agreed a sample of drawdowns and distributions to bank statements and capital calls/ distribution notices.	understanding of the areas requiring most judgement and assessed that these were consistent with the underlying general partner valuations. We did not identify any price exceptions or stale prices of investments held as at the year-end. We noted no issues in agreeing the Company's investments holdings to the depositary confirmation.

An overview of the scope of our audit

Tailoring the scope

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

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be £4.28m (2017: £4.36m), which is 1% (2017: 1%) of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2017: 50%) of our planning materiality, namely £3.21m (2017: £2.18m). In the prior year we had set performance materiality at 50% of planning materiality due to change in the overall control environment that occurred during the prior year as a result of a change in investment manager and administrator.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold of £1.02m (2017: £0.90m) for the revenue column of the Statement of Comprehensive Income being 5% of the revenue return on ordinary activities before taxation.

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.21m (2017: £0.22m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

- Fair, balanced and understandable set out on page 57 **-** the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the

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

information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting set out on pages 53 to 55 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 45 – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- based on the work undertaken in the course of the audit:
    - the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
    - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 57, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102, the Companies Act 2006, AIC SORP, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified fraud risks with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- We have been the appointed auditors of the Company since at least 30 September 1956. The period of total uninterrupted engagement including previous renewals and reappointment is more than 63 years, covering the years up to 30 September 2018.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Ashley Coups (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

14 January 2019

Notes:
1. The maintenance and integrity of the Aberdeen Diversified Income and Growth Trust plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors

accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Financial Statements
Statement of Comprehensive Income

	Note	Year ended 30 September 2018 Revenue £'000	Capital £'000	Total £'000	Year ended 30 September 2017 Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	10	–	(8)	(8)	–	6,160	6,160
Realised foreign exchange losses		–	(68)	(68)	–	(4,845)	(4,845)
Unrealised foreign exchange gains/(losses)		–	148	148	–	(36)	(36)
Realised gains/(losses) on forward contracts		–	5,617	5,617	–	(4,398)	(4,398)
Unrealised (losses)/gains on forward contracts		–	(13,291)	(13,291)	–	13,823	13,823
Income	3	23,262	–	23,262	17,961	–	17,961
Investment management fees	4	(578)	(1,074)	(1,652)	56	104	160
Administrative expenses	5	(867)	(5)	(872)	(726)	(281)	(1,007)
Net return before finance costs and taxation		21,817	(8,681)	13,136	17,291	10,527	27,818
Finance costs	6	(1,259)	(2,339)	(3,598)	(1,333)	(2,475)	(3,808)
Net return before taxation		20,558	(11,020)	9,538	15,958	8,052	24,010
Taxation	7	(343)	–	(343)	(179)	–	(179)
Return attributable to equity shareholders		**20,215**	**(11,020)**	**9,195**	**15,779**	**8,052**	**23,831**
Return per Ordinary share (pence)	**9**	**6.15**	**(3.35)**	**2.80**	**5.31**	**2.71**	**8.02**

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

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

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

No operations were acquired or discontinued in the year.

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

Statement of Financial Position

	Note	As at 30 September 2018 £'000	As at 30 September 2017 £'000
Non-current assets			
Investments at fair value through profit or loss	10	472,496	477,150
Current assets			
Debtors	11	3,220	2,613
Derivative financial instruments		1,344	13,449
Cash and cash equivalents		14,687	3,627
		19,251	19,689
Creditors: amounts falling due within one year			
Derivative financial instruments		(1,204)	(18)
Other creditors	12	(2,935)	(422)
		(4,139)	(440)
Net current assets		15,112	19,249
Total assets less current liabilities		487,608	496,399
Non-current liabilities			
6.25% Bonds 2031	13	(59,479)	(59,632)
Net assets		**428,129**	**436,767**
Capital and reserves			
Called-up share capital	14	91,352	91,352
Share premium account		116,556	116,556
Capital redemption reserve		26,629	26,629
Capital reserve	15	153,182	164,806
Revenue reserve		40,410	37,424
Equity shareholders' funds		**428,129**	**436,767**
Net asset value per Ordinary share (pence)	16		
Bonds at par value		**130.31**	**132.73**
Bonds at fair value		**124.17**	**126.44**

The financial statements were approved by the Board of Directors and authorised for issue on 14 January 2019 and were signed on its behalf by:

James M Long
Chairman

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

Statement of Changes in Equity

For the year ended 30 September 2018

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

For the year ended 30 September 2017

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2016		72,778	–	15,563	224,071	39,109	351,521
Return after taxation		–	–	–	8,052	15,779	23,831
Ordinary shares issued	14	29,640	116,556	–	–	–	146,196
Ordinary shares purchased for treasury		–	–	–	(3,998)	–	(3,998)
Ordinary shares purchased for cancellation	14, 15	(11,066)	–	11,066	(62,038)	–	(62,038)
Tender offer costs		–	–	–	(1,281)	–	(1,281)
Dividends paid	8	–	–	–	–	(17,464)	(17,464)
Balance at 30 September 2017		**91,352**	**116,556**	**26,629**	**164,806**	**37,424**	**436,767**

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

Statement of Cash Flows

	Note	Year ended 30 September 2018 £'000	Year ended 30 September 2017 £'000
Operating activities			
Net return before finance costs and taxation		13,136	27,818
Adjustments for:			
Dividend income		(14,094)	(9,686)
Fixed interest income		(9,155)	(5,941)
Interest income		7	4
Other income		(6)	(2,338)
Other income received		6	2,338
Dividends received		12,016	8,188
Fixed interest income received		9,393	6,611
Interest received		(7)	(4)
Unrealised loss/(gain) on forward contracts		13,291	(13,823)
Foreign exchange (gain)/loss		(148)	36
Losses/(gains) on investments		8	(6,160)
Increase in other debtors		(4)	–
Increase/(decrease) in accruals		261	(996)
Net movement in collateral balances		–	10,727
Taxation withheld		(53)	(222)
Net cash flow from operating activities		24,651	16,552
Investing activities			
Purchases of investments		(258,384)	(643,322)
Sales of investments		266,229	588,685
Net cash flow from/(used in) investing activities		7,845	(54,637)
Financing activities			
Shares issued		–	146,196
Purchase of own shares to treasury		(604)	(3,998)
Purchase of own shares for cancellation		–	(62,038)
Interest paid		(3,751)	(3,786)
Tender offer costs		–	(1,281)
Equity dividends paid	8	(17,229)	(17,464)
Net cash flow (used in)/from financing activities		(21,584)	57,629
Increase in cash and cash equivalents		**10,912**	**19,544**
Analysis of changes in cash and cash equivalents during the year			
Opening balance		3,627	(15,881)
Foreign exchange		148	(36)
Increase in cash and cash equivalents as above		10,912	19,544
Closing balance		**14,687**	**3,627**

[A] Presentation of the 2017 figures has been amended to reflect that followed in 2018.

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

Notes to the Financial Statements

For the year ended 30 September 2018

1. Principal activity

The Company is a closed-end investment company, registered in Scotland No SC003721, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the "SORP") issued in November 2014 and updated in February 2018 with consequential amendments (applicable for accounting periods commencing on 1 January 2019 but adopted early). The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report on page 41.

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

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies. The area where judgements, estimates and assumptions have the most significant effect on the amounts recognised in the financial statements is the determination of the fair value of unquoted investments, as disclosed in note 2(e).

(b) Income

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

The fixed returns on debt securities and non-equity shares are recognised using the effective interest rate method. Interest income is accounted for on an accruals basis. Underwriting commission is recognised when the issue underwritten closes.

(c) Expenses

All expenses, with the exception of interest expenses, which are recognised using the effective interest method, are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:

– expenses which are incidental to the acquisition or disposal of an investment are treated as capital and separately identified and disclosed in note 10;

– the Company charged, during the year under review, 65% of investment management fees and finance costs to capital, in accordance with the Board's view at that time of the expected long term return in the form of capital gains and income respectively from the investment portfolio of the Company. With effect from 1 October 2018, the allocation changed to 60% to capital and 40% to revenue, following a review by the Board.

(d) Taxation

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

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

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

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year. The SORP recommends that the benefit of that tax relief should be allocated to capital and a corresponding charge made to revenue. The Company does not apply the marginal method of allocation of tax relief as any allocation of tax relief between capital and revenue would have no impact on shareholders' funds. Had this allocation been made, the charge to revenue and corresponding credit to capital for the year ended 30 September 2018 would have been £1,892,000 (2017 – £1,538,000).

(e) Investments

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

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

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 – Edition 2015.

The Company's investments in LPs are subject to the terms and conditions of the respective investee's offering documentation. The investments in LPs are valued based on the reported Net Asset Value ("NAV") of such assets as determined by the administrator or General Partner of the 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.

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

(f) Borrowings

Borrowings are measured initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and have been charged 35% to revenue and 65% to capital in the Statement of Comprehensive Income up to 30 September 2018 to reflect the Company's investment policy and prospective income and capital growth.

(g) Nature and purpose of reserves

Called up share capital

The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve.

Capital redemption reserve

The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital.

Capital reserve

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

Revenue reserve

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

(h) Valuation of derivative financial instruments

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

(i) Dividends payable

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

(j) Foreign currency

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

(k) Treasury shares

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

(l) Cash and cash equivalents

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

(m) Segmental reporting

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

3. Income

	2018 £'000	2017 £'000
Income from investments		
UK listed dividends	2,088	3,031
Overseas listed dividends	9,406	5,597
Stock dividends	2,600	1,058
Fixed interest income	9,155	5,941
	23,249	15,627
Other income		
Interest	7	(4)
Derivative income	–	2,304
Other income	6	34
	13	2,334
Total income	**23,262**	**17,961**

4. Investment management fees	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000
Investment management fee – BlackRock	–	–	–	241	448	689
Investment management fee – ASFML	578	1,074	1,652	(297)	(552)	(849)
	578	**1,074**	**1,652**	**(56)**	**(104)**	**(160)**

With effect from 11 February 2017, Aberdeen Standard Fund Managers Limited ("ASFML") were appointed as the Company's Alternative Investment Fund Manager in place of BlackRock Fund Managers Limited.

For the period to 10 February 2017 the investment management fee was levied at a rate of 0.4% per annum of the Company's total assets less current liabilities (excluding loans) and was allocated 35% to the revenue column and 65% to the capital column of the Statement of Comprehensive Income.

Following their appointment as Alternative Investment Fund Manager on 11 February 2017 through 30 September 2017, ASFML agreed to waive any entitlement to management fees. Additionally, this waiver was in place until 6 October 2017, being the date six months subsequent to the Company's merger with Aberdeen UK Tracker Trust plc. The 2017 sums shown above for ASFML reflect sums paid to and retained by the Company, being the amount equal to six months management fees payable to BlackRock (in line with the notice period clause) calculated at the rate of 0.4% per annum of the Company's total assets less current liabilities (excluding loans) as at 10 February 2017 (being the date of termination of the BlackRock Investment Management Agreement).

Following completion of the waiver period, the investment management fee has been levied by ASFML at the following tiered levels:

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

– 0.45% per annum in respect of the balance of the net asset value (with the 6.25% Bonds 2031 at fair value).

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

Notes to the Financial Statements continued

5. Administrative expenses	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000
Directors' remuneration	197	–	197	202	–	202
Custody fees	88	–	88	54	–	54
Depositary fees	52	–	52	57	–	57
Shareholders' services[A]	153	–	153	36	–	36
Registrar's fees	56	–	56	75	–	75
Transaction costs	–	5	5	–	17	17
Auditor's remuneration:						
– statutory audit	30	–	30	35	–	35
– taxation compliance services	–	–	–	6	–	6
– other non-audit services						
• review of Board compliance certificate	1	–	1	1	–	1
• review of transition	6	–	6	7	–	7
• review of Half-yearly Report	7	–	7	7	–	7
Other expenses	277	–	277	246	264	510
	867	**5**	**872**	**726**	**281**	**1,007**

[A] Includes registration, savings scheme and other wrapper administration and promotion expenses, of which £150,000 (2017 – £36,000 to BlackRock) was payable to ASFML to cover promotional activities during the year. There was £150,000 (2017 – £nil) due to ASFML in respect of these promotional activities at the year end.

6. Finance costs	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000
6.25% Bonds 2031	1,259	2,338	3,597	1,320	2,450	3,770
Overdraft interest	–	1	1	13	25	38
	1,259	**2,339**	**3,598**	**1,333**	**2,475**	**3,808**

7. Taxation	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000
(a) Analysis of charge for the year						
Current UK tax	289	–	289	–	–	–
Double taxation relief	(122)	–	(122)	–	–	–
Overseas tax suffered	196	–	196	350	–	350
Overseas tax reclaimable	(20)	–	(20)	(171)	–	(171)
Total tax charge for the year	**343**	**–**	**343**	**179**	**–**	**179**

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax of 19.0% (2017 – effective rate of 19.5%). The differences are explained as follows:

	2018			2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net return before taxation	20,558	(11,020)	9,538	15,958	8,052	24,010
Net return before taxation multiplied by the standard rate of corporation tax of 19.0% (2017 – effective rate of 19.5%)	3,906	(2,094)	1,812	3,112	1,570	4,682
Effects of:						
Non taxable losses/(gains) on investments held at fair value through profit or loss	–	3,215	3,215	–	(4,192)	(4,192)
Exchange gain/(loss) not taxable	–	(1,082)	(1,082)	–	1,809	1,809
Non taxable UK dividend income	(86)	–	(86)	(562)	–	(562)
Non taxable overseas dividend income	(1,655)	–	(1,655)	(1,077)	–	(1,077)
Disallowable expenses	16	1	17	74	463	537
Overseas tax suffered	196	–	196	350	–	350
Overseas tax recovered	(20)	–	(20)	(171)	–	(171)
Double taxation relief	(122)	–	(122)	(9)	–	(9)
Utilisation of excess management expenses brought forward	–	(1,932)	(1,932)	–	(1,188)	(1,188)
Effect of not applying the marginal method of allocation of tax relief	(1,892)	1,892	–	(1,538)	1,538	–
	343	**–**	**343**	**179**	**–**	**179**

(c) Factors that may affect future tax charges

No provision for deferred tax has been made in the current or prior accounting period.

The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company.

At the year end, the Company has, for taxation purposes only, accumulated unrelieved management expenses and loan relationship deficits of £30,613,000 (2017 – £39,507,000). A deferred tax asset in respect of this has not been recognised and these expenses will only be utilised if the Company has profits chargeable to corporation tax in the future. It is considered too uncertain that the Company will generate such profits and therefore no deferred tax asset has been recognised.

8. Ordinary dividends on equity shares	2018 £'000	2017 £'000
Third interim dividend for 2017 – 1.31p (2016 – 1.635p)	4,317	4,366
Fourth interim dividend for 2017 – 1.31p (2016 – 1.635p)	4,304	4,366
First interim dividend for 2018 – 1.31p (2017 – 1.635p)	4,304	4,366
Second interim dividend for 2018 – 1.31p (2017 – 1.635p)	4,304	4,366
	17,229	**17,464**

Set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 and 1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £20,215,000 (2017 – £15,779,000).

	2018 £'000	2017 £'000
First interim dividend for 2018 – 1.31p (2017 – 1.635p)	4,304	4,366
Second interim dividend for 2018 – 1.31p (2017 – 1.635p)	4,304	4,366
Third interim dividend for 2018 – 1.31p (2017 – 1.31p)	4,304	4,317
Fourth interim dividend for 2018 – 1.31p[A] (2017 – 1.31p)	4,332	4,304
	17,244	**17,353**

[A] The amount reflected above for the cost of the fourth interim dividend for 2018 is based on 330,701,705 Ordinary shares, being the number of Ordinary shares in issue, excluding shares held in treasury, on the record date of 28 December 2018.

9. Return per Ordinary share	2018 p	2017 p
Revenue return	6.15	5.31
Capital return	(3.35)	2.71
Total return	**2.80**	**8.02**

The figures above are based on the following:

	2018 £'000	2017 £'000
Revenue return	20,215	15,779
Capital return	(11,020)	8,052
Total return	**9,195**	**23,831**
Weighted average number of shares in issue[A]	**328,613,280**	**297,328,911**

[A] Calculated excluding shares held in treasury.

10. Investments

	2018 £'000	2017 £'000
Held at fair value through profit or loss:		
Opening valuation	477,150	420,128
Opening investment holdings losses/(gains)	5,069	(35,035)
Opening book cost	482,219	385,093
Movements during the year:		
Purchases at cost	263,070	643,106
Sales – proceeds	(267,555)	(584,479)
Sales – gains	2,937	39,158
Accretion of fixed income book cost	(161)	(659)
Closing book cost	480,510	482,219
Closing investment holdings losses	(8,014)	(5,069)
Closing valuation of investments	**472,496**	**477,150**

The portfolio valuation	2018 £'000	2017 £'000
UK equities	138,589	131,977
Overseas equities	127,772	179,431
Fixed interest	98,986	108,969
Loan investments	25,094	43,293
Unquoted holdings	82,055	13,480
	472,496	477,150
Derivative financial instruments[A]	140	13,431
	472,636	**490,581**

[A] Shown on the Statement of Financial Position under Current assets and Creditors: amounts falling due within one year.

(Losses)/gains on investments	2018 £'000	2017 £'000
Realised gains	2,937	39,158
Net movement in investment holdings losses	(2,945)	(32,998)
	(8)	**6,160**

Transaction costs

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

	2018 £'000	2017 £'000
Purchases	24	187
Sales	17	98
	41	**285**

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

Substantial holdings

At the year end the Company held more than 3% of a share class in the following investees;

Investee	Class	% of Class
Aberdeen Global Smart Beta Low Volatility Global Equity Income Fund	Z Q1	100
Aberdeen Global Infrastructure Partners II	AUD	11
Aberdeen Global Infrastructure Partners II	USD	11
Aberdeen Alpha Global Loans Fund	Z1	71
Aberdeen Global Indian Bond Fund	Z M1	93
Aberdeen Global Frontier Markets Bond Fund	1 M1	77
Aberdeen European Residential Opportunities Fund	B	100
Aberdeen Property Secondaries Partners II	A-1	22
Markel CATCo Reinsurance Fund Ltd – LDAF	B	13
TwentyFour Asset Backed Opportunities Fund	I-1	59

11. Debtors

	2018 £'000	2017 £'000
Amounts due from brokers	1,367	109
Prepayments and accrued income	1,740	2,333
Taxation recoverable	113	171
	3,220	**2,613**

12. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts due to brokers	2,086	–
Interest on 6.25% Bonds 2031	208	209
Corporation tax payable	167	–
Other creditors	474	213
	2,935	**422**

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

	2018 £'000	2017 £'000
6.25% Bonds 2031[A]		
Balance at beginning of year	59,632	59,606
Amortisation of discount and issue expenses	(153)	26
Balance at end of year	**59,479**	**59,632**

[A] The fair value of the 6.25% Bonds using the last available quoted offer price from the London Stock Exchange as at 30 September 2018 was 132.75p, a total of £79,648,000 (2017 – 133.88p, total of £80,326,000).

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

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

14. Called up share capital

	Ordinary shares (number)	Treasury shares (number)	Total shares (number)	£'000
Allotted, called up and fully paid				
Ordinary shares of 25p each				
At 30 September 2017	329,066,705	36,344,169	365,410,874	91,352
Shares purchased for treasury	(515,000)	515,000	–	–
At 30 September 2018	**328,551,705**	**36,859,169**	**365,410,874**	**91,352**

During the year 515,000 (2017 – 12,269,169) Ordinary shares of 25p each were purchased to be held in treasury at a cost of £604,000 (2017 – £3,998,000). In the year ended 30 September 2017, 44,263,287 (2018 – nil) Ordinary shares of 25p each were purchased for cancellation at a cost of £62,038,000 (2018 – £nil).

Since the year end 2,150,000 Ordinary shares of 25p each have been reissued from treasury by the Company for a total consideration of £2,675,000.

15. Capital reserve

	2018 £'000	2017 £'000
At 1 October	164,806	224,071
Movement in investment holding gains	(2,945)	(32,998)
Gains on realisation of investments at fair value	2,937	39,158
Realised foreign exchange losses	(68)	(4,845)
Unrealised foreign exchange gains/(losses)	148	(36)
Realised gains/(losses) on forward currency contracts	5,617	(4,398)
Unrealised losses/(gains) on forward currency contracts	(13,291)	13,823
Tender offer costs	–	(1,281)
Transaction and other costs	(5)	(281)
Finance costs	(2,339)	(2,475)
Purchase of own shares to treasury	(604)	(3,998)
Purchase of own shares for cancellation	–	(62,038)
Investment management fees	(1,074)	104
At 30 September	**153,182**	**164,806**

16. Net asset value per share

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

Debt at par	2018	2017
Net asset value attributable (£'000)	428,129	436,767
Number of Ordinary shares in issue excluding treasury (note 14)	328,551,705	329,066,705
Net asset value per share (p)	130.31	132.73

Debt at fair value	£'000	£'000
Net asset value attributable	428,129	436,767
Add: Amortised cost of 6.25% Bonds 2031	59,479	59,632
Less: Market value of 6.25% Bonds 2031	(79,648)	(80,326)
	407,960	**416,073**
Number of Ordinary shares in issue excluding treasury (note 14)	**328,551,705**	**329,066,705**
Net asset value per share (p)	**124.17**	**126.44**

Debt at par (capital basis)	£'000	£'000
Net asset value attributable	428,129	436,767
Less: revenue return for the year	(20,215)	(15,779)
Add: interim dividends paid	8,608	8,732
	416,522	**429,720**
Number of Ordinary shares in issue excluding treasury (note 14)	**328,551,705**	**329,066,705**
Net asset value per share (p)	**126.78**	**130.59**

Debt at fair value (capital basis)	£'000	£'000
Net asset value attributable	428,129	436,767
Add: Amortised cost of 6.25% Bonds 2031	59,479	59,632
Less: Market value of 6.25% Bonds 2031	(79,648)	(80,326)
Less: revenue return for the year	(20,215)	(15,779)
Add: interim dividends paid	8,608	8,732
	396,353	**409,026**
Number of Ordinary shares in issue excluding treasury (note 14)	**328,551,705**	**329,066,705**
Net asset value per share (p)	**120.64**	**124.30**

17. Financial instruments

Risk management

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

As at 30 September 2018 there were 24 open positions in derivatives transactions (2017 – 13).

Risk management framework

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

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

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

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

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

Risk management

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

In order to mitigate risk, the investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular asset class. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy. Current strategy is detailed in the Chairman's Statement on pages 4 to 7 and in the Investment Manager's Report on pages 18 to 26.

The Board has agreed the parameters for net gearing/cash, which was 10.6% of net assets as at 30 September 2018 (2017 – 12.8%). The Manager's policies for managing these risks are summarised below and have been applied throughout the current and previous year. The numerical disclosures in the tables listed below exclude short-term debtors and creditors.

Market risk

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective as set out on page 8. Adherence to investment guidelines and to investment and borrowing powers set out in the management agreement mitigates the risk of exposure to any particular security or issuer. Further information on the investment portfolio is set out in the Investment Manager's Report on pages 18 to 26.

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's operations. It represents the potential loss the Company might suffer through holding market positions as a consequence of price movements. It is the Board's policy to hold equity investments in the portfolio in a broad spread of asset classes in order to reduce the risk arising from factors specific to a particular asset class. An analysis of the portfolio by asset class is on page 34.

Interest rate risk

Interest rate movements may affect:

– the level of income receivable on cash deposits; and

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

Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions. Details of the 6.25% Bonds 2031 and interest rates applicable can be found in note 13 on pages 79 and 80.

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

Financial assets

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

	2018			2017		
	Within 1 year £'000	More than 1 year £'000	Total £'000	Within 1 year £'000	More than 1 year £'000	Total £'000
Exposure to fixed interest rates						
Fixed interest investments	3,234	73,982	77,216	1,471	75,764	77,235
Exposure to floating interest rates						
Fixed interest investments[A]	–	21,770	21,770	–	31,734	31,734
Loan investments[A]	–	25,094	25,094	–	43,293	43,293
Cash & cash equivalents	14,687	–	14,687	3,627	–	3,627
	17,921	**120,846**	**138,767**	**5,098**	**150,791**	**155,889**

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

Financial liabilities

The Company has borrowings by way of a bond issue, held at amortised cost of £59,479,000 (2017 – £59,632,000) details of which are in note 13. The fair value of this loan has been calculated at £79,648,000 as at 30 September 2018 (2017 – £80,326,000).

Interest rate sensitivity

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

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

– the net interest income for the year, based on the floating rate financial assets held at the Statement of Financial Position date; and

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

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net interest for the year ended 30 September 2018 would increase/decrease by £73,000 (2017 – increase/decrease £18,000). This is attributable to the Company's exposure to interest rates on its floating rate cash balances at 30 September 2018.

If interest rates had been 50 basis points higher and all other variables were held constant, a change in fair value of the Company's fixed rate financial assets and floating rate financial assets, which have an exposure to fixed interest securities, at the year ended 30 September 2018 of £124,080,000 (2017 – £152,262,000) would result in a decrease of £1,563,000 (2017 – £2,025,000). If interest rates had been 50 basis points lower and all other variables were held constant, a change in fair value of the Company's fixed rate financial assets at the year ended 30 September 2018 would result in an increase of £1,625,000 (2017 – £2,116,000).

Foreign currency risk

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

Management of the risk

The revenue account is subject to currency fluctuations arising on dividends receivable in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. It is not the Company's policy to hedge this currency risk but the Board keeps under review the currency returns in both capital and income.

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

	30 September 2018			30 September 2017		
	Investments £'000	Net monetary items £'000	Total currency exposure £'000	Investments £'000	Net monetary items £'000	Total currency exposure £'000
US Dollar	219,760	485	220,245	232,657	(140)	232,517
Euro	28,997	54	29,051	20,552	–	20,552
Other	86,442	897	87,339	82,405	170	82,575
	335,199	**1,436**	**336,635**	**335,614**	**30**	**335,644**

Foreign currency sensitivity

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

	2018 £'000	2017 £'000
US Dollar	22,024	23,251
Euro	2,905	2,055
Other	8,734	8,258
	33,663	**33,564**

Foreign exchange contracts

The following forward contracts were outstanding at the Statement of Financial Position date:

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

Date of contract	Buy Currency	Sell Currency	Settlement date	Amount '000	Contracted rate	Unrealised gain/(loss) 30 September 2017 £'000
30 August 2017	GBP	EUR	6 December 2017	2,360	1.1331	111
31 August 2017	GBP	AUD	6 December 2017	53,220	1.7146	2,361
31 August 2017	GBP	EUR	6 December 2017	57,635	1.1331	2,553
31 August 2017	GBP	JPY	6 December 2017	38,441	150.8571	2,147
31 August 2017	GBP	USD	6 December 2017	80,353	1.3443	3,069
31 August 2017	GBP	USD	6 December 2017	80,274	1.3443	2,991
8 September 2017	GBP	EUR	6 December 2017	6,023	1.1331	212
11 September 2017	USD	GBP	6 December 2017	317	1.3443	(5)
13 September 2017	USD	GBP	6 December 2017	509	1.3443	(6)
18 September 2017	GBP	USD	6 December 2017	694	1.3443	(7)
19 September 2017	USD	GBP	6 December 2017	465	1.3443	3
25 September 2017	USD	GBP	6 December 2017	296	1.3443	2
27 September 2017	USD	GBP	6 December 2017	459	1.3443	–

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

Other price risk

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

Management of the risk

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets to international markets and the stock selection process, as detailed in the section "Investment Process" on pages 97 and 98, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy.

Other price risk sensitivity

If market prices at the reporting date had been 10% higher or lower on investments held at fair value while all other variables remained constant, the return attributable to Ordinary shareholders and equity for the year ended 30 September 2018 would have increased/decreased by £34,842,000 (2017 – £32,489,000).

Liquidity risk

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

	Within 1 year £'000	Within 1-3 years £'000	Within 3-5 years £'000	More than 5 years £'000	Total £'000
6.25% Bonds 2031	–	–	–	60,000	60,000
Interest cash flows on 6.25% Bonds 2031	3,750	7,500	7,500	30,000	48,750
	3,750	**7,500**	**7,500**	**90,000**	**108,750**

Management of the risk

The Company's assets mostly comprise readily realisable securities which can be sold to meet funding commitments if necessary.

Credit risk

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

Management of the risk

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

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

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

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

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

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

Credit risk exposure

In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 30 September 2018 was as follows:

	2018		2017	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Securities at fair value through profit or loss	472,496	124,080	477,150	152,262
Current assets				
Other debtors	160	160	171	171
Amounts due from brokers	1,171	1,171	109	109
Accrued income	1,693	1,693	2,333	2,333
Derivatives	1,344	1,344	13,449	13,449
Cash and short term deposits	14,883	14,883	3,627	3,627
	491,747	**143,331**	**496,839**	**171,951**

None of the Company's financial assets is secured by collateral or other credit enhancements and none of the Company's financial assets are past due or impaired (2017 – £nil).

Credit ratings

The following table provides a credit rating profile using Standard and Poor's credit ratings for the bond portfolio at 30 September 2018 and 30 September 2017:

	2018 £'000	2017 £'000
A	–	8,701
A–	21,333	10,200
BB	–	10,434
BB+	8,875	–
BB–	9,397	–
BBB	11,237	803
BBB+	–	1,555
BBB–	–	14,980
Non-rated	48,144	62,296
	98,986	**108,969**

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

18. Fair value hierarchy

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

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

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

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

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

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

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

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

As at 30 September 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Equity investments	94,441	216,967	13,480	324,888
Loan investments	–	43,293	–	43,293
Fixed interest instruments	–	108,783	186	108,969
Forward currency contracts – financial assets	–	13,449	–	13,449
Forward currency contracts – financial liabilities	–	(18)	–	(18)
Net fair value	**94,441**	**382,474**	**13,666**	**490,581**

Level 3 Financial assets at fair value through profit or loss	As at 30 September 2018 £'000	As at 30 September 2017 £'000
Opening fair value	13,666	13,031
Purchases including calls (at cost)	54,978	9,340
Disposals and return of capital	(15,624)	(9,202)
Transfers from level 1	6,348	–
Transfers from level 2	14,275	186
Total gains or losses included in (losses)/gains on investments in the Statement of Comprehensive Income:		
– assets disposed of during the year	2,715	571
– assets held at the end of the year	5,697	(260)
Closing balance	**82,055**	**13,666**

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

	As at 30 September 2018 £'000	As at 30 September 2017 £'000
Aberdeen European Residential Opportunities Fund	6,730	–
Aberdeen Global Infrastructure Partners II (AUD)	3,159	–
Aberdeen Global Infrastructure Partners II (USD)	2,411	–
Aberdeen Property Secondaries Partners II	7,566	–
Agriculture Capital Management Fund II	2,770	764
Banco Espirito Santo 4.75% 15/01/18	–	106
Banco Espirito Santo 4% 21/01/19	–	80
BlackRock Infrastructure Renewable Income Fund	8,738	–
Blue Capital Alternative Income	5,060	–
Cheyne Social Property	1,439	–
Dover Street VII	629	–
Forward Partners I LP	–	4,896
HarbourVest International Private Equity V	66	–
HarbourVest International Private Equity VI	3,114	–
HarbourVest VIII Buyout Fund	847	–
HarbourVest VIII Venture Fund	249	–
Maj Equity Fund 4	2,970	4,792
Maj Equity Fund 5	719	569
Markel CATCo Reinsurance Fund Ltd – LDAF	28,068	–
Mesirow Financial Private Equity III	2,038	–
Mesirow Financial Private Equity IV	594	–
MRTCP I LP	–	223
Truenoord Co-Investment	4,888	2,236
	82,055	**13,666**

During the year investments valued at £6,348,000 (2017 – £nil) were transferred from Level 1 to Level 3 following the delisting of Blue Capital Alternative Income on 26 July 2018.

During the year investments valued at £14,275,000 (2017 – £186,000) were transferred from Level 2 to Level 3. Following further review, BlackRock Infrastructure Renewable Income Fund, Aberdeen European Residential Opportunities Fund and Aberdeen Property Secondaries Partners II were all considered to be Level 3 and are priced by reference to primary valuation techniques described in note 2(e) of these financial statements.

There were no other transfers between levels for financial assets and financial liabilities during the period recorded at fair value as at 30 September 2018 and 30 September 2017.

For all other assets and liabilities (i.e. those not included in the hierarchy table) carrying value approximates to fair value with the exception of the 6.25% Bonds 2031. The basis of their fair value is detailed in note 13 on pages 79 and 80.

19. Related party disclosures

Directors' fees and interests

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 50 to 52. The balance of fees due to Directors at the year end was £16,000 (2017 – £nil).

Transactions with the Manager

The investment management fee to be is levied by ASFML (post waiver – see note 4) 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).

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

The table below details all investments held at 30 September 2018 that were managed by the Group. For the period to 30 September 2018 no fees were levied in respect of these funds.

	30 September 2018 £'000
Aberdeen Global – Smart Beta Low Volatility Global Equity Income Fund	94,151
Aberdeen Alpha Global Loans Fund	25,094
Aberdeen Global – Frontier Markets Bond Fund	10,047
Aberdeen Global – Indian Bond Fund	9,345
Aberdeen Property Secondaries Partners II	7,566
Aberdeen European Residential Opportunities Fund	6,730
Aberdeen Global Infrastructure Partners II (AUD)[A]	3,159
Aberdeen Global Infrastructure Partners II (USD)[A]	2,411
	158,503

As detailed in note 4 on page 74, no investment management fees were charged by the Manager for the first six days of the year due to a waiver being in place. Following completion of the waiver period, management fees were levied as detailed in note 4. At the year end, an amount of £138,000 (2017 – £nil) was outstanding in respect of management fees.

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

20. Capital management policies and procedures

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

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

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

- the planned level of gearing which takes into account the Investment Manager's views on the market (net gearing at the reporting period end is disclosed on page 15 and the calculation basis is set out on page 102) ;
- the level of equity shares in issue;
- the extent to which revenue in excess of that which is required to be distributed should be retained.

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

At the year end a covenant relating to the bonds issue provide that the Company is to ensure that, at all times, the aggregate principal amount outstanding in respect of monies borrowed by the Company does not exceed an amount equal to its share capital and reserves. As noted in greater detail in note 13 this covenant was met during the year and also during the period from the year end to the date of this report. The Company is not subject to any other externally imposed capital requirements.

21. Commitments and contingent liabilities

At 30 September 2018 the Company had commitments of £140,486,000 of which £70,274,000 remained outstanding (2017 – £63,609,000). Further details are given below. There were no contingent liabilities as at 30 September 2018 (2017 – £nil).

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

[A] This commitment (£2,086,000) is due to be paid in November 2018 and is included as a liability at the year end.

	Undrawn commitments 30 September 2017 £'000
MRTCP I LP	19,091
Aberdeen Property Secondaries Partners II	14,712
Aberdeen European Residential Opportunities Fund	10,614
Cheyne Social Housing	8,500
Agriculture Capital ACM Fund II	4,333
Maj Equity Fund V	2,497
TrueNoord Co-Investment II LP	2,325
Maj Equity Fund 4	1,028
Forward Partners 1 LP	509
	63,609

22. Subsequent events

1,500,000 Ordinary shares of 25p each were reissued from treasury for a total consideration of £1,860,000 which was received by the Company on 1 and 2 October 2018. As a result these shares were assumed to remain in treasury at the year end and for the purposes of NAV calculations.

On 22 November 2018, the Company made a commitment of $25,000,000 to Andean Social Infrastructure Fund I. Additionally, the Company has made a commitment of $25,000,000 to HealthCare Royalty Partners IV on 28 November 2018 and on 30 November 2018 made a commitment of $25,000,000 to Burford Opportunity Fund.

On 22 November 2018 and 19 December 2018, the Board received trading updates from the Manager on the holding in Markel CATCo Reinsurance Fund Ltd – LDAF, accompanied by recommendations which were accepted, to write down its valuation by a total of £14,676,000. These valuation revisions were included within the daily published NAV for 22 November 2018 and 19 December 2018.

Alternative Performance Measures

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.

Total return

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 is considered to be an alternative performance measure. NAV total return involves investing the same net dividend in the NAV of the Company with debt at fair value on the date on which that dividend was earned. Share price total return involves reinvesting the net dividend in the month that the share price goes ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the years ended 30 September 2018 and 30 September 2017.

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

2017	Dividend rate	NAV (debt at par)	NAV (debt at fair value)	Share price
30 September 2016	N/A	131.64p	123.62p	111.00p
5 January 2017	1.635p	129.46p	121.92p	108.00p
2 March 2017	1.635p	130.44p	122.82p	113.88p
6 April 2017	1.635p	129.56p	122.43p	114.00p
31 August 2017	1.310p	132.33p	125.33p	118.50p
30 September 2017	N/A	132.73p	126.44p	120.50p
Total return		**5.7%**	**7.6%**	**14.6%**

Dividend cover

Earnings per share of 6.15p (2017 – 5.31p) divided by dividends per share of 5.24p (2017 – 5.89p) expressed as a ratio.

Net gearing

Net gearing measures the total borrowings of £59,479,000 (30 September 2017 – £59,632,000) less cash and cash equivalents (including outstanding settlements) of £13,968,000 (30 September 2017 – £3,736,000) divided by shareholders' funds of £428,129,000 (30 September 2017 – £436,767,000), expressed as a percentage.

Alternative Performance Measures continued

Ongoing charges

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

	2018	2017
Investment management fees[A] (£'000)	1,652	689
Administrative expenses (£'000)	872	1,007
Less: non-recurring charges (£'000)	–	(262)
Ongoing charges (£'000)	**2,524**	**1,434**
Average net assets (£'000)	**409,180**	**389,620**
Ongoing charges ratio (excluding look-through costs)	**0.62%**	**0.37%**
Look-through costs[B]	**0.26%**	**0.21%**
Ongoing charges ratio (including look-through costs)	**0.88%**	**0.58%**

[A] 2017 figure reflects ASFML contribution of £849,000.
[B] Costs associated with holdings in collective investment schemes as defined by 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.

Corporate information

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

Information about the Investment Manager

Aberdeen Asset Managers Limited

The Company's Investment Manager is Aberdeen Asset Managers Limited, a subsidiary of Aberdeen Asset Management PLC, which is itself a subsidiary of Standard Life Aberdeen plc.

Aberdeen Standard Investments

Worldwide, Aberdeen Standard Investments (see glossary on page 102) manages a combined £557 billion (as at 30 June 2018) in assets for a range of clients, including individuals and institutions, through mutual and segregated funds.

The Investment Team Senior Managers

Mike Brooks

Head of Diversified Multi-Asset

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

Tony Foster

Senior Investment Manager

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

The Investment Process

The diagram on page 98 illustrates the key elements of the Investment Process; further information may be found on page 9 of this Report and on the Company's website: aberdeendiversified.co.uk.

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

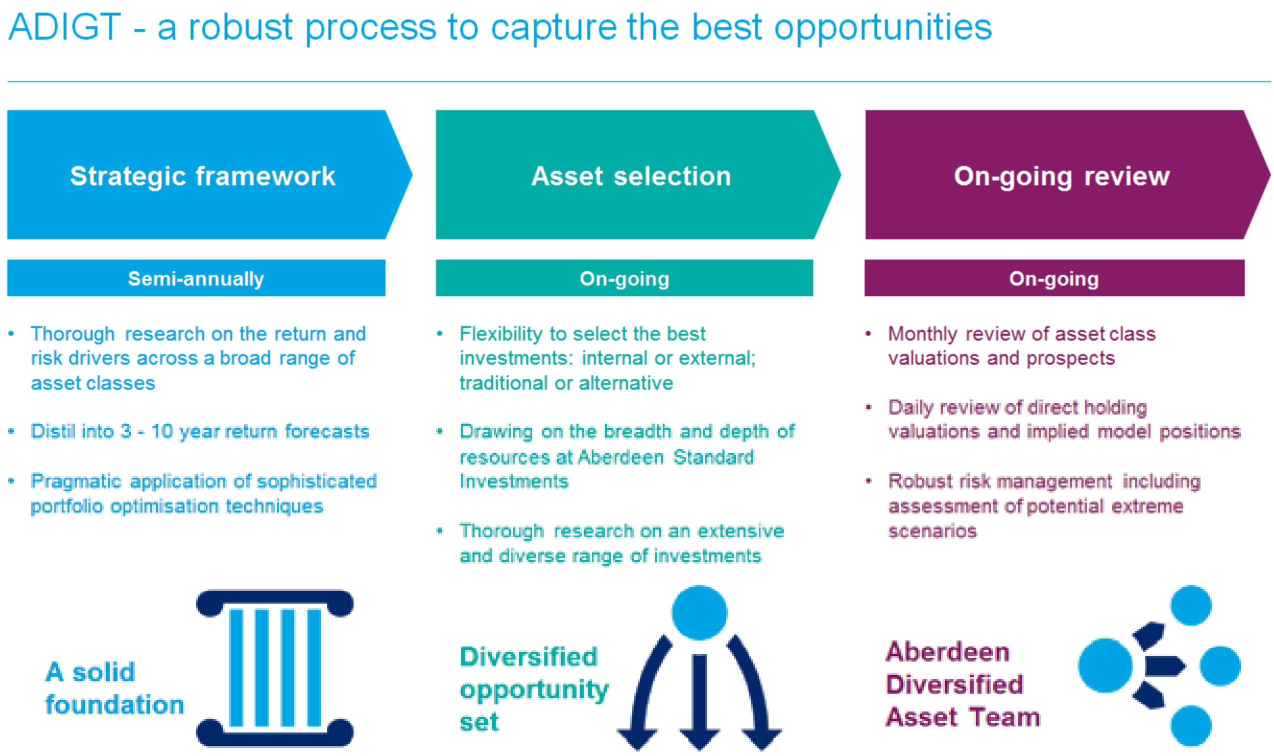
- Diversification principles – We believe that diversification is a necessary element of any robust multi-asset portfolio, reducing portfolio volatility in the short term and reducing the reliance on any one asset class over the medium to long-term. Diversification benefits arise from the range of assets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

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

- Scenario analysis – While the risk models include certain historic stress test scenarios in their analysis, we believe that it is important to also consider how we might expect investments in the portfolio to behave in various hypothetical scenarios. The scenario analysis harnesses the experience of our investment team and the broader insights from across Aberdeen Standard Investments.

- Recent discussions have addressed, for example, the potential for a trade war between the US and China and improving international relations with North Korea. In each case, the Managers are seeking to gain comfort that the potential risk of, and impact from, any given scenario is acceptable. This helps to ensure that the portfolio is resilient to the wide range of scenarios that might play out over time.

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



Investor Information

Pre-investment Disclosure Document ("PIDD")

The Alternative Investment Fund Managers Directive ("AIFMD") requires Aberdeen Standard Fund Managers Limited, as the alternative investment fund manager ("AIFM") of Aberdeen Diversified Income and Growth Trust plc, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under AIFMD are published in the Company's Pre-Investment Disclosure Document ("PIDD") which can be found on its website. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 105.

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

Aberdeen Standard Investments has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment trust shares, purporting to work for Aberdeen Standard Investments.

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

Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over whether a caller is genuine, do not offer any personal information, end the call and contact our Customer Services Department (see page 111 for contact details).

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

Keeping You Informed

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

If you have any questions about your Company, the Manager or performance, please telephone the Customer Services Department (direct private investors) on 0808 500 0040. Alternatively, please send an email to inv.trusts@aberdeen-asset.com or write to Aberdeen Standard Investments, PO Box 11020, Chelmsford, Essex CM99 2DB.

In the event of queries regarding holdings of shares, lost certificates, dividend payments, registered details, shareholders holding their shares in the Company directly should contact the registrars, Computershare Investor Services PLC (see page 111 for details). Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income is £2,000 for the 2018/19 tax year (2017/18 tax year; £5,000). Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

How to Invest in the Company

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

Aberdeen's Investment Plan for Children

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

Aberdeen Standard Investments Share Plan

Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable. Selling costs are £10 + VAT. 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. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Stocks and Shares ISA

Aberdeen Standard Investments operates an investment trust ISA ("ISA") through which an investment may be made of up to £20,000 in the 2018/19 tax year.

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 Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

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

Contact details and Literature Request Service

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

Aberdeen Standard Investments
PO Box 11020
Chelmsford
Essex CM99 2DB
Telephone: 0808 500 0040
(free when dialing from a UK landline)

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

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

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

Investor information

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

Online dealing

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

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

Investor Information continued

Discretionary private client stockbrokers

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

Financial advisers

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

Regulation of stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:
Tel: 0800 111 6768 or at fca.org.uk/firms/systems-reporting/register/search
Email: register@fca.org.uk

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Manager's website: 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 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, in order that its shares can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments.

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

Note

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

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

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

The information on pages 99 to 101 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Glossary of Terms and Definitions

Aberdeen Standard Investments	A brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.
AIC	The Association of Investment Companies.
AIFMD	The Alternative Investment Fund Managers Directive - the AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' ("AIFs"). It is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF.
Alternative Performance Measure or APM	An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
Closed-End Fund	A collective investment scheme which has a fixed number of shares which are not redeemable from the fund itself. Unlike open-ended funds, new shares/units are not created by managers to meet demand from investors; instead, shares are purchased (or sold) only in the market. Closed-end funds are normally listed on a recognised stock exchange, such as the London Stock Exchange, and shares can be bought and sold on that exchange.
Discount	The amount by which the market price per share of an Investment Trust is lower than the Net Asset Value per share. The discount is normally expressed as a percentage of the Net Asset Value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
FCA	Financial Conduct Authority.
Gearing	Net gearing is calculated by dividing total borrowings less cash or cash equivalents, by shareholders' funds expressed as a percentage.
Investment Manager or AAML	Aberdeen Asset Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Company's investment manager. It is authorised and regulated by the FCA.
Investment Trust	A type of Closed-End Fund which invests in other securities, allowing shareholders to share the risks, and returns, of collective investment.
Leverage	For the purposes of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its Net Asset Value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.
LIBOR	London Interbank Offered Rate - is a benchmark rate which represents the interest rate at which banks offer to lend funds to one another
Manager, AIFM or ASFML	Aberdeen Standard Fund Managers Limited (formerly Aberdeen Fund Managers Limited) is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the alternative investment fund manager for the Company. It is authorised and regulated by the FCA.
Net Asset Value or NAV	The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The Net Asset Value divided by the number of shares in issue produces the Net Asset Value per share.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.

Glossary of Terms and Definitions continued

Premium	The amount by which the market price per share of an Investment Trust exceeds the Net Asset Value per share. The premium is normally expressed as a percentage of the Net Asset Value per share.
Price/Earnings Ratio	The ratio is calculated by dividing the market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Standard Life Aberdeen plc or Group	Standard Life Aberdeen plc, a company listed on the London Stock Exchange
Total Assets	Total Assets as per the balance sheet less current liabilities (before deducting Prior Charges as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date the dividend was earned.

General

Share Capital and Changes of Name

Issued Share Capital at 30 September 2018 with voting rights (excluding treasury shares)

328,551,705	Ordinary shares of 25p

Treasury Shares at 30 September 2018 with no voting rights

36,859,169	Ordinary shares of 25p

Changes of Name

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

AIFMD Disclosures (Unaudited)

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

There have been no material changes to the disclosures contained within the PIDD since its most recent update in December 2018.

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

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report, note 17 to the financial statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC, on request (see Contact Information on page 111) and the remuneration disclosures in respect of the AIFM's reporting periods ended 30 September 2017 and 31 December 2017, respectively, are available on the Company's website.

Leverage

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

	Gross Method	Commitment Method
Maximum level of leverage	3.50:1	2.50:1
Actual level at 30 September 2018	2.08:1	1.28:1

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

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Aberdeen Diversified Income and Growth Trust plc (the "Company") will be held at 12.30pm on 27 February 2019 at Bow Bells House, 1 Bread Street, London EC4M 9HH for the following purposes:

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

1. To receive the Directors' Report, the Auditor's Report and the audited financial statements for the year ended 30 September 2018.
2. To receive and adopt the Directors' Remuneration Report (other than the Directors' Remuneration Policy) for the year ended 30 September 2018.
3. That Shareholders approve the Company's dividend policy to continue to pay four quarterly interim dividends per year.
4. To elect Davina Walter as a Director of the Company.
5. To re-elect Tom Challenor as a Director of the Company.
6. To re-elect Jim Grover as a Director of the Company.
7. To re-elect Julian Sinclair as a Director of the Company.
8. To re-elect James Long as a Director of the Company.
9. To re-appoint Ernst & Young LLP as auditor of the Company to hold office from the conclusion of the Annual General Meeting of the Company until the conclusion of the next general meeting at which financial statements and reports are laid before the Company.
10. To authorise the Directors to fix the remuneration of the Auditor.
11. THAT the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £8,267,543 (representing 10% of the total Ordinary share capital of the Company in issue as at the date of notice, excluding treasury shares, or, if less, the number representing 10% of the issued Ordinary share capital of the Company, excluding treasury shares, as of the date of the passing of this resolution) during the period expiring on the date of the next annual general meeting of the Company or on 31 March 2020, whichever is the earlier, but so that this authority, unless previously revoked, varied or renewed, shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares and grant rights in pursuance of such an offer or agreement as if such authority had not expired.

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

12. THAT the Directors be and they are hereby empowered, pursuant to sections 570 and 573 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority given in accordance with section 551 of the Act by resolution number 11 above as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

    (i) during the period expiring on the date of the next annual general meeting of the Company or on 31 March 2020, whichever is earlier, but so that this power shall, unless previously revoked, varied or renewed, enable the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after the expiry of this power and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
    (ii) up to an aggregate nominal amount of £8,267,543 (representing 10% of the total Ordinary Share capital of the Company in issue, excluding treasury shares, as at the date of this notice, or, if less, the number representing 10% of the issued Ordinary share capital of the Company, excluding treasury shares, as of the date of the passing of this resolution); and
    (iii) at a price greater than the net asset value per share from time to time (as determined by the Directors and calculated excluding treasury shares).

This power applies to a sale of treasury shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words "pursuant to the authority given in accordance with section 551 of the Act by resolution number 11 above" were omitted.

13. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of fully paid Ordinary shares on such terms and in such manner as the Directors from time to time determine, and to cancel or hold in treasury such shares, provided always that:

(i) the maximum number of shares hereby authorised to be purchased shall be an aggregate of 49,572,185 Ordinary Shares or, if less, the number representing 14.99% of the Ordinary shares in issue (excluding shares already held in treasury) as at the date of the passing of this resolution;
(ii) the minimum price which may be paid for a share shall be 25 pence;
(iii) the maximum price (exclusive of expenses) which may be paid for a share shall be the higher of (a) an amount equal to 105% of the average of the middle market quotations for a share taken from, and calculated by reference to, the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the share is purchased; and (b) the higher of the price of the last independent trade and the highest current independent bid at the time the purchase is carried out;
(iv) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or on 31 March 2020, whichever is earlier, unless such authority is previously revoked, varied or renewed prior to such time; and
(v) the Company may make a contract or contracts to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract or contracts notwithstanding such expiry above.

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

By Order of the Board
Aberdeen Asset Management PLC
Secretary

Registered Office
7th Floor, 40 Princes Street
Edinburgh
EH2 2BY

14 January 2019

Notes:

1. Only those Shareholders registered in the Register at close of business on 25 February 2019 shall be entitled to attend and/or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time (the "specified time"). If the Annual General Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of shareholders to attend and/or vote at the adjourned meeting. If the Annual General Meeting is adjourned for a longer period, the time by which a person must be entered on the Register in order to have the right to attend and/or vote at the adjourned meeting is close of business pm two days (excluding non-working days) prior to the time of the adjourned meeting. Changes to entries on the Register after the relevant deadline shall be disregarded in determining the rights of any person to attend and/or vote at the Annual General Meeting.

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

3. As at 14 January 2019 (being the last practicable day prior to the date of approval of this Report) the Company's issued share capital consisted of 365,410,874 Ordinary shares (34,709,169 of which were held in treasury). Each Ordinary share carries the right to one vote at general meetings. Therefore the total voting rights in the Company at 14 January 2019 are 330,701,705.

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

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

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

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

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

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

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

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

In order for a proxy appointment or instruction made using the CREST system to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent 3RA50 by 12.30 p.m. on 25 February 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications Host) from which the issuer's agent is able to retrieve the message.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or CREST sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) takes(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by a particular time. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.

The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case, a proxy form must be received by the Company's Registrars no later than 12.30 p.m. on 25 February 2019.

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

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

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

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

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

time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on the website.

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

18. Participants in the Aberdeen Standard Investments Children’s Plan, Share Plan or ISA are entitled to vote by completing the enclosed Form of Direction and returning it in the accompanying envelope no later than 20 February 2019.

Contact Addresses

Directors

James M Long, TD (Chairman)
Kevin Ingram (Senior Independent Director)
Tom Challenor (Audit Committee Chairman)
Jim Grover
Julian Sinclair
Davina Walter (from 1 February 2019)

Company Secretaries & Registered Office

Aberdeen Asset Management PLC
7th Floor, 40 Princes Street
Edinburgh EH2 2BY

Company Number

Registered in Scotland under Company Number SC3721

Website

aberdeendiversified.co.uk

United States Internal Revenue Service FATCA Registration Number ("GIIN")

E3M4K6.99999.SL.826

Legal Entity Identifier Number ("LEI")

2138003QINEGCHYGW702

Points of Contact

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

Customer Services and Aberdeen Standard Investments Children's Plan/Share Plan/ISA enquiries

Aberdeen Standard Investments
PO Box 11020
Chelmsford
Essex CM99 2DB

Freephone: 0808 500 00 40
Brochure Request Line Freephone: 0808 500 4000
Lines are open 9.00am to 5.00pm Monday to Friday, excluding public holidays

Email: inv.trusts@aberdeenstandard.com

Alternative Investment Fund Manager

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

Authorised and regulated by the Financial Conduct Authority

Investment Manager

Aberdeen Asset Managers Limited
7th Floor, 40 Princes Street
Edinburgh EH2 2BY

Authorised and regulated by the Financial Conduct Authority

Registrars (for direct shareholders)

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

www.investorcentre.co.uk

Alternatively, please contact the registrars:

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

E-mail is available via the above website

Telephone: 0330 303 1184
(UK calls cost 10p per minute plus network extras)
Lines are open 8.30am to 5.30pm Monday to Friday, excluding public holidays

Independent Auditor

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

Depositary

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

Solicitors

Dickson Minto W.S.

Stockbrokers

Cenkos Securities plc

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Aberdeen Standard Investments