

# Aberdeen Diversified Income and Growth Trust plc

Investing across asset classes aiming to deliver reliable income and growth

## Investment Trust

Performance Data and Analytics to 29 February 2020

### Investment objective

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

As Aberdeen were appointed as managers of the Company on 11 February 2017, NAV and Share Price performance is shown in the table below for information purposes only. Comparative performance data is given from 31 March 2017 when the objective was changed.

### Cumulative performance (%)

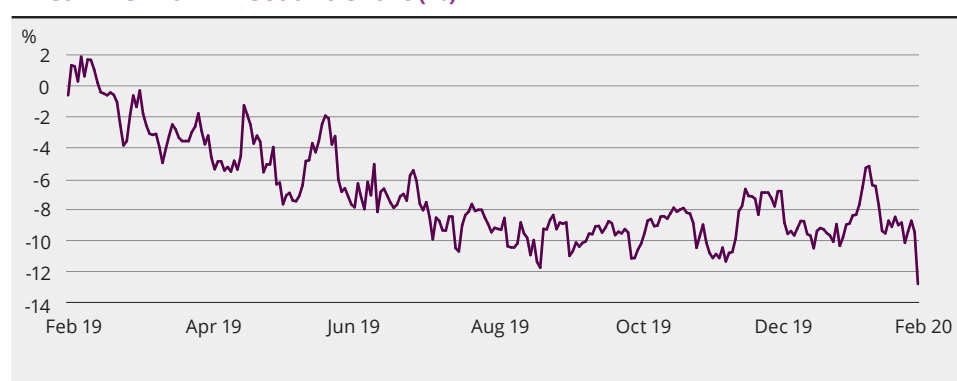
|                  | as at 29/02/20 | 1 month | 3 months | 6 months | 1 year | Since change of policy | 3 years | 5 years |
|------------------|----------------|---------|----------|----------|--------|------------------------|---------|---------|
| Share Price      | 104.0p         | (5.9)   | (2.5)    | (0.4)    | (7.3)  | 2.3                    | 5.8     | (2.2)   |
| NAV <sup>A</sup> | 118.1p         | (2.1)   | (0.6)    | 2.5      | 4.3    | 8.0                    | 9.4     | 3.0     |
| LIBOR +5.5%      |                | 0.5     | 1.5      | 3.0      | 6.2    | 19.2                   | -       | -       |

### Discrete performance (%)

| Year ending      | 29/02/20 | 28/02/19 | 28/02/18 | 28/02/17 | 29/02/16 |
|------------------|----------|----------|----------|----------|----------|
| Share Price      | (7.3)    | 1.3      | 12.8     | 0.1      | (7.7)    |
| NAV <sup>A</sup> | 4.3      | (1.7)    | 6.7      | 4.1      | (9.5)    |
| LIBOR +5.5%      | 6.2      | 6.3      |          |          |          |

Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: Morningstar. For Information only. Performance prior to 11th February 2017 does not relate to management by Aberdeen Standard Investments. Past performance is not a guide to future results.

### 1 Year Premium/Discount Chart (%)



<sup>A</sup> Including current year revenue.

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### Aberdeen Diversified Multi-Asset Team Awards



### Morningstar Rating™



<sup>B</sup> Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

### Ten largest holdings (%)

|  |             |
|--|-------------|
| Multi-factor Global Equity Income Fund     | 17.6        |
| TwentyFour Asset Backed Opportunities Fund | 12.9        |
| SL Capital Infrastructure II               | 4.5         |
| Aberdeen Property Secondaries Partners II  | 3.1         |
| Markel CATCo Reinsurance Fund              | 2.6         |
| Burford Opportunity Fund                   | 2.6         |
| Aberdeen Global Loans Fund                 | 2.3         |
| Aberdeen Frontier Markets Bond Fund        | 2.3         |
| BlackRock Renewable Income UK              | 2.0         |
| Blackstone GSO Loan Financing              | 1.8         |
| <b>Total</b>                               | <b>51.7</b> |

### Asset allocation (%)

|                                  |              |
|----------------------------------|--------------|
| Equities                         | 17.6         |
| Private Equity                   | 4.0          |
| Real Assets                      | 0.8          |
| Property                         | 8.2          |
| Infrastructure                   | 14.1         |
| Loans                            | 2.3          |
| Asset Backed Securities          | 15.8         |
| Emerging Market Bonds            | 24.1         |
| Insurance Linked Securities      | 3.2          |
| Special Opportunities            | 9.5          |
| UK Government Bonds <sup>C</sup> | -            |
| Cash                             | 0.4          |
| <b>Total</b>                     | <b>100.0</b> |

Figures may not add up due to rounding.

**Total number of investments** 103

All sources (unless indicated):  
Aberdeen Asset Managers Limited 29 February 2020.

Private investors 0808 500 0040  
Institutional investors  
InvestmentTrustInvestorRelations-UK  
[@aberdienstandard.com](mailto:@aberdienstandard.com)  
+44 (0)20 7463 5971 | +44 (0)13 1222 1863

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### Fund managers' report

For much of February, risk asset investors largely ignored the potential impact of the spread of coronavirus but, once clusters of cases were reported in South Korea and in Italy, global equity indices fell sharply. Over the month as a whole, the MSCI World index hedged to GBP fell by 8.4% – having initially risen by over 4% as January's buoyant start to the year continued – with most major indices registering declines of 8% or more in local currency terms.

The portfolio delivered a NAV total return of -2.1% over the month. In part, this reflected our relatively low exposure to listed equity but it also highlights the benefit of our diversified portfolio. Past experience shows that by incorporating a diverse mix of assets, our strategy typically delivers around a third of the decline exhibited by global equities during periods when benchmark equity indices fall by 10% or more.

In terms of performance contributions over the month, listed equity was the most notable area of weakness. Elsewhere, infrastructure, asset backed securities, emerging market debt and special opportunities were broadly flat or registered modest declines.

We made relatively few changes to the portfolio during the month. The most notable was the acquisition of a new holding in Honeycomb Investment Trust, taking advantage of a very attractively priced placing of shares by two large investors seeking an exit from the company. The placing price of £8.50, which was an 8% discount to the prevailing share price, represents an 18% discount to the latest NAV and a prospective yield of 9.4%. Honeycomb is managed by the same team as Pollen Street Secured Lending (which is also held in the portfolio) and provides exposure to direct lending investments, working with a range of specialist platforms and originators.

In our unlisted investments, we received a second distribution from the Markel CATCo Reinsurance Opportunities Fund as the manager was able to release non-trapped capital from the settlement of a portion of their 2019 contracts. Among our other unlisted investments, the valuation updates for Q4 2019 have been broadly in line with our expectations including a write-up within our infrastructure investment, AGIP II, following the completion of its third development project, a managed-lanes road project in the southern United States.

370,000 shares were repurchased during the month in accordance with the Company's policy on discount control.

The risk outlined overleaf relating to gearing is particularly relevant to this trust, but should be read in conjunction with all warnings and comments given.

Important information overleaf

<sup>c</sup> Expressed as a percentage of total costs divided by average daily net assets for the year ended 30 September 2019. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

<sup>d</sup> Calculated using the Company's historic net dividends and month end share price.

<sup>e</sup> Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

### Key information Calendar

|  |   |
|--|---|
| Year end   | 30 September  |
| Accounts published                                 | January   |
| Annual General Meeting                             | February  |
| Dividend paid                                      | January, March, July and October                          |
| Established  | 1898  |
| Fund managers                                      | Mike Brooks<br>Tony Foster                                |
| Ongoing charges <sup>c</sup>                       | 0.84%   |
| Annual management fee                              | 0.5% pa on net assets up to £300m and 0.45% pa thereafter |
| Premium/(Discount)                                 | (11.9)%   |
| Yield <sup>d</sup>                                 | 5.2%  |
| Net gearing <sup>e</sup>                           | 13.5%   |
| Net gearing with debt at market value <sup>e</sup> | 21.3%   |

### AIFMD Leverage Limits

|                |      |
|----------------|------|
| Gross Notional | 3.5x |
| Commitment     | 2.5x |

| Assets/Debt          | £'000          | %            |
|----------------------|----------------|--------------|
| Equities             | 87,236         | 21.6         |
| Fixed Income         | 110,913        | 27.4         |
| Alternatives         | 260,605        | 64.5         |
| Total investments    | 458,754        | 113.5        |
| Cash                 | 4,841          | 1.2          |
| Other net assets     | (2)            | -            |
| 6.25% Debenture 2031 | (59,516)       | (14.7)       |
| <b>Net assets</b>    | <b>404,077</b> | <b>100.0</b> |

### Capital structure

|                 |             |
|-----------------|-------------|
| Ordinary shares | 320,116,238 |
| Treasury shares | 45,294,636  |

### Allocation of management fees and finance costs

|         |     |
|---------|-----|
| Capital | 60% |
| Revenue | 40% |

### Trading details

|                                 |                   |
|---------------------------------|-------------------|
| Reuters/Epic/<br>Bloomberg code | ADIG.L / ADIG LN  |
| ISIN code                       | GB0001297562      |
| Sedol code                      | 0129756           |
| Stockbroker                     | Cenkos Securities |
| Market makers                   | SETSm             |

Receive the factsheet by email as soon as it is available by registering at  
[www.invtrusts.co.uk/ITemail](http://www.invtrusts.co.uk/ITemail)  
[www.aberdeendiversified.co.uk](http://www.aberdeendiversified.co.uk)

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### Important information

#### Risk factors you should consider prior to investing:

- The value of investments and the income from them can fall and investors may get back less than the amount invested. The investment places capital at risk and there is no guarantee that the performance target will be achieved over any time period.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). 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 may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid offer spread. If trading volumes fall, the bid-offer spread can widen.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends. Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.
- The Company may invest in alternative investments (including direct lending, commercial property, renewable energy and mortgage strategies). Such investments may be relatively illiquid and it may be difficult for the Company to realise these investments over a short time period, which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- Investing globally can bring additional returns and diversify risk. However, currency exchange rate fluctuations may have a positive or negative impact on the value of investments.

#### Other important information:

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