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If you have sold, transferred or otherwise disposed of all of your Shares in abrdn Diversified Income and Growth plc (the “**Company**”) you should forward this document (but not the accompanying personalised Form of Proxy) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale, transfer or disposal was effected for onward transmission to the purchaser or transferee, except that this document should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of any legal or regulatory requirement. If you have sold, transferred or otherwise disposed of only part of your holding of Shares in the Company, you should retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom you effected the sale, transfer or disposal.

The definitions used in this document are set out on pages 15 to 17.

ABRDN DIVERSIFIED INCOME AND GROWTH PLC

(Incorporated in Scotland with registered number SC003721)

(An investment company within the meaning of section 833 of the Companies Act 2006)

Recommended Proposals for a Managed Wind-Down of the Company and associated adoption of a New Investment Objective and Policy

and

Notice of General Meeting

Notice of a general meeting of the Company to be held at Wallacespace, 15 Artillery Lane, London E1 7HA on 27 February 2024 at 10.00 a.m., or such later time as is immediately following the conclusion of the Company’s AGM to be held at the same venue on the same date at 9.30 a.m. (the “**General Meeting**”) is set out at the end of this document.

All Shareholders are encouraged to vote in favour of the Investment Policy Resolution and the Reduction Resolution to be proposed at the General Meeting and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf (which for some investors may be via their investment platform). A Form of Proxy for use in connection with the General Meeting is enclosed. To be valid for use at the General Meeting, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible and in any event by no later than 10.00 a.m. on 23 February 2024.

Alternatively, you may appoint a proxy or proxies electronically by visiting www.investorcentre.co.uk/eproxy and following the instructions. Proxies submitted via www.investorcentre.co.uk/eproxy must be transmitted so as to be received by the Registrar by no later than 10.00 a.m. on 23 February 2024.

Shareholders who hold their Shares in uncertificated form (that is, in CREST) may vote using the CREST electronic voting service in accordance with the procedure set out in the CREST Manual (please also refer to the accompanying notes to the Notice of General Meeting set out at the end of this document). Proxies submitted via CREST for the General Meeting must be transmitted so as to be received by the Registrar as soon as possible and, in any event, by no later than 10.00 a.m. on 23 February 2024.

This document should be read as a whole and your attention is drawn, in particular, to the section titled “Action to be taken” on pages 9 to 10 of this document.

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EXPECTED TIMETABLE

Publication of this document	8 February 2024
Latest time and date for receipt of proxy appointments (including Forms of Proxy)	10.00 a.m. on 23 February 2024
General Meeting	10.00 a.m. on 27 February 2024
Results of General Meeting Announced	27 February 2024

Notes

1. Or such later time as is immediately following the conclusion of the Company's annual general meeting convened for the same date at 9.30 a.m.
2. Each of the times and dates set out in the expected timetable above and mentioned throughout this document (other than in relation to the General Meeting) may be extended or brought forward by the Company, in which event details of the new time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.
3. All references to times in this document are to UK time, unless otherwise stated.

PART 1

LETTER FROM THE CHAIRMAN

ABRDN DIVERSIFIED INCOME AND GROWTH PLC

(Incorporated in Scotland with registered number SC003721)

(An investment company within the meaning of section 833 of the Companies Act 2006)

Directors

Davina Walter (*Chairman*)
Tom Challenor
Trevor Bradley
Alistair Mackintosh
Anna Troup

Registered Office

1 George Street
Edinburgh EH2 2LL

8 February 2024

Dear Shareholder

Recommended Proposals for a Managed Wind-Down of the Company and associated adoption of a New Investment Objective and Policy and Notice of General Meeting

Introduction

As announced by the Company on 14 December 2023, the Board has concluded that it is in the best interests of Shareholders as a whole to put forward proposals for a managed wind-down of the Company (the “**Managed Wind-Down**”).

Pursuant to the Managed Wind-Down, the Company proposes to conduct an orderly realisation of its assets in a manner that seeks to optimise the value of the Company’s investments whilst progressively returning cash to Shareholders.

Implementation of the Managed Wind-Down requires Shareholder approval to adopt the New Investment Objective and Policy reflecting the realisation strategy and the fact that the Company is ceasing to make new investments. Your approval is also being sought to carry out a reduction in the nominal value of the Shares from 25 pence per Share to one penny per Share and to cancel the entire amount standing to the credit of the Company’s capital redemption reserve. The reserve arising as a result of the Reduction will, subject to any arrangements required for the protection of creditors and any direction given by the Court in confirming the Reduction, amount to distributable reserves for the purposes of the Companies Act and will be available to the Company to distribute to Shareholders pursuant to the Managed Wind-Down.

The purpose of this document is to set out the Board’s recommended proposals for the Managed Wind-Down, the associated adoption of the New Investment Objective and Policy and the Reduction (the “**Proposals**”) and to convene the General Meeting to approve the New Investment Objective and Policy and the Reduction.

Further details of the Proposals, the Investment Policy Resolution and the Reduction Resolution that will be put to Shareholders at the General Meeting are set out below.

The Notice of General Meeting is set out on pages 18 to 20 of this document. The General Meeting will be held at Wallacespace, 15 Artillery Lane, London E1 7HA on 27 February 2024 at 10.00 a.m. (or such later time as is immediately following the conclusion of the Company’s Annual General Meeting to be held at the same venue on 27 February 2024 at 9.30 a.m.).

Implementation of the Managed Wind-Down is also conditional on Shareholder approval of the Continuation Resolution at the AGM. Therefore, in the event the Continuation Resolution is not passed at the AGM, the General Meeting will not be held.

Background to the Proposals

On 20 June 2023, the Company commenced a strategic review process that sought to address the material discount to Net Asset Value per Share at which its Shares were trading and consider how best to deliver value to Shareholders. The strategic review culminated in the Company's announcement of an enhanced distribution programme on 26 October 2023.

Following this announcement, further detailed discussions with Shareholders were undertaken. In the light of the feedback received during these conversations and the entrenched discount to Net Asset Value per Share at which the Company's Shares continued to trade, the Board announced on 14 December 2023 that it had resolved to put forward proposals for a Managed Wind-Down.

Summary of the Managed Wind-Down proposals

Pursuant to the Managed Wind-Down, the Company proposes to conduct an orderly realisation of its assets in a manner that seeks to optimise the value of the Company's investments whilst progressively returning cash to Shareholders. In particular:

- The Board expects that approximately £115 million would be returned to Shareholders in the first half of 2024 at, or close to, NAV per Share (subject to Shareholder approval, the approval of the Court for the Company to reduce its share capital and cancel the amounts standing to the credit of its capital redemption reserve and, subject to tax advice, potentially also its share premium account (further details of which are set out in the section headed "Means of Returning Capital") and the appropriate use of the Company's distributable reserves) with further returns of cash to follow as value is realised from the Company's private markets portfolio in a timely and efficient manner as set out below.
- Approximately £108.5 million of the Company's private markets portfolio (valued as at 5 February 2024) is expected to mature between 2024 and 2027 (the "**First Tranche**"). It is intended that the proceeds from the First Tranche will be returned to Shareholders in a timely manner as the investments mature.
- The remaining £84.8 million of the private markets portfolio (valued as at 5 February 2024) is expected to mature between 2029 and 2033 (the "**Second Tranche**"). As market conditions improve, opportunistic secondary sales of Second Tranche assets would be considered by the Company in order to realise value from these assets in a timely manner.
- The Company will cease making new investments (save as to fund existing commitments and support the Managed Wind-Down as set out below).
- It is intended that the Company's debt arrangements, comprising secured Bonds with a par value of c.£16.1 million, will be repaid during 2024.
- The Board will seek to reduce the Company's ongoing costs.

Benefits of the Proposals

The Directors believe that the Proposals are in the best interests of Shareholders as a whole and should yield the following principal benefits:

- implementing a managed and orderly disposal of investments should optimise the value to be realised on the sale of the Company's assets and, therefore, returns to Shareholders, including the significant Initial Return of Capital expected to comprise of approximately £115 million (representing approximately 38 pence per Share) during 2024;
- the Proposals will allow cash to be returned to Shareholders in a cost-effective and timely manner; and
- the Company will continue to benefit from the expertise of the Investment Manager who the Board believes is best placed to execute the Managed Wind-Down strategy to maximise value for Shareholders (particularly in respect of the First Tranche and Second Tranche assets).

Initial Return of Capital

The Company's liquid assets currently comprise approximately £94 million of fixed income and credit investments, £47 million of listed equities and £8 million of cash and cash equivalents. Pursuant to the Managed Wind-Down, the Board intends to return the cash generated from the sale of the Company's liquid assets together with available cash to Shareholders in the near term save that the Company will retain sufficient funds to meet outstanding commitments in respect of its private markets portfolio (such commitments amounting to c.£38.4 million in total), repay the Company's secured Bonds (c.£18 million including an estimate of the repayment premium) and provide for its ongoing working capital requirements (c.£8.5 million).

The Board therefore currently expects that approximately £115 million will be available to be returned to Shareholders in the first half of 2024 (the "Initial Return of Capital"). This is however, subject to the further conditions set out in the section headed "Means of Returning Capital" on page 7 of this document.

Please see the section titled "Means of Returning Capital" generally for further information on the proposed process for the Initial Return of Capital.

Future Realisations

The Company held approximately £193 million of private markets investments as at 5 February 2024. The First Tranche of approximately £108.5 million is expected to be realised, as the underlying funds mature, between 2024 and 2027. The proceeds received by the Company from the First Tranche realisations will be progressively returned to Shareholders throughout this period and the Board will seek to do so in a timely and efficient manner. As set out in the chart below as at 5 February 2024, the Second Tranche, comprising the Company's remaining private markets investments valued at c.£84.8 million, is expected to mature between 2029 and 2033:

Asset	Expected Maturity	NAV £'000	Unfunded Commitments £'000
abrDn Andean Social Infrastructure Fund I	2029	14,430	4,666
Healthcare Royalty Partners IV	2031	16,323	320
SL Capital Infrastructure Fund II	2032	24,767	2,790
Bonaccord Capital Partners I-A	2032	16,180	3,482
Aberdeen Standard Secondary Opportunities Fund IV	2033	13,094	11,217
Total		84,794	22,475

The Board believes that these longer-term investments are, in the large part, attractive, saleable assets but remains cognisant of the fact that early disposals from the Company's private markets portfolio in current market conditions would necessitate a substantial discount to their long-term realisable values, and thereby limit the value that could be achieved for Shareholders. As market conditions improve, opportunistic secondary sales may be sought by the Company to realise value from these assets in a timely manner. Throughout the Managed Wind-Down the Board may also seek to use opportunistic secondary sales from either tranche of private markets investments to manage the Company's undrawn commitments and optimise the level of cash that can be realised and returned to Shareholders. In considering how best to deliver value to Shareholders, the Board will also remain open-minded to corporate opportunities during the Managed Wind-Down.

Given the current position of the Company's private markets portfolio, it is expected that the Managed Wind-Down would be in place for three to four years or longer (depending, among other things, on prevailing market conditions enabling the Company to realise optimal value from the Second Tranche assets). There can be no certainty as to the precise quantum or timing of any realisations or returns of capital from the private markets portfolio and, in particular, from sales of the Second Tranche assets (which will depend on prevailing market conditions alongside consideration of the Company's liabilities, undrawn fund commitments and general working capital requirements).

Subject to any corporate opportunities that may arise during the Managed Wind-Down, it is envisaged that, once all (or substantially all) of the Company's investments have been realised, the Company would seek Shareholder approval for the Company to be placed into members' voluntary liquidation at the appropriate time.

Means of Returning Capital

Prior to the Managed Wind-Down being able to be implemented, Shareholders will need to approve the Continuation Resolution at the AGM and the Investment Policy Resolution at the General Meeting. Pursuant to the Managed Wind-Down, the Company will seek to return cash to Shareholders in an efficient and fair manner that accounts for, among other things, the UK tax consequences for Shareholders and the composition of the Company's shareholder register. Returns of capital pursuant to the Managed Wind-Down, including the Initial Return of Capital, are also conditional on, *inter alia*, the relevant Shareholder approvals and Court approvals being granted.

As set out in the notice of AGM published on 9 January 2024, the Company has asked Shareholders to approve the cancellation of the amount standing to the credit of the Company's share premium account at the Annual General Meeting. As set out in the Notice of General Meeting, the Company is also asking Shareholders to approve the reduction of its ordinary share capital by cancelling and extinguishing capital of 24 pence on each Share and reducing the nominal value per Share from 25 pence to one penny each in accordance with the Companies Act. In addition the Company is proposing to cancel the entire amount standing to the credit of its capital redemption reserve at the date of the General Meeting (which was approximately £37 million as at 5 February 2024, being the latest practicable date prior to the publication of this document).

If the required Shareholder approvals are obtained at the AGM and the General Meeting, the Company will be able to apply to the Court for confirmation of the Cancellation and/or the Reduction. In seeking the Court's confirmation of the Cancellation and/or Reduction, the Court needs to be satisfied that the interests of the Company's creditors (including contingent creditors), whose debts remain outstanding on the date the Court Order is registered and the holders of the Company's Bonds in the event the Bonds are not repaid prior to the Company's application to the Court being submitted will not be prejudiced by the Cancellation or the Reduction.

Subject to such Shareholder approvals and sanctions by the Court the resultant reserves arising from the Cancellation and the Reduction, expected to be approximately £230 million in aggregate, will subject to any arrangements required for the protection of creditors and any direction given by the Court in confirming the Reduction and Cancellation, amount to distributable reserves in accordance with the Companies Act which may be applied in any manner permitted by the Companies Act (including for any bonus share issues and/or redemptions, tender offers, share buy backs and/or other returns of capital) excluding for dividends.

The Company currently intends to implement the Initial Return of Capital pursuant to the Managed Wind-Down principally by means of a bonus issue of redeemable B shares to Shareholders. Such B shares would then be immediately redeemed by the Company with the return of cash to Shareholders being treated as capital rather than income from a UK tax perspective. The Directors note that both the Cancellation and the Reduction are likely to be required in order to implement the Managed Wind-Down particularly where a B share issue is to be used for the Initial Return of Capital. Further returns to Shareholders will be subject to tax advice but could be made by means of tender offers.

Shareholders should note that following the Reduction, there will be no change in the number of Ordinary Shares in issue.

In the event that the Managed Wind-Down is approved, full details of the Initial Capital Return (including a summary of the UK taxation consequences for Shareholders) will be set out in a circular to Shareholders which will also seek the further Shareholder approvals that will require to be granted to implement the Initial Return of Capital. Subject to these further Shareholder approvals being granted and the required Court approvals being received, it is expected that the Initial Return of Capital will be implemented by the end of June 2024.

Dividends

The Board intends that it will continue to pay a sufficient level of dividend to ensure that the Company will not retain more than 15 per cent. of its income in an accounting period so as to maintain the Company's investment trust status during the Managed Wind-Down process. In addition, and in accordance with the Company's proposed dividend policy that is set out in the Accounts and will be put to Shareholders at the AGM, any dividend going forward will also reflect the Company's plan to return cash to Shareholders in a tax efficient manner. Therefore if Shareholders vote to approve the Investment Policy Resolution and put the Company into Managed Wind-Down, the Directors will still

declare certain dividends based on the Company's net income but the quantum and timing of any dividends going forward will be at the sole discretion of the Board.

In the absence of unforeseen circumstances, it is the current intention of the Board that the Company will pay an interim dividend around the end of March 2024, the Initial Return of Capital (subject to all the required Shareholder and Court approvals being received as noted above) around the end of June 2024 and a further interim dividend around the middle of October 2024. Thereafter, it is likely that dividends will be paid in smaller, less regular amounts principally for the purpose of maintaining the Company's investment trust status and capital will be returned progressively to Shareholders in larger, less regular amounts by the most efficient mechanism available. The Board will therefore be taking into account the UK tax consequences for Shareholders in determining the most efficient means of returning realised cash during the Managed Wind-Down process.

The amount of the net proceeds from the Managed Wind-Down that can be paid as dividends and the timing of any capital distributions will also be determined by the distributable reserves of the Company. There can be no guarantee as to the payment, quantum or timing of dividends during the Managed Wind-Down process.

No further investments

The Company has not made any new private market investments since 14 December 2023 and, subject to the approval of the New Investment Objective and Policy, will not make any new investments during the Managed Wind-Down save as in respect of existing fund commitments or to support the Managed Wind-Down. In particular, realised cash may be invested in liquid cash-equivalent securities, including short-dated corporate bonds, government bonds, cash funds or bank cash deposits (and/or funds holding such investments) pending its return to Shareholders.

Ongoing costs

The Board acknowledges the importance of monitoring the Company's ongoing costs as the Managed Wind-Down progresses and will continue to keep the options available to the Company under review. In order to reduce the costs of the Company, the Board intends to reduce the number of Directors and, as announced on 14 December 2023, Anna Troup has indicated that she does not intend to stand for re-election at the Annual General Meeting. The remaining Directors would like to take this further opportunity to thank Anna for her substantial contributions to the Board.

The Board is mindful of the operating costs of a listed investment company and will keep these under review seeking to minimise expenses where possible with an overarching view to delivering shareholder value and it is intended that the Company's existing secured bonds will be repaid in 2024.

Implementation of the New Investment Objective and Policy

The Proposals require the Company to adopt the New Investment Objective and Policy to reflect the realisation strategy and the fact that the Company is ceasing to make any new investments.

The Listing Rules require any proposed material changes to the Company's published investment objective and policy to be submitted to the FCA for prior approval. The Company notes that FCA approval of the New Investment Objective and Policy was obtained on 25 January 2024. The Listing Rules also require Shareholder approval prior to any material changes being made to the Company's published investment policy and, accordingly, Shareholder approval of the New Investment Objective and Policy is being sought at the General Meeting.

As set out in further detail below, the New Investment Objective and Policy (and, as a consequence, the Managed Wind-Down) will take effect subject to, and conditional on, Shareholder approval of (i) the Continuation Resolution at the Annual General Meeting; and (ii) the Investment Policy Resolution at the General Meeting.

The New Investment Objective and Policy is set out in full in Part 2 of this document.

The Investment Policy Resolution

The Investment Policy Resolution, which will be proposed as an ordinary resolution, seeks authority to adopt the New Investment Objective and Policy as set out in Part 2 of this document. As an ordinary

resolution, more than 50 per cent. of the votes cast must be in favour for the Investment Policy Resolution to pass.

Continuation Resolution

In accordance with the requirements of the Articles, and as set out in the notice of AGM published on 9 January 2024, the Board has proposed an ordinary resolution that seeks Shareholder approval at the AGM for the continuation of the Company as an investment trust.

Shareholder approval of the Continuation Resolution is required in order that the Company can proceed to bring into effect the General Meeting in order that the Company can then proceed, subject to Shareholders approving the Investment Policy Resolution, to implement the Managed Wind-Down. Accordingly, the Investment Policy Resolution will only be able to take effect if it is passed at the General Meeting and if the Continuation Resolution has been previously approved by Shareholders at the AGM.

In the context of the Managed Wind-Down, the Directors therefore note their recommendation that Shareholders vote in favour of the Continuation Resolution at the AGM as set out in the Company's Accounts.

The Reduction Resolution

The Reduction Resolution which will be proposed as a special resolution seeks authority to carry out a reduction in the nominal value of the Shares from 25 pence per Share to one penny per Share and to cancel the entire amount standing to the credit of the Company's capital redemption reserve to create a distributable reserve which may be applied in any manner permitted by the Companies Act and/or the Articles (including for any bonus share issues and/or redemptions, tender offers, share buy backs and/or other returns of capital) excluding the payment of dividends. As a special resolution, more than 75 per cent. of the votes cast must be in favour for the Reduction Resolution to pass.

General Meeting

The General Meeting at which the Investment Policy Resolution and the Reduction Resolution will be proposed, in order that the Company can proceed with the Managed Wind-Down and the Initial Return of Capital, will be held at 10.00 a.m. on 27 February 2024 at Wallacespace, 15 Artillery Lane, London E1 7HA (or such later time as is immediately following the conclusion of the Company's AGM to be held at 9.30 a.m. on 27 February 2024 at the same venue).

The Investment Policy Resolution and the Reduction Resolution will be voted on by way of a poll. In accordance with the Articles, all Shareholders entitled to vote and who are present in person or by proxy at the General Meeting shall have one vote in respect of every Share held when voting on a poll.

Shareholders are encouraged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf at the General Meeting.

Shareholders are also welcome to contact the Company to raise any questions they may have on the Proposals through the Company Secretary using the email diversified.income@abrdn.com.

Notice of the General Meeting is set out on pages 18 to 20 of this document.

Action to be taken

All Shareholders are encouraged to vote in favour of the Investment Policy Resolution and the Reduction Resolution to be proposed at the General Meeting and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf (which for some investors may be via their investment platform).

Shareholders are requested to complete and return proxy appointments to the Registrar by one of the following means:

- (i) by completing and signing the Form of Proxy for use in relation to the General Meeting, in accordance with the instructions printed thereon and returning by post, by courier or by hand; or
- (ii) by logging on to www.investorcentre.co.uk/eproxy and following the instructions; or

- (iii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the Notice of General Meeting.

In each case, the proxy appointments must be transmitted so as to be received by the Registrar as soon as possible and, in any event, by no later than 10.00 a.m. on 23 February 2024. To be valid, the proxy appointment must be completed in accordance with the instructions accompanying it and lodged with the Registrar by the relevant time.

Recommendation

The Board considers that the Proposals, including the adoption of the New Investment Objective and Policy and the Reduction, are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Investment Policy Resolution and the Reduction Resolution to be proposed at the General Meeting.

The Directors, who in aggregate have an interest in 303,671 Shares, representing approximately 0.09 per cent. of the issued share capital of the Company as at 5 February 2024 (being the latest practicable date prior to the publication of this document), intend to vote their entire beneficial holdings of Shares in favour of the Investment Policy Resolution and the Reduction Resolution to be proposed at the General Meeting.

Yours faithfully

Davina Walter
Chairman

PART 2

PROPOSED NEW INVESTMENT OBJECTIVE AND POLICY

Current Investment Objective and Policy

The Company seeks to provide income and capital appreciation over the long term through investment in a globally diversified multi-asset portfolio.

The Company has the following investment restrictions, at the time of investment, which the Manager must adhere to:

- no individual quoted company or transferable security exposure in the portfolio may exceed 15% of the Company's total assets, other than in treasuries and gilts;
- no other individual asset in the portfolio (including property, infrastructure, private equity, commodities and other alternative assets) may exceed 5% of the Company's total assets;
- the Company will not normally invest more than 5% of its total assets in the unlisted securities issued by any individual company; and
- no more than 15% of the Company's total assets may be invested in an individual regulated pooled investment fund.

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.

New Investment Objective and Policy

The Company's investment objective is to conduct an orderly realisation of its assets in a manner that seeks to optimise the value of the Company's investments whilst progressively returning cash to Shareholders in a timely manner.

The Company will pursue its investment objective by effecting an orderly realisation of its assets in a manner that is consistent with the principles of good investment management. This process might include sales of individual assets or running off the assets in accordance with their existing terms, or a combination of both.

The Company will cease to make any new investments or to undertake capital expenditure except where, in the opinion of both the Board and the investment manager:

- the investment is a follow-on investment made in connection with an existing asset in order to comply with the Company's pre-existing obligations; or
- failure to make the follow-on investment may result in a breach of contract or applicable law or regulation by the Company; or
- the investment is considered necessary to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process prior to its distribution to Shareholders will be held by the Company as cash on deposit and/or in liquid cash-equivalents securities (including direct investment in treasuries and/or gilts, funds holding such investments, money market or cash funds and/or short-dated corporate bonds or funds that invest in such bonds) pending its return to shareholders.

No more than 15 per cent. of the Company's total assets may be invested (at the time of investment) in any single cash-equivalent fund or instrument, other than in treasuries or gilts (which shall be unconstrained).

Current Investment Objective and Policy (continued)

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%.

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.

New Investment Objective and Policy (continued)

The Company may continue to use gearing, in the form of borrowings (including secured bonds), during the wind-down process.

The Company's articles of association contain a borrowing limit equal to the value of its adjusted total of capital and reserves and borrowings have not normally been expected to exceed 20 per cent. of shareholders' funds but it is intended that the Company's existing secured bonds will be repaid during the wind-down process and the Company's gearing levels will decrease. It is not anticipated that the Company will take on any new borrowings, but this remains possible for the efficient management of the Company (such as through a revolving credit facility or an overdraft).

The Company may use derivatives for efficient portfolio management, that is, to reduce, transfer or eliminate risk in its investments, including protection against currency risks.

PART 3

RISKS ASSOCIATED WITH THE PROPOSALS

In considering your decision in relation to the Proposals, you are referred to the risks set out below.

Shareholders should read this document carefully and in its entirety and, if you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) or, if you are in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.

Only those risks which are material and currently known to the Company have been disclosed. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also have an adverse effect on the Company.

- In a Managed Wind-Down, the value of the Company's portfolio will be reduced as investments are realised and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly. In particular, it is expected that the Company's invested portfolio will develop a more concentrated weighting towards private markets assets as the Managed Wind-Down progresses.
- Risk analysis for a multi-asset portfolio needs to consider the interaction of asset classes and how these might correlate, or offset each other, under various scenarios. Once the portfolio enters the Managed Wind-Down, and as funds are returned to shareholders, the make-up of the portfolio will alter and risk exposures to certain segments of the global economy may be heightened.
- The Company's investment activities expose it to a variety of financial risks which include foreign currency risk and interest rate risk.
- The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV. The Company is geared through the 2031 6.25% Bonds. Whilst it is expected that the Bonds will be repaid through 2024, repayment may incur a premium over their par value.
- As an investment company with publicly traded shares, the Company is subject to risks associated with its Shares trading at a price significantly different to its Net Asset Value per Share. The Company might experience increased volatility in its Net Asset Value and/or its share price as a result of possible changes to the portfolio structure following the approval of the Proposals and, in particular, the Shares may trade at a steeper discount to the underlying Net Asset Value per Share in the event that the Company's portfolio develops a more concentrated weighting towards private markets assets during the Managed Wind-Down.
- There can be no certainty as to the precise quantum or timing of any realisations or returns of capital from the private markets portfolio and, in particular, from sales of the Second Tranche assets (which will depend on prevailing market conditions alongside consideration of the Company's liabilities, undrawn fund commitments and general working capital requirements).
- The Company's assets may not be realised at their carrying value, and it is possible that the Company may not be able to realise some assets at any value. The value realisable on a sale of the Company's assets is linked to estimates and assumptions about a variety of matters, including macroeconomic considerations, which may prove to be incorrect and which are subject to change. A material change of governmental, economic, fiscal, monetary or political policy may result in a reduction in the value of the Company's assets on sale.
- Sales commissions, liquidation costs, taxes and other costs associated with the realisation of the Company's assets together with the usual operating costs of the Company will reduce the cash available for distribution to Shareholders.

- There can be no assurance that the indicative timetable for the Managed Wind-Down set out in this document will be adhered to. Sales of the Company's assets may prove materially more complex than anticipated, and the distribution of proceeds to Shareholders may be delayed by a number of factors, including, without limitation, the ability of the Company to make distributions to Shareholders and the Company's obligations to meet outstanding commitments in respect of its private markets portfolio.
- It should also be noted that there may be other matters or factors which affect the availability, amount or timing of receipt of the proceeds of realisation of some or all of the Company's investments. In particular, ongoing returns of value to Shareholders will decrease the size of the Company's assets, thereby increasing the impact of fixed costs incurred by the Company on the remaining assets. In determining the size of any distributions, the Directors will take into account the Company's ongoing running costs, and the eventual liquidation costs of the Company. However, should these costs be greater than expected or should cash receipts for the realisations of investments be less than expected, this will reduce the amount available for Shareholders in future distributions.

PART 4

DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them:

Accounts	the audited, annual reports and accounts of the Company for the financial year to 30 September 2023
AGM or Annual General Meeting	the annual general meeting of the Company to be held at Wallacepace, 15 Artillery Lane, London E1 7HA on 27 February 2024 at 9.30 a.m. or any adjournment thereof (as the context requires)
Articles	the articles of association of the Company, as amended from time to time
Board	the board of Directors of the Company from time to time, including any duly constituted committee thereof
Bonds	the secured 6.25 per cent. bonds issued by the Company and due in 2031
Business Day	a day on which the London Stock Exchange and banks in the UK are normally open for business
Cancellation	the proposed cancellation of the amount standing to the credit of the Company's share premium account
Cancellation Resolution	the special resolution proposed by the Board in the notice of AGM published on 9 January 2024 that seeks Shareholder approval at the AGM for the Cancellation
Chairman	the chairman of the Board
Company	abrtn Diversified Income and Growth plc, a public limited company incorporated in Scotland with registered number SC003721 and having its registered office at 1 George Street, Edinburgh EH2 2LL
Companies Act	the Companies Act 2006 as amended from time to time
Continuation Resolution	the ordinary resolution proposed by the Board in the notice of AGM published on 9 January 2024 that seeks Shareholder approval at the AGM for the continuation of the Company as an investment trust
Court	the Court of Session in Scotland
Court Order	the order of the Court to confirm the Cancellation and the Reduction
CREST	the Relevant System as defined in the Uncertificated Securities Regulations in respect of which Euroclear is operator (as defined in the Uncertificated Securities Regulations), in accordance with which securities may be held in uncertificated form
CREST Account	an account in CREST
Directors	the directors of the Company, from time to time

Euroclear	Euroclear UK & International Limited, a private limited company incorporated in England and Wales with registered number 02878738 and having its registered office at 33 Cannon Street, London EC4M 5SB, the operator of CREST
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom whose place of business is at 12 Endeavour Square, London E20 1JN, including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
First Tranche	the part of the Company's private markets portfolio that is expected to mature between 2024 and 2027.
Form of Proxy	the form of proxy for use in connection with the General Meeting
FSMA	the UK Financial Services and Markets Act 2000, as amended
General Meeting	the general meeting of the Company to be held at Wallacespace, 15 Artillery Lane, London E1 7HA at 10.00 a.m. on 27 February 2024 (or such later time as is immediately following the conclusion of the Annual General Meeting) or any adjournment of that meeting, the notice for which is set out at the end of this document
Investment Policy Resolution	the ordinary resolution as set out in the Notice of General Meeting that seeks Shareholder approval for the New Investment Objective and Policy
Initial Return of Capital	has the meaning set out on page 6 of this document
London Stock Exchange	London Stock Exchange plc, a public limited company incorporated in England and Wales with registered number 02075721 and having its registered office at 10 Paternoster Square, London EC4M 7LS
Managed Wind-Down	the proposed managed wind-down of the Company as set out in this document
NAV or Net Asset Value	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
New Investment Objective and Policy	the proposed new investment objective and policy of the Company, as set out in Part 2 of this document
Notice of General Meeting or Notice	the notice of the General Meeting, as set out at the end of this document
Proposals	the proposals set out in Part 1 of this document, in respect of which the Investment Policy Resolution and the Reduction Resolution will be proposed at the General Meeting
Reduction	the reduction and cancellation of (i) the Company's issued share capital by cancelling and extinguishing the amount paid up on each fully paid up Share to the extent of 24 pence and (ii) the entire amount standing to the credit of the Company's capital redemption reserve pursuant to the Reduction Resolution

Reduction Resolution	the special resolution set out in the Notice that seeks Shareholder approval for the Reduction
Registrar	Computershare Investor Services PLC, a public limited company incorporated in England and Wales with registered number 03498808 and having its registered office at The Pavilions, Bridgwater Road, Bristol BS13 8AE
Regulatory Information Service or RIS	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Relevant System	means a computer-based system which enables title to units of a security to be evidenced and transferred without written instruments pursuant to the Uncertificated Securities Regulations
Second Tranche	the part of the Company's private markets portfolio that is expected to mature between 2029 and 2033
Shareholder	a holder of Shares
Shares	ordinary shares with a nominal value of 25 pence each in the capital of the Company
Sterling, £ or GBP	pounds sterling, the lawful currency of the UK
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	a share recorded on the register of members of a company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Uncertificated Securities Regulations	any provision of the Companies Act 2006 relating to uncertificated shares (including the holding, evidencing of title to, or transfer of uncertificated shares) and any legislation, rules or other arrangements made under or by virtue of such provision, including without limitation the Uncertificated Securities Regulations 2001, as amended from time to time

ABRDN DIVERSIFIED INCOME AND GROWTH PLC

*(Incorporated in Scotland with registered number SC003721)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of abrdn Diversified Income and Growth plc (the “**Company**”) will be held at Wallacespace, 15 Artillery Lane, London E1 7HA on 27 February 2024 at 10.00 a.m. (or such later time as is immediately following the conclusion of the Company’s annual general meeting convened for the same date at 9.30 a.m. and any adjournment thereof) for the purpose of considering and, if thought fit, passing the following resolutions, resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. THAT, subject to the continuation of the Company as an investment trust being approved by Shareholders at the annual general meeting of the Company to be held on 27 February 2024, the New Investment Objective and Policy, as set out in Part 2 of the circular published by the Company on 8 February 2024, be and is hereby approved and adopted in substitution for the Company’s existing investment objective and policy.

SPECIAL RESOLUTION

2. THAT, subject to the approval of the Court of Session:
 - (a) the issued share capital of the Company be reduced by cancelling and extinguishing the amount paid up on each fully paid up ordinary share of 25 pence (each an “**Ordinary Share**”) to the extent of 24 pence and thereby reducing the nominal value of each such Ordinary Share from 25 pence to one penny; and
 - (b) the entire amount standing to the credit of the capital redemption reserve of the Company on the date of the passing of this resolution be cancelled,

and the amount arising from such cancellations be made available for distribution as distributable profits to be used for all purposes permitted by the Companies Act 2006 excluding the payment of dividends.

Registered office:
1 George Street
Edinburgh EH2 2LL

By Order of the Board
abrdn Holdings Limited
Company Secretary

8 February 2024

Notes:**1. Rights to attend and vote**

Subject to Note 2, all of the Company's members are entitled to attend, speak and vote at the General Meeting or at any adjournment(s) thereof. On a poll each member has one vote for each Share held.

2. Voting record date

Only members registered in the register of members of the Company at 6.00 p.m. on 23 February 2024 will be entitled to attend, speak and vote at the General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

If the General Meeting is adjourned for no more than 48 hours after the original time, the same voting record date will also apply for the purpose of determining the entitlement of members to attend, speak and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If the General Meeting is adjourned for more than 48 hours then the voting record date will be close of business on the day that is two days (excluding non-working days) before the day of the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at any time specified in that notice.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

3. Right to appoint proxies

Pursuant to section 324 of the Companies Act 2006, a member entitled to attend and vote at the General Meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different Shares held by them. A proxy need not be a member of the Company.

A Form of Proxy is enclosed. The completion of the Form of Proxy or any CREST proxy instruction (as described in Note 6) will not preclude a Shareholder from attending and voting in person at the General Meeting.

Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chairman of the General Meeting as his/her proxy will need to ensure that both he/she and his/her proxy complies with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

Section 324 of the Companies Act 2006 does not apply to persons nominated to receive information rights under Section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 have been sent this notice of general meeting and are hereby informed, in accordance with section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If they have such right instead and do not wish to exercise it, they may have a right under such an agreement to give instructions to the registered member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated (not the Company) in respect of these arrangements.

The statement of rights of Shareholders in relation to the appointment of proxies in this paragraph does not apply to nominated persons.

4. Proxies' right to vote at the General Meeting

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, section 285(4) of the Companies Act 2006 does not permit the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

5. Voting by corporate representatives

Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006 provided they do not do so in relation to the same Shares.

6. Receipt and termination of proxies

To be valid the enclosed Form of Proxy must be sent so as to be received by the Company's Registrars (Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY) by no later than 10.00 a.m. on 23 February 2024.

A member may terminate a proxy's authority at any time before the commencement of the General Meeting. Termination must be provided in writing and submitted to the Company's Registrar.

As an alternative to completing and returning the printed Form of Proxy, you may submit your proxy electronically by accessing www.investorcentre.co.uk/eproxy. For security purposes, you will be asked to enter the control number, your shareholder reference number ('SRN') and personal identification number ('PIN') to validate the submission of your proxy online. The control number and members' individual SRN and PIN numbers are shown on the Form of Proxy. To be valid proxies must be received no later than 10.00 a.m. on 23 February 2024 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned General Meeting).

In accordance with the Company's articles of association, in determining the deadline for receipt of proxies, no account shall be taken of any part of a day that is not a working day.

7. Communication with the Company

Members may not use any electronic address provided either in the notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

8. Electronic receipt of proxies

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number 3RA50) no later than the deadline specified in Note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. 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.

Instructions on how to vote through CREST can be found on the website www.euroclear.com/CREST.

9. Questions at the General Meeting

Shareholders can submit questions to the Board in advance of the General Meeting by email to diversified.income@abrdn.com by no later than 20 February 2024. Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the General Meeting that relates to the business of the General Meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the proceedings of the General Meeting or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the General Meeting that the question be answered.

10. Website

Information regarding the General Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's website at www.abrdndiversified.co.uk.

11. Total voting rights

As at 5 February 2024 (being the last practicable day prior to the publication of this notice) the Company's issued Share capital consisted of 323,751,806 Shares. The Company held 22,485,854 Shares in treasury as at 5 February 2024. Therefore, the total voting rights in the Company as at 5 February 2024 were 301,265,952 votes.