ABERDEEN DIVERSIFIED INCOME AND GROWTH TRUST PLC

LEGAL ENTITY IDENTIFIER (LEI): 2138003QINEGCHYGW702

HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2022

The Directors of Aberdeen Diversified Income and Growth Trust plc report the unaudited results for the six months ended 31 March 2022.

Performance Highlights

NAV total return[AB]

Six months ended 31 March 2022

+3.8%

Year ended 30 September 2021 +12.5%

Share price total return[A]

Six months ended 31 March 2022

+4.4%

Year ended 30 September 2021 +15.6%

Dividend yield[A]

As at 31 March 2022

5.5%

As at 30 September 2021 5.5%

Revenue return per Ordinary share

Six months ended 31 March 2022

2.79p

Six months ended 31 March 2021 2.79p

[A] Considered to be an Alternative Performance Measure. Further details can be found below.

[B] With debt at fair value.

Financial Calendar, Dividends and Highlights

Payment dates of quarterly dividends	31 March 2022 14 July 2022 20 October 2022 19 January 2023
Financial year end	30 September 2022
Expected announcement of results for year ending 30 September 2022	December 2022
Annual General Meeting (London)	February 2023

Financial Highlights

	31 March 2022	30 September 2021	% change
Total assets[A]	£397,332,000	£397,782,000	–0.1
Equity shareholders' funds (Net Assets)	£381,653,000	£382,118,000	–0.1
Net asset value per Ordinary share - debt at fair value[B]	122.03p	121.73p	+0.2

Ordinary share price (mid market)	101.50p	100.00p	+1.5
Share price discount to net asset value - debt at fair value[B]	16.82%	17.85%	
Net gearing - debt at fair value[B]	2.70%	3.70%	
Ongoing charges ratio[B]	1.46%	1.45%	

[A] Total assets as per the Statement of Financial Position less current liabilities.

[B] Considered to be an Alternative Performance Measure. Details of the calculation can be found below.

	Six months ended 31 March 2022	Six months ended 31 March 2021	% change
Net revenue return after taxation	£8,628,000	£8,754,000	-1.4
Revenue return per share	2.79p	2.79p	–
Dividends			
First interim dividend	1.40p	1.38p	+1.4
Second interim dividend	1.40p	1.38p	+1.4
Total dividends declared in respect of the period	2.80p	2.76p	+1.4

Chairman's Statement

Performance

Global equity markets have experienced greatly increased volatility over the six months under review to 31 March 2022 as a number of negative factors have combined to create sharply increasing inflationary pressures and uncertain economic growth. Supply chain constraints, an infectious variant of Covid-19, causing staffing issues, and rising energy prices in the latter part of 2021 then combined with the Russia/Ukraine conflict in early 2022 to fuel further sharp rises in energy, commodity and food prices. Against this backdrop central banks have been reacting to sharp increases in inflation by raising interest rates which has meant government bonds have not provided capital protection over this period.

Given the challenging period for global equity markets and the volatility that we have witnessed, coupled with the fall in bond markets, it is pleasing to report that the Company experienced a relatively steady period of performance with low volatility. Over the six months' period ended 31 March 2022, the Company's net asset value per share ("NAV") total return, with debt at fair value and including income reinvested, was 3.8%. The Company's share price increased by 1.5% while the share price total return (assuming dividends are reinvested) was 4.4%. Over the 12 months ended 31 March 2022, the Company's NAV, with debt at fair value, increased by 12.2% while the Company's share price total return was 12.9%. Although the 12 month returns compare favourably with the Company's revised performance target of 6% per annum, it should be noted that this needs to be judged over rolling five year periods, not just over one year.

Dividend

Part of our investment proposition to shareholders is to offer a dependable quarterly dividend. The Company's revenue return for the six months ended 31 March 2022 was 2.79 pence per share (2021 - 2.79 pence). For the year to 30 September 2022, a first interim dividend of 1.40 pence (2021 - 1.38 pence) per share was paid to shareholders on 31 March 2022. The Board declared on 8 June 2022 a second interim dividend per share of 1.40 pence (2021 - 1.38 pence) to be paid on 14 July 2022 to shareholders on the register on 17 June 2022 with an ex-dividend date of 15 June 2022. On an annualised basis, a quarterly dividend of 1.40 pence per share is equivalent to a dividend yield of 5.5% based on the period end share price of 101.5 pence.

Share buybacks and Treasury shares policy

During the period, the Company bought back 221,379 shares into treasury at a cost of £221,000. The Company's discount (calculated with debt at fair value) narrowed from 17.9% at 30 September 2021 to 16.8% at 31 March 2022.

The Board has agreed that in the event of the share price trading at a premium to the NAV per share, Ordinary shares can be re-issued out of treasury as this is less expensive than issuing new Ordinary shares. Although shares may be held in treasury indefinitely the Board has decided to adopt a policy such that, in the event the number of treasury shares represents more than 10% of the Company's issued share capital (excluding treasury shares) at the end of any financial year, the Company will cancel a proportion of its treasury shares such that the remaining balance will equal 7.5% of the issued share capital (excluding treasury shares).

Gearing

The Company's net gearing was 2.7% at 31 March 2022 (2021 - 3.7%), with its £16.1million 6.25% Bonds due 2031 priced at fair value. The Board continues to keep the overall level of gearing under review but, in the prevailing economic environment, there is no current intention to introduce further fixed rate gearing.

Environmental, social and governance ("ESG")

Taking account of ESG factors is now an integral part of the investment process at abrdn as well as ongoing monitoring after investments are included in the portfolio. Equally as important the investment teams undertake constructive engagement with the management of the investments held, in both public and private markets, on ESG issues and related risks. More detail on the approach to ESG can be found in the Company's 2021 annual report on pages 38 to 40. It is an evolutionary process and the Board continues to review closely the Manager's approach to, and adherence with, its ESG philosophy and policies. Further information may be found in the Investment Manager's Report.

Outlook

Whilst uncertainty prevails over markets, especially in terms of the inflationary outlook, economic growth and the Russia/Ukraine conflict, the Board believes the Company's strategy, which seeks to provide capital growth and a dependable quarterly dividend from a diversified portfolio, is well positioned to deliver an attractive total return with lower volatility to our shareholders over the medium term. There have certainly been early fears expressed of recession. Whilst such uncertainty exists, we remain mindful of the challenges ahead and your Board together with the Manager continue to review asset allocation on a regular basis with this heightened risk prompting the Manager to reduce equities and emerging market debt exposure as a result. The portfolio incorporates a degree of inflation-linkage through its infrastructure assets while the renewable investments offer a degree of income protection. The diversification in the portfolio, provided through investment in a broad range of asset classes, both listed and unlisted, should offer some confidence that the Company is well-placed and will continue to take advantage of investment opportunities that arise from the volatility we are seeing in the markets.

Davina Walter
Chairman
14 June 2022

Interim Management Report and Directors' Responsibility Statement

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

Principal Risks and Uncertainties

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

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

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements (the "Annual Report") for the year ended 30 September 2021; a detailed explanation can be found in the Strategic Report on pages 11 to 14 of the Annual Report which is available on the Company's website: **aberdeendiversified.co.uk**

The Board is monitoring the increasing political and economic uncertainty which emerged in the period and could affect markets, particularly the reaction to higher interest rates and the volatility associated with the conflict in Ukraine, both of which are expected to endure over the six months to 30 September 2022.

The Board is also conscious of the elevated threat posed by climate change and continues to monitor, through its Investment Manager, the potential risk that its portfolio investments may fail to adapt to the requirements imposed by climate change.

In the view of the Board, there have not been any other changes to the fundamental nature of the principal risks and uncertainties facing the Company since the previous Annual Report, which are considered to be equally applicable to the remaining six months of the financial year to 30 September 2022 as they were to the six months under review.

Going Concern

The Financial Statements of the Company have been prepared on a going concern basis. The Directors have assessed the financial position of the Company as outlined above and in the Chairman's Statement. The Board takes comfort from the Manager's construction of an actively managed portfolio of diversified assets which is designed to provide both a level of resilience in the face of shorter term volatility and the potential for an attractive return over the medium and longer return.

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

Whilst the Company is obliged to hold an annual continuation vote at the AGM, as an ordinary resolution, the Directors do not believe this should automatically trigger the adoption of a basis other than going concern in line with the Association of Investment Companies ("AIC") Statement of Recommended Practice ("SORP") which states that it is more appropriate to prepare financial statements on a going concern basis unless a continuation vote has already been triggered and shareholders have voted against continuation.

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

Aberdeen Standard Fund Managers Limited ("ASFML") has been appointed as the Company's Alternative Investment Fund Manager ("AIFM").

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

Directors' Responsibility Statement

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

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with applicable UK Accounting Standard FRS 104 'Interim Financial Reporting' and give a true and fair view of the assets, liabilities, financial position and return of the Company for the period ended 31 March 2022; and
- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules.

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

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

For and on behalf of the Board
Davina Walter
Chairman
14 June 2022

Investment Manager's Report

The last six months have been one of the most volatile and dramatic periods in equities and bond markets that we can remember. The saying 'may you live in interesting times' could not be more appropriate – we have had dramatic inflation increases in the West and we are now experiencing war in Europe – something that was almost unthinkable when we last wrote. Our thoughts are with any readers who have connections with Ukraine.

A dramatic period, both in terms of politics & economics, and market performance

As we wrote the last Annual Report in the third quarter of 2021 we noted that a new Covid-19 variant - Omicron – appeared to be much more infectious and observed that the effect on the global economy could be significant. The impact of Omicron turned out to be very significant as restrictions were ramped up and countries raced to vaccinate populations, for a third time in many cases.

The impact on supply chains, concurrent with labour shortages and commodity price increases, deepened inflation that had taken hold as a result of the reopening of economies.

As inflation became more broad-based, market participants fretted about developed market central banks being late to adopt the appropriate monetary policy to tackle it. The result was an enormous, and swift, rotation out of growth stocks within equities markets. At the same time there was an equally dramatic sell off in government bonds as expectations of interest rate rises increased.

Finally, Russia took the decision to invade its neighbour Ukraine. This action was met with unprecedented sanctions by Western governments, including the removal of access by Russia to both its US dollar reserves and the ability of its most systemically important banks to use the global SWIFT payments system.

As the horror of war unfolded, companies and governments began to refuse to trade with Russia. Commodities prices soared due to Russia's importance as an energy and metals exporter, and Ukraine's importance as a wheat exporter. This served to cement the inflationary forces into place, meaning that central banks had no choice but to act, and began to raise interest rates, finally dispensing with the notion that inflation could possibly be transitory.

Capital protection in a challenging environment

On an absolute and relative basis return on net asset value ("NAV"), with debt at fair value and including income, has been reasonable during the period. The Company delivered a total return of 3.8% with 2.6% volatility, a good risk adjusted return per unit of risk taken. The compared with a 4.7% return in equities as measured by the FTSE All-Share Index with 11.8% volatility, and -5.2% in government bonds as measured by the ICE BofA UK Gilt Index with a volatility of 14.8%. The share price total return was 4.4% during the period.

The Company has been able to protect capital in a very challenging market environment, with Private Market investments driving returns. Equities also performed well. Whilst Fixed Income & Credit detracted from returns, the loss was relatively muted.

In Private Markets, the standout performers were infrastructure and private equity. **Aberdeen Global Infrastructure Partners II** was marked up significantly on a better than initially forecast outlook for the I77 Express Lane asset's revenue. **SL Capital Infrastructure II** benefitted as revenues increased due to inflation linkage across the portfolio and increased power prices for its solar investment in Poland. **Andean Social Infrastructure Fund I** also enjoyed positive performance due to the inflation linkage of its revenues.

Within Private Equity, **Maj Equity Fund IV** sold Svendsen Sports, a Scandinavian fishing tackle specialist retailer, for a higher than forecast price. The **Aberdeen Standard Secondary Opportunities Fund IV** benefited from strong performance from the investments acquired off-market via the abrdn origination network, driven by Vitriuvian II, a European high growth, tech enabled private equity fund.

We discuss performance, gross of management fees and expenses directly attributable to the Company, in greater detail below.

How did the Company produce returns during such a volatile period?

Private Markets

Private Markets led return generation, contributing 3.9% to performance. As mentioned in our opening comments, infrastructure assets performed particularly well, contributing 2.5% to performance.

In addition, there can be uplifts in capital values of these assets. For example, the Company benefitted from a significant uplift in valuation of an asset held within the **Aberdeen Global Infrastructure Partners II** holding. The Interstate 77 toll road asset, which connects West Virginia and South Carolina in the east of the United States of America, gained in value as the per mile forecast increased.

The core infrastructure positions in the Company's portfolio have in place long term revenue contracts with inflation linkage built in, so the current inflationary environment has been positive for their cashflows and valuations, allowing the Company to deliver steady performance through a time of inflationary and volatile markets. The long term contracts also ensure that future revenues are already secured, so that the infrastructure portfolio at the heart of the Company is well positioned to continue to deliver value throughout the economic cycle.

In addition, there can be opportunities for uplifts in capital values of these assets. For example, the Company benefitted from a significant uplift in valuation of an asset held within the **Aberdeen Global Infrastructure Partners II** holding. The Interstate 77 express lane toll road asset, connecting West Virginia and South Carolina, which feeds traffic to and from Charlotte, North Carolina in the eastern USA, gained in value as the revenue per mile forecast increased (see case study).

Furthermore, the longer term trend of increased demand for renewable energy has been amplified by the need to move away from energy produced by Russia, which has driven improved cashflows and valuations at the Company's operational solar and wind assets in the UK and Europe. The value of the Company's stake in the largest solar platform in Poland was up over 10%, and the UK solar and wind portfolio provided its largest quarterly cash distribution to date in Q1 2022.

We continue to increase the Company's exposure to the privately held infrastructure sector as commitments made previously are called by managers, including the significant drawdown from the **Andean Social Infrastructure Fund** in March to develop a new port facility in Colombia (see more detail on this investment in the Investment Case Study).

Private Equity was also a positive driver of performance during the period contributing 0.7% to performance. Further to the gains made by **Aberdeen Standard Secondary Opportunities Fund IV** and **Maj Equity Fund IV** mentioned above, there was growth from the venture capital investments held in the **Aberdeen Standard Global Private Markets Fund**. While some tech names in the listed markets have seen sharp drops in value on concerns around user growth, the innovation cycle which drives growth in the Venture Capital (VC) market has remained strong. The current VC portfolio is tilted towards names at the forefront of Web 3.0 (the decentralisation of the internet where individuals can own their own data) which is a significant shift in the tech landscape and is expected to drive further idiosyncratic growth.

The Company's exposure to Private Credit was a marginal positive over the period due to the floating rate nature of the majority of the underlying investments, providing protection in a rising interest rate environment.

Finally, the Special Opportunities basket provided positive performance as the investment in **Healthcare Royalty Partners IV** continued to provide strong income for the Company. The income is linked to sales of medical treatments, and as such is non-economically linked, and should continue to perform steadily through periods of volatile market performance.

Equities

Equities returned 1.2% during the period driven predominantly by infrastructure names, but also from our Core Sustainable Equity exposure. The infrastructure names were particularly resilient to the inflationary environment, and bucked the trend towards increased equity market volatility during the period.

The Core Sustainable Equity sleeve exposure contributed 0.3% to returns during the period, whilst the **ASI UK Mid Cap Fund** exposure suffered during the rotation away from growth stocks and towards value stocks, which was particularly aggressive and unfavourable towards the quality, growth, and momentum focused style of investing pursued by the team. This loss was partly offset by the Company's exposure to the FTSE 100 Future held to balance out the factor risks of that holding.

Fixed Income & Credit

Fixed Income and Credit contributed -0.8% to returns during the period. Whilst Asset Backed Securities delivered a marginally negative return during the period, Emerging Market Debt led the negative contribution made by the Fixed Income & Credit allocation. Inflation concerns, which have been a key concern for some time in many emerging markets, particularly in the case of food price inflation, led some central banks to continue to raise interest rates. This led to a sell-off in some bond markets, particularly earlier in the period, although prices recovered over the turn of the year as market participants began to expect fewer rate hikes going forward. The currency hedging basket contributed positively to performance during the period, as did interest payments.

Sadly, Russia initiating a full scale invasion of Ukraine led to losses within the Emerging Market Debt sleeve during February and March. We had been reducing exposure to Russia and Ukraine ahead of the invasion as we anticipated some form of conflict, but like most others, we did not expect a full scale invasion, so had retained some exposure. The subsequent impact on the debt of both Russia and Ukraine, in addition to that of Belarus as a facilitator of the invasion, contributed negative performance of -0.7% during February and March. Positive performance in the rest of the sleeve was not enough to offset these losses.

Russian debt was written down to zero within the portfolio so there will be no further negative performance impact. Whilst the Ukraine local currency market is closed due to capital controls interest payments continue to be made, and the Company had an exposure of 0.3% at the end of March.

What portfolio changes did we make?

Private Market Capital Calls & Distributions

We continued to increase exposure to Private Markets with increased allocations to Infrastructure and Private Equity in particular. Several notable capital calls were received from Private Market managers as they identified new investment opportunities.

Bonaccord Capital, the Private Equity fund focusing on investing in alternative investment management firms, drew down further capital as it made investments in four new managers in December, meaning the portfolio is now finalised and generating income, as well as providing the opportunity for growth.

In addition, there were significant capital calls from the **Andean Social Infrastructure Fund** (see the case study) and from **Hark III**, the Private Credit fund.

There were also several significant distributions paid back to the Company from its Private Market investments during the period.

The **DWS Pan European Infrastructure Fund I** sold its stake in Peel Ports and distributed the proportionate share of the proceeds (c. €3.2m) back to the Company (see the Investment Case Study).

The **Aberdeen Property Secondaries Fund** distributed c. €3.6m back to the Company from the proceeds of its investment in the TCAP Gemlife fund, the final remaining asset of which was a mezzanine loan secured against a portfolio of 13 retirement villages in Australia.

Finally, the **Aberdeen Standard Secondary Opportunities Fund IV** distributed $1.9m to the Company in November, from gains made in the three diversified portfolios acquired in previous transactions.

Listed market portfolio changes

As capital calls from Private Market managers were received during November, we chose to fund these from developed market corporate credit and core equities. We aimed to keep credit exposure broadly neutral but favoured reducing equities exposure as we had less conviction in the outlook for growth and have become more circumspect on the prospects for the revenue growth that we considered necessary to defend margins.

In December, we reduced our long Japanese yen position in favour of the US dollar. We felt that was a better hedge to the downside risks we saw as increasingly apparent.

At the beginning of the year we trimmed our emerging market debt exposure as it had performed well relative to other assets, and our view became more neutral as a result. At the same time, within that sleeve, we had been trimming Russian exposure as rhetoric around Ukraine became less favourable, but like most others, we didn't anticipate a full scale invasion and so had maintained some exposure.

Finally, following the bounce off the lows witnessed in February, we trimmed equity exposure by removing the FSTE 100 future during March and funded a further private market drawdown from a Private Credit manager from our loans exposure. We also closed the remaining long Japanese yen position in favour of the US dollar.

Whilst we have confidence in the asset allocation, the overarching view has been to reduce exposure to Equities and Emerging Market Debt at the margin as the risks to the economy from inflation and potential recession have built up, whilst allowing the Company to be in a position to participate in upside scenarios to the extent that they present themselves.

Further ESG integration

Since we last wrote, we have evolved the way we consider developments in ESG, and in particular climate change, into our strategic asset allocation process.

Our standard long-term expected return forecasts now include climate change scenario analysis outputs for equities, which consider the impact on equity valuations in light of plausible technological, energy mix and policy developments.

The relatively short maturity of credit assets and their position in the capital structure make aggregate index level impairments very small so we do not include such considerations in our credit forecasts.

Government bond returns require the forecasting of yield curves, and the interplay between climate change policy and monetary/fiscal policy is a topic of ongoing debate.

Where do we go from here?

Omicron continues to weigh on supply chains, exacerbated further by China's zero Covid strategy. At the same time the war in Ukraine compounds these issues and we expect continued disruption as a result. The combination of conflict and monetary tightening will slow growth below trend.

The probability of a recession in the US during the next 24 months is undoubtedly increasing. As this risk is elevated we have trimmed our equities and emerging market debt exposure. We have also added US dollar exposure as we suspect this will continue to do well in the current environment of tightening policy in the US.

We expect credit to be more resilient than it would ordinarily be in this environment as a result of the balance sheet clean up during the depths of the Covid-19 crisis, and whilst we do not expect the recession to be shallow, neither will it be deep or protracted.

There will be continued inflation upside risk due to supply chain issues and elevated commodities prices. Underlying inflation pressures are mounting, but we think the Company is insulated to a degree as we have inflation sensitive assets such as infrastructure and floating rate credit.

Policy makers will struggle to look through the energy price shock and underlying inflation pressures will mean tighter financial conditions. We are watching real interest rates (which are rates after adjusting for inflation) closely.

In terms of the terrible events occurring in Ukraine, history suggests markets can rebound sharply when geopolitical shocks resolve, but the conflict continues to become more entrenched, sadly.

The Company has a well-diversified portfolio, and has proven to be resilient in the recent challenging environment. While we expect market conditions to remain challenging, we believe the Company is well placed to continue to navigate what is proving to be a difficult environment. We hope to be able to continue to deliver differentiated returns to shareholders by holding Private Market assets that are uncorrelated, or less correlated to economic events, as well as listed assets that can provide good cash flows, whilst also maintaining exposure to certain assets that can participate to the upside in more constructive market environments.

Nalaka De Silva
Jennifer Mernagh
Nic Baddeley
Aberdeen Asset Managers Limited
Investment Manager
14 June 2022

Ten Largest Investments

As at 31 March 2022

	At 31 March 2022 % of Total investments	At 30 September 2021 % of Total investments
TwentyFour Asset Backed Opportunities Fund	**6.7**	6.8
Investments in mortgages, SME loans originated in Europe		
Aberdeen Standard Global Private Markets Fund[A]	**4.8**	4.4
Multi-strategy private markets exposure		
SL Capital Infrastructure II[AB]	**4.4**	3.8
European economic infrastructure		
Neuberger Berman CLO Income Fund	**3.8**	4.0
Floating-rate exposure to securitised non-investment grade corporate bonds		
Aberdeen Global Infrastructure Partners II (USD)[AB]	**3.8**	2.5
Invests in social infrastructure projects, in Australia, the USA and New Zealand		
Burford Opportunity Fund[B]	**3.5**	3.3
Diverse portfolio of litigation finance investments initiated by Burford Capital		
Aberdeen European Residential Opportunities Fund[AB]	**2.8**	3.1
Conversion of commercial property into residential		
Andean Social Infrastructure Fund I[AB]	**2.7**	1.5
Infrastructure project investments in the Andean region of South America		
Aberdeen Property Secondaries Partners II[AB]	**2.5**	3.2
Realisation of value from property funds which are in run-off		
Healthcare Royalty Partners IV[B]	**2.5**	2.8
Invests in healthcare royalty streams primarily in the US		

[A] Denotes abrdn plc managed products
[B] Unlisted holdings

Investment Portfolio – Private Markets

As at 31 March 2022

Company	Valuation 31 March 2022 £'000	Valuation 31 March 2022 %	Valuation 30 September 2021 £'000
Private Equity			
Bonaccord Capital Partners I-A[B]	9,453	2.4	6,274
Truenoord Co-Investment[B]	8,558	2.2	8,011
Aberdeen Standard Secondary Opportunities Fund IV[AB]	5,572	1.4	5,478
HarbourVest International Private Equity VI[B]	2,616	0.7	3,020
Maj Invest Equity 5[B]	2,415	0.6	1,785
ASI Hark III[AB]	2,150	0.5	–
Maj Invest Equity 4[B]	1,633	0.4	2,806
Mesirow Financial Private Equity IV[B]	1,071	0.3	1,272
HarbourVest VIII Buyout Fund[B]	300	0.1	353
HarbourVest VIII Venture Fund[B]	198	0.1	210
Top ten holdings	**33,966**	**8.7**	
Other holdings	334	0.1	
Total Private Equity	**34,300**	**8.8**	
Real Estate			
Aberdeen European Residential Opportunities Fund[AB]	10,834	2.8	11,869
Aberdeen Property Secondaries Partners II[AB]	9,940	2.5	12,568
Cheyne Social Property Impact Fund[B]	5,014	1.3	5,196
Total Real Estate	**25,788**	**6.6**	
Infrastructure			
SL Capital Infrastructure II[AB]	17,347	4.4	14,745
Aberdeen Global Infrastructure Partners II (USD)[AB]	14,722	3.8	9,705
Andean Social Infrastructure Fund I[AB]	10,145	2.7	5,886
BlackRock Renewable Income – UK[B]	8,113	2.1	8,055
Aberdeen Global Infrastructure Partners II (AUD)[AB]	6,715	1.7	5,949
Pan European Infrastructure Fund[B]	1,727	0.4	4,352
Total Infrastructure	**58,769**	**15.1**	
Natural Resources			
Agriculture Capital Management Fund II[B]	3,762	1.0	3,575
Total Natural Resources	**3,707**	**1.0**	

Private Credit			
Mount Row Credit Fund II[B]	9,453	2.4	9,850
PIMCO Private Income Fund Offshore Feeder I LP[B]	7,634	2.0	7,416
Total Private Credit	**17,087**	**4.4**	
Other			
Aberdeen Standard Global Private Markets Fund[AB]	18,781	4.8	17,251
Burford Opportunity Fund[B]	13,609	3.5	12,794
Healthcare Royalty Partners IV[B]	9,762	2.5	10,779
Markel CATCo Reinsurance Fund Ltd – LDAF 2018 SPI[B]	1,586	0.4	1,058
Markel CATCo Reinsurance Fund Ltd – LDAF 2019 SPI[B]	1,361	0.3	1,305
Blue Capital Alternative Income[B]	36	–	46
Total Other	**45,135**	**11.5**	
Total Private Markets	**184,786**	**47.4**	

[A] Denotes abrdn plc managed products
[B] Unlisted holdings

Investment Portfolio – Equities

As at 31 March 2022 Company	Valuation 31 March 2022 £'000	Valuation 31 March 2022 %	Valuation 30 September 2021 £'000
UK Equities			
ASI UK Mid-Cap Equity[A]	**9,877**	2.5	10,895
Core Growth Sustainable Equity Sleeve			
Apple	**1,444**	0.4	1,248
Microsoft	**1,068**	0.3	1,031
Alphabet	**648**	0.2	555
Amazon.com	**626**	0.2	638
Tesla	**410**	0.1	303
Top five holdings	**4,196**	1.2	
Other holdings	**25,213**	6.5	
Total Core Growth Sustainable Equity Sleeve	**29,409**	7.7	
Total European Green Infrastructure Sleeve	**551**	0.1	
Infrastructure Sleeve			
3I Infrastructure	**4,033**	1.0	4,771
HICL Infrastructure	**3,073**	0.8	3,876
Sequoia Economic Infrastructure Income	**2,846**	0.7	1,900
Cordiant Digital Infrastructure	**2,037**	0.5	935
International Public Partnerships	**1,077**	0.3	1,009
Top five holdings	**13,066**	3.3	
Other holdings	**1,012**	0.3	
Total Infrastructure Sleeve	**14,078**	3.6	
Real Estate Sleeve			
Assura	**2,837**	0.7	1,860
Supermarket Income REIT	**2,125**	0.5	1,965
Civitas Social Housing	**1,486**	0.4	1,488
Urban Logistics	**1,078**	0.3	383
Residential Secure Income	**1,065**	0.3	1,984
Top five holdings	**8,591**	2.2	
Other holdings	**3,973**	1.0	
Total Real Estate Sleeve	**12,564**	3.2	

Alternative Income Sleeve			
BioPharma Credit	**9,709**	2.5	10,071
Honeycomb Investment Trust	**3,770**	1.0	4,769
Round Hill Music Royalty Fund	**3,674**	0.9	3,644
Tufton Oceanic Assets	**3,060**	0.8	3,444
GCP Asset Backed Income Fund	**2,911**	0.6	2,761
Top five holdings	**23,124**	5.8	
Other holdings	**872**	0.2	
Total Alternative Income Sleeve	**23,996**	6.0	
Renewables Infrastructure Sleeve			
Greencoat Renewables	**3,985**	1.0	2,798
Greencoat UK Wind	**2,967**	0.8	5,751
The Renewables Infrastructure Group	**2,919**	0.7	1,548
Bluefield Solar Income Fund	**2,092**	0.6	2,597
Pantheon Infrastructure	**2,042**	0.5	–
Top five holdings	**14,005**	3.6	
Other holdings	**11,275**	2.9	
Total Renewables Infrastructure Sleeve	**25,280**	6.5	
Reinsurance Sleeve			
CATCo Reinsurance Opportunities Fund	**1,443**	0.4	953
Blue Capital Reinsurance Holdings	**7**	–	10
Total Reinsurance Sleeve	**1,450**	0.4	
Total Equities	**117,205**	30.0	

[A] Denotes abrdn plc managed products

Investment Portfolio – Fixed Income & Credit

As at 31 March 2022 Company	Valuation 31 March 2022 £'000	Valuation 31 March 2022 %	Valuation 30 September 2021 £'000
Structured Credit			
TwentyFour Asset Backed Opportunities Fund	**25,996**	6.7	26,708
Neuberger Berman CLO Income Fund	**14,936**	3.8	15,499
Blackstone/GSO Loan Financing	**5,920**	1.5	6,878
Fair Oaks Income Fund	**1,865**	0.5	1,971
Total Structured Credit	**48,717**	12.5	
Syndicated Loans			
Aberdeen Standard Alpha – Global Loans Fund[A]	**4,060**	1.0	5,042
Total Syndicated Loans	**4,060**	1.0	
Emerging Market Debt			
Aberdeen Standard SICAV I – Frontier Markets Bond Fund[A]	**4,287**	1.1	5,974
Country			
Mexico Bonos Desarr Fix Rt 10% 05/12/24	**1,891**	0.5	1,895
Brazil (Fed Rep of) 10% 01/01/25	**1,265**	0.3	1,107
Indonesia (Rep of) 8.375% 15/03/34	**1,253**	0.3	1,265
Indonesia (Rep of) 8.125% 15/05/24	**1,229**	0.3	1,224
South Africa (Rep of) 8.75% 31/01/44	**1,196**	0.3	1,040
Brazil (Fed Rep of) 10% 01/01/27	**1,157**	0.3	1,952
Mexico (United Mexican States) 6.5% 09/06/22	**1,131**	0.3	2,056
South Africa (Rep of) 8% 31/01/30	**1,107**	0.3	1,067
Malaysia (Govt of) 3.828% 05/07/34	**1,050**	0.3	888
Colombia (Rep of) 10% 24/07/24	**1,049**	0.3	1,287
Top ten holdings	**12,328**	3.2	
Other holdings	**18,794**	4.8	
Total Emerging Market Debt	**35,409**	9.1	
Total Fixed Income & Credit	**88,186**	22.6	

[A] Denotes abrdn plc managed products

Investment Portfolio – Net Assets Summary

As at 31 March 2022	Valuation 31 March 2022 £'000	Net assets 31 March 2022 %	Valuation 30 September 2021 £'000	Net assets 30 September 2021 %
Total investments	**390,177**	**102.2**	390,446	102.2
Cash and cash equivalents[A]	**9,774**	**2.6**	7,315	1.9
Forward contracts	**(5,038)**	**(1.3)**	(2,917)	(0.8)
6.25% Bonds 2031	**(15,679)**	**(4.1)**	(15,664)	(4.1)
Other net assets	**2,419**	**0.6**	2,938	0.8
Net assets	**381,653**	**100.0**	382,118	100.0

[A] Includes outstanding settlements

Investment Case Studies

Andean Social Infrastructure I

In March, $5.3m was called from the Company by Andean Social Infrastructure I, which is a private fund that invests in social infrastructure assets in the Andean region of South America, working in conjunction with local governments. To date, the fund has invested in two assets, a Uruguayan custodial facility and a low-sulphur oil refinery in Mexico, a key facility in the country's path to meet their emissions target.

The cash drawn down in March will be invested into the build and operation of a new port facility at Puerto Antioquia, on the Atlantic coast of Colombia (pictured). The build will include an offshore deck capable of handling super post-Panama Canal vessels, with a viaduct and 38 ha of modern inland terminal facilities. The port is a critical asset, improving access to sea for the 2nd largest regional economy in Colombia. There is already captive traffic from major shipping lines at the existing port, despite the lack of modern facilities, with 35% of the port's total capacity having signed commitments already. Significant additional traffic is expected to be diverted to the new port as it will create a shorter and cheaper overland route to the production centres of Medellin and Bogota (resulting in an estimated decrease of 70m km/year of truck travel and a decrease of 21.6m kg/yr of resulting CO2 emissions). The port is expected to have a range of knock-on social benefits, but in the first instance will directly create 1,000 new jobs in the Uraba region, where unemployment is at 25% and 50% of inhabitants live below the poverty line. The build is expected to take three years, and the concession on tariffs from port users obtained by the Fund has a term of 30 years.

Aberdeen Global Infrastructure II ("AGIP II")

AGIP II invests in public private partnerships in the US and Australia, with a portfolio of assets including Perth Stadium, a group of eight schools in Western Australia, Canberra Light Railway, and a series of express lanes on the I77 into Charlotte, North Carolina (pictured).

The Q1 2022 valuation for the I77 toll road was marked up significantly, driving over 100bps of performance gain at the Company level. The increase in valuation was due to a significantly higher forecast of revenue over the life of the project. The toll road has the ability to change price every 5 minutes to reflect changing demand, to maintain a 48mph minimum speed. Based on driver behaviour over the first years of the asset life, the average price that can be charged per mile is $0.42, vs the previous assumption of $0.31. There is also forecast to be a slight increase in estimated traffic volume in the period from 2030 to 2045. In addition for Q1 there was a refinance and slight change in the discount rate of WA Schools project to reflect the completion of another phase of construction (with only one school now left to be completed), which was ahead of schedule and resulted in an uplift in the value of this asset.

DWS Pan European Infrastructure Fund

In H1 2022, the Company received EUR 3.3m from the PEIF 1 investment, realising a large portion of the over 40% gains made since entering the investment in December 2020. As a reminder, this deal was an off-market transaction in a mature infrastructure fund with two remaining assets, sourced through the abrdn origination network. The Company was able to purchase the position at a significant discount to NAV, and the portfolio has produced income and capital growth since investment. The H1 2022 cashflow to the Company was the distribution of proceeds from the sale of the stake in Peel Ports, a UK port group behind Liverpool2 and the Manchester Ship Canal. Peel Ports had invested over £400m in Liverpool2 in recent years to create a new deep-water terminal, turning the port into one of Europe's most advanced container terminals. DWS PEIF 1 first invested in Peel Ports in 2006, and the value of their stake has grown 6-fold since then. The Fund has 1 asset left, a stake in a UK water utility company, the sale of which is expected to complete later this year.

Condensed Statement of Comprehensive Income (unaudited)

		Six months ended 31 March 2022			(*Restated) Six months ended 31 March 2021		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		-	8,537	8,537	–	(1,761)	(1,761)
Foreign exchange (losses)/gains		-	(3,023)	(3,023)	–	9,892	9,892
Income	2	9,757	-	9,757	10,235	–	10,235
Investment management fee	3	(264)	(397)	(661)	(264)	(395)	(659)
Administrative expenses		(476)	(13)	(489)	(445)	(9)	(454)
Net return before finance costs and taxation		9,017	5,104	14,121	9,526	7,727	17,253
Finance costs*	4	(210)	(314)	(524)	(352)	(24,279)	(24,631)
Net return/(loss) before taxation		8,807	4,790	13,597	9,174	(16,552)	(7,378)
Taxation	5	(179)	(798)	(977)	(420)	445	25
Return/(loss) attributable to equity shareholders		8,628	3,992	12,620	8,754	(16,107)	(7,353)
Return/(loss) per share (pence)	6	2.79	1.29	4.08	2.79	(5.14)	(2.35)

* Further details of the restatement can be found in note 4.

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

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

Condensed Statement of Financial Position (unaudited)

	Notes	As at 31 March 2022 (unaudited) £'000	As at 30 September 2021 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss		**390,177**	390,446
Deferred taxation asset	5	**1,856**	2,655
		392,033	393,101
Current assets			
Debtors		**5,439**	1,234
Derivative financial instruments		**412**	332
Cash and cash equivalents		**6,439**	7,201
		12,290	8,767
Creditors: amounts falling due within one year			
Derivative financial instruments		**(5,450)**	(3,249)
Other creditors		**(1,541)**	(837)
		(6,991)	(4,086)
Net current assets		**5,299**	4,681
Total assets less current liabilities		**397,332**	397,782
Non-current liabilities			
6.25% Bonds 2031	8	**(15,679)**	(15,664)
Net assets		**381,653**	382,118
Capital and reserves			
Called-up share capital	10	**91,352**	91,352
Share premium account		**116,556**	116,556
Capital redemption reserve		**26,629**	26,629
Capital reserve		**110,343**	106,572
Revenue reserve		**36,773**	41,009
Equity shareholders' funds		**381,653**	382,118
Net asset value per share (pence)	11		
– with Bonds at par value		**123.47**	123.54
– with Bonds at fair value		**122.03**	121.73

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

Condensed Statement of Changes in Equity (unaudited)

Six months ended 31 March 2022

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 October 2021		91,352	116,556	26,629	106,572	41,009	382,118
Ordinary shares purchased for treasury	9	-	-	-	(221)	-	(221)
(Loss)/return after taxation		-	-	-	3,992	8,628	12,620
Dividends paid	6	-	-	-	-	(12,864)	(12,864)
At 31 March 2022		91,352	116,556	26,629	110,343	36,773	381,653

Six months ended 31 March 2021

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	(*Restated) Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 October 2020		91,352	116,556	26,629	109,551	42,142	386,230
Ordinary shares purchased for treasury	9	–	–	–	(6,944)	–	(6,944)
Return after taxation (pre restatement)*	4	–	–	–	7,643	8,754	16,397
Prior year restatement*	4	–	–	–	(23,750)	–	(23,750)
(Loss)/return after taxation (post restatement)*	4	–	–	–	(16,107)	8,754	(7,353)
Dividends paid	6	–	–	–	–	(12,857)	(12,857)
At 31 March 2021		91,352	116,556	26,629	86,500	38,039	359,076

* Further details of the restatement can be found in note 4.

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

Condensed Statement of Cash Flows (unaudited)

	Six months ended 31 March 2022 £'000	Six months ended 31 March 2021 £'000
Operating activities		
Net return before finance costs and taxation	**14,121**	17,253
Adjustments for:		
Dividend income	**(8,379)**	(8,769)
Fixed interest income	**(1,340)**	(1,465)
Interest income	**-**	(1)
Dividends received	**8,384**	6,457
Fixed interest income received	**1,199**	1,813
Interest received	**-**	1
Unrealised loss/(gain) on forward contracts	**2,121**	(3,896)
Foreign exchange losses	**217**	266
(Gains)/losses on investments	**(8,537)**	1,761
Decrease/(increase) in other debtors	**2**	(32)
Increase/(decrease) in accruals	**121**	(188)
Corporation tax paid	**(273)**	(86)
Taxation withheld	**(82)**	(120)
Net cash flow from operating activities	**7,554**	12,994
Investing activities		
Purchases of investments	**(30,549)**	(93,880)
Sales of investments and return of capital	**36,045**	171,765
Net cash flow from investing activities	**5,496**	77,885
Financing activities		
Purchase of own shares to treasury	**(221)**	(6,944)
Repurchase of bond	**-**	(67,654)
Interest paid	**(510)**	(1,021)
Equity dividends paid (note 6)	**(12,864)**	(12,862)
Net cash flow used in financing activities	**(13,595)**	(88,481)
(Decrease)/increase in cash and cash equivalents	**(545)**	2,398
Analysis of changes in cash and cash equivalents during the period		
Opening balance	**7,201**	17,413
Foreign exchange	**(217)**	(266)
(Decrease)/increase in cash and cash equivalents as above	**(545)**	2,398
Closing balance	**6,439**	19,545

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

Notes to the Financial Statements (unaudited)

For the year ended 31 March 2022

1. Accounting policies – Basis of accounting

The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in April 2021 and with the Disclosure Transparency Rules issued by the Financial Reporting Council. Given the Company's portfolio comprises a significant proportion of "Level 1" and "Level 2" assets (listed on recognisable exchanges and realisable within a short timescale), and the Company's relatively low level of gearing, the Directors believe that adopting a going concern basis of accounting remains appropriate. The condensed financial statements have also been prepared on the assumption that approval as an investment trust will continue to be granted by HMRC and that the annual continuation vote will be passed at the Company's Annual General Meeting. Annual financial statements are prepared under Financial Reporting Standard 102.

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

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

2. Income

	Six months ended 31 March 2022 £'000	Six months ended 31 March 2021 £'000
Income from investments		
UK listed dividends	**1,566**	2,003
Overseas listed dividends	**2,327**	3,000
Unquoted Limited Partnership income	**4,485**	3,538
Stock dividends	**1**	228
Treasury bill income	**9**	–
Fixed interest income	**1,340**	1,465
	9,728	10,234
Other income		
Interest	**–**	1
Rebates	**29**	–
Total income	**9,757**	10,235

3. Investment management fee

	Six months ended 31 March 2022			Six months ended 31 March 2021		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Investment management fee	**264**	**397**	**661**	264	395	659

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

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

- 0.45% per annum in respect of the balance of the net asset value (with debt at fair value).

At the period end, an amount of £216,000 (31 March 2021 - £327,000) was outstanding in respect of management fees due by the Company.

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 Manager which themselves invest directly into alternative investments including, but not limited to, infrastructure and property are charged at the Manager's lowest institutional fee rate. To avoid double charging, such investments are excluded from the overall management fee calculation.

4. Prior year restatement

The Condensed Statement of Comprehensive Income for the six months ended 31 March 2021 and Condensed Statement of Changes in Equity for the six months ended 31 March 2021 have been restated to reallocate the premium of £23,750,000 paid above amortised cost on the early repayment of a portion of the bonds to finance costs. This treatment was changed to align to the presentation requirements of the accounting standards as disclosed in the 2021 annual report.

Consequently, in the Condensed Statement of Comprehensive Income for the six months ended 31 March 2021, finance costs have increased from £881,000 to £24,631,000. In the Condensed Statement of Changes in Equity for the six months ended, the return after taxation allocated to the capital reserve has decreased from a gain of £7,643,000 to a loss of £16,107,000 and the previously separately stated premium of £23,750,000 paid on repurchase of bonds has decreased to £nil.

5. Taxation

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

The Company has a deferred tax asset of £1,856,000 as it is considered likely that accumulated unrelieved management expenses and loan relationship deficits will be extinguished in future years. In arriving at the amount recognised, the Company has taken account of current year and future levels of taxable income forecast to be generated.

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

6. Return per Ordinary share

	Six months ended 31 March 2022 p	Six months ended 31 March 2021 p
Revenue return	**2.79**	2.79
Capital return	**1.29**	(5.14)
Total return	**4.08**	(2.35)

The figures above are based on the following:

	Six months ended 31 March 2022 £'000	Six months ended 31 March 2021 £'000
Revenue return	**8,628**	8,754
Capital return	**3,992**	(16,107)
Total return	**12,620**	(7,353)
Weighted average number of shares in issue[A]	**309,200,265**	313,377,395

[A] Calculated excluding shares held in treasury.

7. Dividends

	Six months ended 31 March 2022 £'000	Six months ended 31 March 2021 £'000
Third interim dividend for 2021 - 1.38p (2020 - 1.36p)	**4,269**	4,317
Fourth interim dividend for 2021 - 1.38p (2020 - 1.36p)	**4,267**	4,255
First interim dividend for 2022 - 1.40p (2021 - 1.38p)	**4,328**	4,285
	12,864	12,857

On 20 September 2021, the Board declared a third interim dividend of 1.38 pence per share which was paid on 28 October 2021 to shareholders on the register on 1 October 2021. On 9 December 2021, the Board declared a fourth interim dividend of 1.38 pence per share which was paid on 20 January 2022 to shareholders on the register on 24 December 2021. On 22 February 2022, the Board declared a first interim dividend of 1.40 pence per share (2021 - 1.38p) which was paid on 31 March 2022 to shareholders on the register on 4 March 2022.

Subsequent to the period end, the Board declared a second interim dividend of 1.40p per share (2021 – 1.38p), which will be paid on 14 July 2022 to shareholders on the register as at 17 June 2022. The total cost of this dividend, based on 308,787,349 as the number of shares in issue, excluding treasury shares, as at the date of this Report, will be £4,323,023 (2021 – £4,275,000).

8. 6.25% Bonds 2031

	Six months ended 31 March 2022 £'000	Year ended 30 September 2021 £'000

Balance at beginning of period	**15,664**	59,540
Amortisation of discount and issue expenses	**15**	28
Repurchase of bonds	**-**	(43,904)
Balance at end of period	**15,679**	15,664

The Company has in issue £16,096,000 Bonds 2031 which were issued at 99.343%. During the prior period to 31 March 2021, the Company repurchased £43,904,000 bonds at a cost of £67,654,000. The bonds have been accounted for in accordance with accounting standards, which require any discount or issue costs to be amortised over the life of the bonds. The bonds are secured by a floating charge over all of the assets of the Company with interest paid in March and September each year.

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

The fair value of the 6.25% Bonds using the last available quoted offer price from the London Stock Exchange as at 31 March 2022 of 125.12p (30 September 2021 - 131.92p) per bond was £20,139,000 (30 September 2021 - £21,233,000).

9. Analysis of changes in net debt

	At 30 September 2021 £000	Currency differences £000	Cash flows £000	Non-cash movements £000	At 31 March 2022 £000
Cash and cash equivalents	**7,201**	**(217)**	**(545)**	**-**	**6,439**
Forward contracts	**(2,917)**	**(2,121)**	**-**	**-**	**(5,038)**
Debt due after one year	**(15,664)**	**-**	**-**	**(15)**	**(15,679)**
Total	**(11,380)**	**(2,338)**	**(545)**	**(15)**	**(14,278)**

	At 30 September 2020 £000	Currency differences £000	Cash flows £000	Non-cash movements £000	At 30 September 2021 £000
Cash and cash equivalents	17,413	5,411	(15,623)	-	7,201
Forward contracts	(3,999)	1,082	-	-	(2,917)
Debt due after one year	(59,540)	-	43,904	(28)	(15,664)
Total	(46,126)	6,493	28,281	(28)	(11,380)

10. Called-up share capital

During the period the Company purchased 221,379 Ordinary shares to be held in treasury (year ended 30 September 2021 – 8,011,500 Ordinary shares purchased to be held in treasury) at a cost of £221,000 (year ended 30 September 2021 – £7,748,000) including expenses.

At the end of the period there were 309,097,359 (30 September 2021 – 309,318,738) Ordinary shares in issue and 28,654,447 (30 September 2021 – 28,433,068) shares held in treasury.

11. Net asset value per share

	As at 31 March 2022	As at 30 September 2021
Debt at par		
Net asset value attributable (£'000)	**381,653**	382,118
Number of Ordinary shares in issue excluding treasury	**309,097,359**	309,318,738
Net asset value per share (p)	**123.47**	123.54

Debt at fair value	**£'000**	**£'000**
Net asset value attributable	**381,653**	382,118
Add: Amortised cost of 6.25% Bonds 2031	**15,679**	15,664
Less: Market value of 6.25% Bonds 2031	**(20,139)**	(21,233)
	377,193	376,549
Number of Ordinary shares in issue excluding treasury	**309,097,359**	309,318,738
Net asset value per share (p)	**122.03**	121.73

12. Transaction costs

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

	Six months ended 31 March 2022 £'000	Six months ended 31 March 2021 £'000
Purchases	**23**	59
Sales	**31**	30
	54	89

13. Fair value hierarchy

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

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

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

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

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

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

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

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

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

As at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Equity investments	**124,874**	**25,996**	**184,786**	**335,656**
Fixed interest instruments	**-**	**35,525**	**-**	**35,525**
Loan investments	**-**	**18,996**	**-**	**18,996**
Forward currency contracts – financial assets	**-**	**412**	**-**	**412**
Forward currency contracts – financial liabilities	**-**	**(5,450)**	**-**	**(5,450)**
Net fair value	**124,874**	**75,479**	**184,786**	**385,139**

As at 30 September 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Equity investments	131,049	26,708	172,108	329,865
Fixed interest instruments	–	20,541	–	20,541
Loan investments	–	40,040	–	40,040
Forward currency contracts – financial assets	–	332	–	332
Forward currency contracts – financial liabilities	–	(3,249)	–	(3,249)

Net fair value	131,049	84,372	172,108	387,529

Level 3 Financial assets at fair value through profit or loss	**As at 31 March 2022 £'000**	**As at 30 September 2021 £'000**
Opening fair value	**172,108**	117,208
Purchases including calls (at cost)	**9,080**	65,762
Disposals and return of capital	**(9,219)**	(20,175)
Transfers from level 1*	**70**	–
Transfers from level 2*	**2,853**	–
Total gains or losses included in losses on investments in the Statement of Comprehensive Income:		
– assets disposed of during the period	**2,167**	2,448
– assets held at the end of the period*	**7,727**	6,865
Closing balance	**184,786**	172,108

* see note below on holdings in Russia.

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

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

During the period, the Company reviewed its exposure to holdings in Russia in light of the war in Ukraine and decided to write their value down to £nil. The consequence of this is noted in transfers from Level 1 and Level 2 in the above table and the write down in value of £70,000 and £2,853,000 respectively is included with assets held at the period end.

14. Related party disclosures

Transactions with the Manager. The investment management fee is levied by Aberdeen Standard Fund Managers Limited at the following tiered levels, payable monthly in arrears:

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

- 0.45% per annum in respect of the balance of the net asset value (with debt at fair value).

During the period, the Manager charged the Company £100,000 (2021 - £100,000) in respect of promotional activities carried out on the Company's behalf.

The Company also receives rebates with regards to underlying investments in other funds managed by abrdn plc (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.

The table below details all investments held at 31 March 2022 that were managed by the Group.

	31 March 2022 £'000
Aberdeen Standard Global Private Markets Fund[B]	18,781
SL Capital Infrastructure II[B]	17,347
Aberdeen Global Infrastructure Partners II (USD)[D]	14,722
Aberdeen European Residential Opportunities Fund[B]	10,834
Andean Social Infrastructure Fund I[B]	10,145
Aberdeen Property Secondaries Partners II[C]	9,940
ASI UK Mid-Cap Equity[A]	9,877
Aberdeen Global Infrastructure Partners II (AUD)[D]	6,715
Aberdeen Standard Secondary Opportunities Fund IV[C]	5,572
Aberdeen Standard SICAV I - Frontier Markets Bond Fund[C]	4,287
Aberdeen Standard Alpha - Global Loans Fund[A]	4,060
ASI Hark III[B]	2,150
	114,430

[A] The Company is invested in a share class which is not subject to a management charge from the Group.
[B] The value of this holding is removed from the management fee calculation to ensure that no double counting occurs.
[C] An amount equivalent to the management fee received by the Manager on the underlying is offset against the management fee payable by the Company to ensure that no double counting occurs.
[D] The invested capital commitment is removed from the management fee calculation to ensure that no double counting occurs.

15. Segmental information

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

16. Half-Yearly Report

The financial information in this Report does not comprise statutory accounts within the meaning of Section 434 - 436 of the Companies Act 2006. The financial information for the year ended 30 September 2021 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified and contained no statement under Section 498 (2), (3) or (4) of the Companies Act 2006. The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

PricewaterhouseCoopers LLP has reviewed the financial information for the six months ended 31 March 2022 pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

17. This Half-Yearly Report was approved by the Board and authorised for issue on 14 June 2022.

Alternative Performance Measures

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

Net asset value per Ordinary share – debt at fair value

The net asset value per Ordinary share with debt at fair value is calculated as follows:

	As at 31 March 2022 £'000	As at 30 September 2021 £'000
Net asset value attributable	**381,653**	382,118
Add: Amortised cost of 6.25% Bonds 2031	**15,679**	15,664
Less: Market value of 6.25% Bonds 2031	**(20,139)**	(21,233)
	377,193	376,549
Number of Ordinary shares in issue excluding treasury shares	**309,097,359**	309,318,738
Net asset value per share (p)	**122.03**	121.73

Discount to net asset value per Ordinary share – debt at fair value

The discount is the amount by which the Ordinary share price is lower than the net asset value per Ordinary share – debt at fair value, expressed as a percentage of the net asset value – debt at fair value. The Board considers this to be the most appropriate measure of the Company's discount.

		31 March 2022	30 September 2021
Net asset value per Ordinary share (p)	a	**122.03**	121.73
Share price (p)	b	**101.50**	100.00
Discount	(a-b)/a	**16.8%**	17.9%

Dividend yield

The annual dividend per Ordinary share divided by the share price, expressed as a percentage.

		31 March 2022	30 September 2021
Dividend per Ordinary share (p)	a	**5.54**	5.52
Share price (p)	b	**101.50**	100.00
Dividend yield	a/b	**5.5%**	5.5%

Net gearing – debt at par value

Net gearing with debt at par value measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to and from brokers at the period end, in addition to cash and short term deposits.

		31 March 2022	30 September 2021
Borrowings (£'000)	a	**15,679**	15,664
Cash (£'000)	b	**6,439**	7,201
Amounts due to brokers (£'000)	c	**975**	221
Amounts due from brokers (£'000)	d	**4,310**	335
Shareholders' funds (£'000)	e	**381,653**	382,118
Net gearing	(a-b+c-d)/e	**1.5%**	2.2%

Net gearing – debt at fair value

Net gearing with debt at fair value measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to and from brokers at the year end, in addition to cash and short term deposits per the Statement of Financial Position.

		31 March 2022	30 September 2021
Borrowings (£'000)	a	**20,139**	21,233
Cash (£'000)	b	**6,439**	7,201
Amounts due to brokers (£'000)	c	**975**	221
Amounts due from brokers (£'000)	d	**4,310**	335
Shareholders' funds (£'000)	e	**377,193**	376,549
Net gearing	(a-b+c-d)/e	**2.7%**	3.7%

Ongoing charges ratio

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 daily net asset values with debt at fair value published throughout the year. The ratio for 31 March 2022 is based on forecast ongoing charges for the year ending 30 September 2022.

	31 March 2022 £	30 September 2021 £
Investment management fees	**1,300,000**	1,319,000
Administrative expenses	**975,000**	980,000
Less: non-recurring charges[A]	**(7,172)**	(69,500)
Ongoing charges	**2,267,828**	2,229,500
Average net assets with debt at fair value	**372,050,000**	361,834,000
Ongoing charges ratio (excluding look-through costs)	**0.61%**	0.62%
Look-through costs[B]	**0.85%**	0.83%
Ongoing charges ratio (including look-through costs)	**1.46%**	1.45%

[A] Professional services considered unlikely to recur.
[B] Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

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

Total return

NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. Share price and NAV total returns are monitored against open-ended and closed-ended competitors, and the Reference Index, respectively.

Six months ended 31 March 2022		NAV (debt at par)	NAV (debt at fair value)	Share Price
Opening at 1 October 2021	a	**123.54p**	**121.73p**	**100.00p**
Closing at 31 March 2022	b	**123.47p**	**122.03p**	**101.50p**
Price movements	c=(b/a)-1	**-0.1%**	**0.2%**	**1.5%**
Dividend reinvestment[A]	d	**3.5%**	**3.6%**	**2.9%**
Total return	c+d	**+3.4%**	**+3.8%**	**+4.4%**

Year ended 30 September 2021		NAV (debt at par)	NAV (debt at fair value)	Share Price
Opening at 1 October 2020	a	121.71p	113.40p	91.50p
Closing at 30 September 2021	b	123.54p	121.73p	100.00p
Price movements	c=(b/a)-1	1.5%	7.3%	9.3%
Dividend reinvestment[A]	d	4.8%	5.2%	6.3%
Total return	c+d	+6.3%	+12.5%	+15.6%

[A] NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

Independent review report to Aberdeen Diversified Income and Growth Trust plc

Report on the condensed interim financial statements

Our conclusion

We have reviewed Aberdeen Diversified Income and Growth Trust plc's condensed interim financial statements (the "interim financial statements") in the Half Yearly Report of Aberdeen Diversified Income and Growth Trust plc for the 6 month period ended 31 March 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with FRS 104 "Interim Financial Reporting" issued by the Financial Reporting Council and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Statement of Financial Position as at 31 March 2022;
- the Condensed Statement of Comprehensive Income for the period then ended;
- the Condensed Statement of Cash Flows for the period then ended;
- the Condensed Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

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

Basis for conclusion

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

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

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

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the company to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

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

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

PricewaterhouseCoopers LLP
Chartered Accountants
Edinburgh
14 June 2022

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