

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (“FSMA”).

This document comprises a prospectus relating to Aberdeen Diversified Income and Growth Trust plc (the “**Company**”) prepared in accordance with the Prospectus Rules made under section 84 of FSMA. This document has been approved by the Financial Conduct Authority (“**FCA**”) and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the UK Listing Authority and the London Stock Exchange for all the New Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares will commence on 10 April 2017.

The Company and each of the Directors and the Proposed Directors, whose names appear on page 33 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The whole text of this document should be read. The attention of Aberdeen UK Tracker Trust plc’s shareholders (“**AUKT Shareholders**”) is drawn in particular to the section of this document entitled “**Risk Factors**”.

ABERDEEN DIVERSIFIED INCOME AND GROWTH TRUST PLC

(Formerly BlackRock Income Strategies Trust plc)

(Incorporated in Scotland with registered number SC003721)

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

Issue and Admission of New Ordinary Shares in connection with the recommended proposals for the reconstruction and winding up of Aberdeen UK Tracker Trust plc

Cenkos Securities plc is authorised and regulated by the FCA in the UK and is acting exclusively for the Company and for no-one else in connection with the Issue. Cenkos Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc or for affording advice in relation to the contents of this document or any matters referred to herein or any other statement made or purported to be made by it or on its behalf in connection with the Company, the New Ordinary Shares, the Issue or Admission. Accordingly, Cenkos Securities plc, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability including any responsibilities or liabilities which may arise under the Financial Services and Markets Act 2000 or any regulatory regime established thereunder) whether arising in tort, contract or otherwise which it might otherwise have in respect of this document or any other statement.

The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not, subject to certain exemptions, be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and the recipient of this document will not be entitled to the benefits of the US Investment Company Act. This document should not be distributed into the United States or to US Persons.

The New Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any other Federal or State Securities Commission in the United States or any other regulatory authority in the United States, nor have any such authorities passed upon or endorsed the merits of the Issue or confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Ordinary Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Cenkos Securities plc. The distribution of this document in jurisdictions other than the UK, including any of the Restricted Territories, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The attention of AUKT Shareholders with registered addresses in Restricted Territories and other recipients of this document who are residents or citizens of any country outside the United Kingdom is drawn to the section entitled "Restricted AUKT Shareholders" in Part 4 of this document.

6 March 2017

CONTENTS

	<i>Page</i>
SUMMARY	4
RISK FACTORS	19
IMPORTANT NOTICES	28
EXPECTED TIMETABLE	32
DEALING CODES	32
DIRECTORS, MANAGEMENT AND ADVISERS	33
PART 1 THE COMPANY	35
PART 2 THE MANAGEMENT AND INVESTMENT STRATEGY	44
PART 3 DIRECTORS AND ADMINISTRATION OF THE COMPANY	51
PART 4 DETAILS OF THE SCHEME AND THE ISSUE	56
PART 5 FINANCIAL INFORMATION (INCLUDING PORTFOLIO INFORMATION)	61
PART 6 UK TAXATION	66
PART 7 ADDITIONAL INFORMATION ON THE COMPANY	70
DEFINITIONS	90

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for these types of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings

<i>Element</i>	<i>Disclosure</i>
A.1	<p>Warning</p> <p>This summary should be read as an introduction to this document. Any decision to invest in the New Ordinary Shares should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	<p>Subsequent resale of securities or final placement of securities through financial intermediaries</p> <p>Not applicable. No consent has been given by the Company or any person responsible for drawing up this document for the subsequent resale or final placement of securities by financial intermediaries.</p>

Section B – Issuer

<i>Element</i>	<i>Disclosure</i>
B.1	<p>Legal and commercial name</p> <p>The Company is called Aberdeen Diversified Income and Growth Trust plc. The Company was, until 10 February 2017, known as BlackRock Income Strategies Trust plc and prior to this was known as British Assets Trust plc.</p>
B.2	<p>Domicile and legal form</p> <p>The Company was incorporated in Scotland on 5 January 1898 with registered number SC003721 as a public company limited by shares under The Companies Acts 1862 to 1890. The principal legislation under which the Company operates is the Act.</p>
B.5	<p>Group description</p> <p>Not applicable. The Company is not part of a group.</p>

B.6	<p>Major shareholders</p> <p>So far as is known to the Company by virtue of the notifications made to it pursuant to the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, the following persons held directly or indirectly three per cent. or more of the Company's voting rights:</p> <table><tr><td></td><td><i>No. of Shares</i></td><td><i>Percentage of issued share capital</i></td></tr><tr><td>Aviva Investors Global Services Limited</td><td>35,037,697</td><td>13.1</td></tr><tr><td>Brown Shipley & Co Limited</td><td>10,224,942</td><td>3.8</td></tr></table> <p>All Shareholders have the same voting rights in respect of the share capital of the Company. As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p>		<i>No. of Shares</i>	<i>Percentage of issued share capital</i>	Aviva Investors Global Services Limited	35,037,697	13.1	Brown Shipley & Co Limited	10,224,942	3.8																															
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B.7	<p>Historical key financial information</p> <p>The selected audited historical financial information relating to the Company set out below, which has been prepared in accordance with UK GAAP in respect of the years ended 30 September 2014 and 30 September 2015 and FRS 102 in respect of the year ended 30 September 2016, has been extracted without material adjustment from the audited annual report and accounts of the Company for the periods ended 30 September 2014, 30 September 2015 and 30 September 2016:</p> <table><tr><td></td><td><i>2014 Annual Report and Accounts (Audited)</i></td><td><i>2015 Annual Report and Accounts (Audited)</i></td><td><i>2016 Annual Report and Accounts (Audited)</i></td></tr><tr><td>Net assets</td><td></td><td></td><td></td></tr><tr><td>Total assets (£'000)</td><td>510,900</td><td>451,352</td><td>442,827</td></tr><tr><td>Total liabilities (£'000)</td><td>(84,035)</td><td>(76,520)</td><td>(91,306)</td></tr><tr><td>Net assets (with debt at amortised cost) (£'000)</td><td>426,865</td><td>374,832</td><td>351,521</td></tr><tr><td>NAV per Share (cum income with debt at fair value) (p)</td><td>143.30</td><td>131.00</td><td>123.62</td></tr><tr><td>Income</td><td></td><td></td><td></td></tr><tr><td>Revenue return after expenses and taxation (£'000)</td><td>20,298</td><td>20,163</td><td>20,602</td></tr><tr><td>Revenue return per Ordinary Shares (p)</td><td>7.01</td><td>7.07</td><td>7.56</td></tr><tr><td>Dividends per Ordinary Share (p)</td><td>6.44</td><td>6.54</td><td>6.54</td></tr></table> <p>Save for the (i) fall in the net assets (with debt at amortised cost) from £351.5 million as at 30 September 2016 to £351.2 million as at 28 February 2017 (the latest practicable date prior to the publication of this document) and the associated increase in the Net Asset Value per Share (cum income with debt at fair value) from 123.62 pence to 123.71 pence as at 28 February 2017 (the latest practicable date prior to the publication of this document); (ii) payment of 19.52 pence of dividends over the period covered by the historical financial information; (iii) issue of 200,000 Ordinary Shares over the period covered by the historical financial information at an aggregate price of £271,200 and the buy back of 22,575,000 Ordinary Shares at an aggregate price of £29,190,957; (iv) payment of the final quarterly dividend for financial year ended 30 September 2016 of 1.635 pence per Ordinary Share; and</p>		<i>2014 Annual Report and Accounts (Audited)</i>	<i>2015 Annual Report and Accounts (Audited)</i>	<i>2016 Annual Report and Accounts (Audited)</i>	Net assets				Total assets (£'000)	510,900	451,352	442,827	Total liabilities (£'000)	(84,035)	(76,520)	(91,306)	Net assets (with debt at amortised cost) (£'000)	426,865	374,832	351,521	NAV per Share (cum income with debt at fair value) (p)	143.30	131.00	123.62	Income				Revenue return after expenses and taxation (£'000)	20,298	20,163	20,602	Revenue return per Ordinary Shares (p)	7.01	7.07	7.56	Dividends per Ordinary Share (p)	6.44	6.54	6.54
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	<p>(v) declaration of the first quarterly dividend of 1.635 pence per Ordinary Share for the financial year ended 30 September 2017 on 23 February 2017 payable on 24 March 2017, there has been no significant change in the financial condition and operating results of the Company during the period covered by the historical financial information and no significant change in the financial condition and operating results of the Company subsequent to the period covered by the historical financial information.</p>
B.8	<p>Key pro forma financial information</p> <p>The result of the Scheme and the Issue will represent a significant gross change for the Company. The Company expects to acquire cash from AUKT pursuant to the Scheme. As at the Latest Practicable Date, AUKT had unaudited net assets of approximately £358.4 million and the Company had unaudited net assets of approximately £330.3 million.</p> <p>Adjusting for the costs of the Proposals and declared but unpaid dividends (for both AUKT and the Company) and on the assumption that all AUKT Shareholders elect to roll over into the Company and no Existing Shareholders tender their Ordinary Shares pursuant to the Tender Offer, had the Issue occurred on the Latest Practicable Date, the Company's net assets would have increased by approximately £352.3 million.</p> <p>Adjusting for the costs of the Proposals and declared but unpaid dividends (for both AUKT and the Company) and on the assumption that no AUKT Shareholders elect for the Rollover Option (subject to the 60 per cent. cash exit limit and excess Elections being scaled back into the Rollover Option) and the Tender Offer for up to 20 per cent. of the existing Ordinary Shares is subscribed by Existing Shareholders in full, had the Issue occurred on the Latest Practicable Date, the Company's net assets would have increased by approximately £81.0 million.</p>
B.9	<p>Profit forecast</p> <p>Not applicable. No profit forecast or estimate is made in this document.</p>
B.10	<p>Description of the nature of any qualifications in the audit report on the historical financial information</p> <p>Not applicable. The audited financial statements of the Company do not contain any qualifications.</p>
B.11	<p>Insufficiency of working capital</p> <p>Not applicable. The Company is of the opinion that the working capital available to it is sufficient for its present requirements, namely for at least the next 12 months from the date of this document.</p>
B.34	<p>Investment objective and policy</p> <p><i>Current investment objective and policy</i></p> <p>The Company's current investment objective and policy is as follows:</p> <p><i>Investment objective</i></p> <p>The Company's investment objective is, over the medium term (5 to 7 years) to aim to preserve capital in real terms and grow the dividend at least in line with inflation. The Company targets a total portfolio return of UK Consumer Price Index ("CPI") plus 4 per cent. per annum (before ongoing charges), over a five to seven year cycle.</p>

Investment policy

The Company invests globally using a flexible multi-asset approach. The Company has not set maximum or minimum exposures for any geographical regions or sectors and will achieve an appropriate spread of risk by investing in a diversified portfolio of securities and other assets. It is the current intention that approximately 40 per cent. of the portfolio will be invested in UK equity income stocks and the balance of the portfolio will be invested on a tactical asset allocation basis, including in pooled investment funds, but these allocations may change significantly over time.

No individual company exposure in the portfolio may exceed 10 per cent. of the Company's total assets at the time of investment, other than in money market funds, treasuries and gilts. No more than 15 per cent. of the Company's total assets, at the time of investment, may be invested in aggregate in unlisted alternative assets (including direct lending, commercial property, renewable energy and mortgage strategies). The Company will not normally invest more than 2 per cent. of its total assets in the unlisted securities issued by any individual company at the time of investment, with the exception of pooled investment funds. The Company may invest in exchange-traded funds provided they are listed on a recognised investment exchange.

No more than 10 per cent. of the Company's total assets may be invested in aggregate in other listed closed-ended investment companies unless such investment companies themselves have published investment policies to invest no more than 15 per cent. of their total assets in other closed-ended investment companies, in which case the limit is 15 per cent.

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

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

The Company may invest from time to time in funds managed by BlackRock. To the extent that management or performance fees are charged in respect of these holdings, the Company will be rebated these fees on a regular basis to ensure that no double charging occurs.

Proposed investment objective and policy subject to Existing Shareholder approval at the General Meeting

As part of the Proposals the Company is proposing that the investment objective and policy be changed to the following in order to facilitate the Company in its aim to have a flexible multi-asset portfolio. Assuming Shareholders approve these Proposals at the General Meeting to be held on 30 March 2017, the Company's investment objective and policy going forward will be as follows:

Investment objective

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

Investment policy

The Company invests globally using a flexible multi-asset approach via quoted and unquoted investments. The Company has not set maximum or minimum exposures for any geographical regions or sectors and will achieve an appropriate spread of risk by investing in a diversified portfolio of securities and other assets. This includes, but is not limited to, achieving exposure to the following securities and asset classes:

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

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

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

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

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

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

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

	<p>The Company may use gearing, in the form of borrowings and derivatives, to enhance income and capital returns over the long term. The borrowings may be in Sterling or other currencies. The Company's articles of association contain a borrowing limit equal to the value of its adjusted total of capital and reserves. However, borrowings would not normally be expected to exceed 20 per cent. of Shareholders' funds. Total gearing, including net derivative exposure, would not normally be expected to result in a net economic equity exposure in excess of 120 per cent.</p> <p>The Company may invest from time to time in funds managed by the Manager.</p> <p>No material change will be made to the Company's investment policy without Shareholder approval.</p>
B.35	<p>Borrowing limits</p> <p>The Company's borrowing limits will remain unchanged following Shareholder approval of the amended investment objective and policy. The Company may use gearing, in the form of borrowings and derivatives, to enhance income and capital returns over the long term. The borrowings may be in Sterling or other currencies. The Company's articles of association contain a borrowing limit equal to the value of its adjusted total of capital and reserves. However, borrowings would not normally be expected to exceed 20 per cent. of Shareholders' funds. Total gearing, including net derivative exposure, would not normally be expected to result in a net economic equity exposure in excess of 120 per cent.</p> <p>The Company has in issue £60 million 6.25 per cent. Bonds 2031. The Bonds are secured by a floating charge over all of the assets of the Company.</p>
B.36	<p>Regulatory status</p> <p>As an investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, it is subject to the Listing Rules, Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the rules of the London Stock Exchange.</p>
B.37	<p>Typical investor</p> <p>Following the proposed amendments to the Company's investment objective and policy, the profile of a typical investor in the Ordinary Shares will be institutional investors, professionally advised private investors and individual investors who are seeking income and capital growth through investing in a diversified multi-asset portfolio. Investors should be capable of evaluating the risks and merits of an investment in the Company and have sufficient resources to bear any loss which may result from such investment. AUKT Shareholders may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before making an election under the Scheme for New Ordinary Shares.</p>
B.38	<p>Investment of 20 per cent. or more of gross assets in a single underlying asset or investment company</p> <p>Subject to Shareholder approval of the amended investment objective and policy it is expected that up to 35 per cent. of the Company's total assets may be invested in a global equity UCITS pooled fund (the "UCITS Fund"). It is the intention that the UCITS Fund will be launched by Aberdeen at the beginning of May 2017 as an underlying fund of Aberdeen Global.</p> <p>It is expected that the investment objective of the UCITS Fund will be to achieve income, with the potential for long term capital growth, by investing primarily in equities and equity related securities of companies worldwide. It is also expected</p>

	<p>that the UCITS Fund will use a variety of quantitative techniques, based on statistical and numerical analysis, adopting a disciplined and rigorous approach to both stock selection and portfolio construction, whilst seeking to achieve a reduced level of volatility compared to that of the MSCI All Country World Index over a market cycle, typically three to five years.</p> <p>In accordance with its proposed investment objective and policy the UCITS Fund will not invest in excess of 10 per cent. of its gross assets in other collective investment undertakings. In addition, the general investment powers and limits for UCITS schemes set out in the FCA Handbook state that a maximum of 10 per cent. of the UCITS Fund's net assets may be invested in securities of a single issuer and that investments of more than 5 per cent. with a single issuer may not make up more than 40 per cent. of the fund's whole portfolio.</p>
B.39	<p>Investment of 40 per cent. or more of gross assets in another collective investment undertaking</p> <p>Not applicable. No investment in another collective investment undertaking will represent 40 per cent. or more of the Company's gross assets at the time of investment.</p>
B.40	<p>Applicant's service providers</p> <p>AIFM</p> <p>The Company appointed Aberdeen Fund Managers Limited with effect from 11 February 2017 to act as its investment manager and as its alternative investment fund manager for the purposes of the AIFM Directive.</p> <p>Under the terms of the Management Agreement, the AIFM is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is calculated and payable monthly in arrears at the rate of: (i) 0.5 per cent. per annum of the first £300 million of the net assets of the Company; and (ii) 0.45 per cent. per annum of the net assets of the Company in excess of £300 million. Any investments made in Aberdeen funds investing directly in alternative asset classes including, but not limited to, infrastructure and property will be charged at Aberdeen's lowest institutional rate. To avoid double charging such investments will be excluded however from the overall management fee calculation. The fees charged on any investment made in Aberdeen funds which do not invest in alternatives will be waived or rebated to the Company and these assets will be included for the purposes of calculating the overall management fee. The Company has agreed with the AIFM that no management fees will be paid for the transitional period from the date of appointment until the implementation of the Scheme and for a period of six months following the implementation of the Scheme (or if the Scheme is not implemented for whatever reason for a period of six months from 7 April 2017).</p> <p>The AIFM has delegated the day-to-day management of the Company's portfolio to Aberdeen Asset Managers Limited.</p> <p>The AIFM and the Manager are part of the Aberdeen Asset Management Group. Aberdeen is a leading independent global asset management group with approximately £302 billion of assets under management. It has offices in 26 different countries and it employs over 2,700 people worldwide. Aberdeen manages 19 listed, UK closed-ended investment companies representing approximately £6.8 billion of assets under management (all figures as at 31 December 2016). On 6 March 2017 Aberdeen and Standard Life plc announced that they had agreed terms for a recommended all share merger. There is no certainty that any transaction will be completed and the possible merger will be subject to shareholder approvals and regulatory and merger control approvals.</p>

	<p>Administrator</p> <p>Pursuant to the Management Agreement, the AIFM has also been appointed to provide day-to-day administration services to the Company, including responsibility for the Company's general administrative functions, such as maintenance of the Company's accounting records, accounting and administrative services. The AIFM has delegated the provision of these accounting and administration services to BNP Paribas. The fees payable for these accounting and administration services are included within the overall management fees.</p> <p>Company Secretary</p> <p>Aberdeen Asset Management PLC has been appointed to provide the general secretarial functions required by the Act. The fees payable for general secretarial services are included within the overall management fees.</p> <p>Registrar</p> <p>Computershare has been appointed as registrar to the Company in the United Kingdom. The fees of the Registrar are to be agreed from time to time by the Company and the Registrar. The Registrar is entitled to receive a minimum fixed fee of £33,300 per annum payable monthly in arrears although this fee may be greater dependent on the number of transaction fees incurred during the year.</p> <p>Depositary</p> <p>BNY Mellon Trust and Depositary (UK) Limited has been appointed as the Company's depositary for the purposes of the AIFM Directive. Under the terms of the Depositary Agreement, the Depositary is entitled to be paid fees of 0.0115 per cent., of the Company's net assets per annum. The Depositary is also entitled to receive custody fees in accordance with a specified schedule of charges.</p>
B.41	<p>Regulatory status of service providers</p> <p>Each of the AIFM and Manager are authorised and regulated by the FCA and, as such, are subject to its rules in the conduct of its investment business. In respect of its services as Depositary in the United Kingdom, the Depositary is authorised and regulated by the FCA.</p>
B.42	<p>Calculation and publication of Net Asset Value</p> <p>The NAV per Share is calculated in Sterling by the Administrator on a daily basis. Such calculations are notified daily, on a cum income and ex-income basis (with debt at fair and par value) through a Regulatory Information Service.</p>
B.43	<p>Cross liability</p> <p>Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.</p>
B.44	<p>No financial statements have been made up</p> <p>Not applicable. The Company has commenced operations and historical financial information is included in this document.</p>
B.45	<p>Portfolio</p> <p>As at the date of this document (based on valuations as at the Latest Practicable Date) the Company's portfolio comprised:</p> <ul style="list-style-type: none"> • 32.4 per cent. equities; • 19.2 per cent. alternative assets (being 14.8 per cent. quoted and 4.4 per cent. unquoted);

	<ul style="list-style-type: none"> • 23.7 per cent. fixed income securities; and • 24.7 per cent. cash or cash equivalents (including equity index futures exposure). <p>There has been no material change in the value of the portfolio from the date of its valuation to the date of this document.</p>
B.46	<p>Net Asset Value</p> <p>As at the Latest Practicable Date, the NAV per Share (cum income, debt at fair value) (unaudited) was 123.71 pence.</p>

Section C – Securities

<i>Element</i>	<i>Disclosure</i>
C.1	<p>Type and class of securities</p> <p>The Ordinary Shares have a nominal value of 25 pence each. The ISIN of the Ordinary Shares is GB0001297562. The SEDOL of the Ordinary Shares is 0129756. The ticker for the Ordinary Shares is ADIG. The Company's legal entity identifier is 2138003QINEGCHYGW702.</p>
C.2	<p>Currency denomination of Ordinary Shares</p> <p>The Company will issue New Ordinary Shares denominated in Sterling.</p>
C.3	<p>Details of share capital</p> <p>As at the Latest Practicable Date the issued share capital of the Company was 267,037,282 Ordinary Shares (with 24,075,000 Ordinary Shares held in treasury). All of the existing issued Ordinary Shares are fully paid up.</p> <p>The number of New Ordinary Shares to be issued pursuant to the Scheme will be calculated by reference to the FAV per ADIGT Share and FAV per AUKT Share which will be calculated on the Calculation Date. The cash exit offered to AUKT Shareholders as part of the Scheme will be limited to 60 per cent. of the AUKT Cash NAV, therefore the minimum rollover of AUKT Shareholders to the Company will be equal to approximately 40 per cent. of the AUKT net assets as at the Calculation Date.</p> <p>For illustrative purposes only, on the assumption that all AUKT Shareholders elect for the Rollover Option and no Existing Shareholders tender their Ordinary Shares pursuant to the Tender Offer, had the Calculation Date been 28 February 2017 (being the Latest Practicable Date), the FAV per AUKT Share would have been 365.8466 pence and the FAV per ADIGT Share would have been 121.7582 pence. This would have resulted in the issue of 3.0046978355 New Ordinary Shares for each AUKT Share in respect of which an Election is made (or deemed to have been made) to roll over into the Company under the Scheme and the Company would issue approximately 293.6 million New Ordinary Shares in connection with the Scheme.</p> <p>On the assumption that no AUKT Shareholders elect for the Rollover Option (subject to the 60 per cent. cash exit limit and excess Elections being scaled back into the Rollover Option) and 20 per cent. of the Ordinary Shares in issue are repurchased pursuant to the Tender Offer, had the Calculation Date been 28 February 2017 (being the Latest Practicable Date), the FAV per AUKT Share would have been 379.9222 pence and the FAV per ADIGT Share would have been 123.0126 pence. This would have resulted in the issue of 3.0884819929 New Ordinary Shares for each AUKT Share in respect of which an Election is made (or deemed to have been made) to roll over into the Company under the Scheme and</p>

	the Company would issue approximately 120.7 million New Ordinary Shares in connection with the Scheme.
C.4	<p>Rights attaching to the Ordinary Shares</p> <p><i>Dividends</i></p> <p>The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares. On 23 February 2017, the Board declared the first interim dividend for the year ended 30 September 2017 in respect of the period from 1 October 2016 to 31 December 2016 payable on 24 March 2017. In addition, the Board expects to declare a further dividend in respect of the period from 1 January 2017 to the Effective Date prior to implementing the Scheme. The New Ordinary Shares will not carry an entitlement to receive these interim dividends but will rank equally with the existing Ordinary Shares for future dividends.</p> <p><i>Capital</i></p> <p>The holders of Ordinary Shares shall be entitled to all of the Company's net assets on a winding up.</p> <p><i>Voting rights</i></p> <p>The Ordinary Shares carry the right to receive notice of, attend and vote at general meetings of the Company. At any general meeting, holders of Ordinary Shares on a show of hands shall have one vote, every proxy appointed by a holder of Ordinary Shares on a show of hands will have one vote and every holder of Ordinary Shares present in person or by proxy on a poll has one vote for every Ordinary Share held.</p> <p><i>Continuation vote</i></p> <p>It is proposed that at the ADIGT General Meeting, the Articles will be amended to provide for a continuation vote at the annual general meeting to be held in 2020 and annually thereafter.</p> <p><i>Variation of rights</i></p> <p>The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares.</p>
C.5	<p>Restrictions on the free transferability of the Ordinary Shares</p> <p>There are no restrictions on the free transferability of the Ordinary Shares subject to compliance with applicable US securities laws.</p>
C.6	<p>Admission</p> <p>Applications will be made to the UK Listing Authority and to the London Stock Exchange for all of the New Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the Main Market. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares will commence on 10 April 2017.</p>
C.7	<p>Dividend policy</p> <p>The Company's current dividend policy is to continue to pay dividends at least at the current level and to grow the dividend at least in line with inflation. The Board expected that the Company's investment strategy would have provided an attractive level of income which would have enabled the Company to pay dividends at the current level of 6.54 pence per Ordinary Share per annum and to grow the dividend at least in line with inflation. However, there has been a significant change in market conditions leading to increased volatility in the equity markets and an overall decline</p>

	<p>in the yield of many investments, notably instruments issued by governments (including gilts). As part of its strategic review the Board considered these changes in market circumstances, together with the resultant increased risk to capital of continuing the current dividend level (6.54 pence per Ordinary Share for the year ended 30 September 2016). The Board concluded that the Company's dividend policy required amendment.</p> <p>The intention is that the quarterly dividends will be reduced by an amount equivalent to an annualised cut in the dividend level of approximately 20 per cent. Had this 20 per cent. cut been applied to the 2016 full year dividend of 6.54 pence per Ordinary Share this would have resulted in a dividend payment of 5.23 pence per Ordinary Share, a yield of 4.6 per cent. based on the closing share price of 113.25 pence per Ordinary Share on 28 February 2017.</p> <p>The Board believes that the rebasing of the dividend policy together with the proposed amendments to the investment policy, will (if approved by Existing Shareholders and implemented) allow the Company to pay an attractive dividend consistent with the underlying portfolio yield and that this still represents an attractive yield for Shareholders in the current environment.</p> <p>As a result of the timing of the payment of the Company's quarterly dividends, the Company's shareholders are unable to approve a final dividend each year. In line with good corporate governance, the Board therefore proposes to put the Company's dividend policy to Shareholders for approval on an annual basis at the Company's annual general meeting. The Company's dividend policy shall be that dividends on the Ordinary Shares are payable quarterly in relation to periods ending March, June, September and December. It is intended that the Company will pay quarterly dividends consistent with the expected annual underlying portfolio yield. The Company has the flexibility in accordance with its Articles to make distributions from capital.</p> <p>The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares. On 23 February 2017, the Board declared the first interim dividend of 1.635 pence per Ordinary Share for the year ended 30 September 2017 in respect of the period from 1 October 2016 to 31 December 2016 payable on 24 March 2017. In addition the Board expects to declare a further dividend in respect of the period from 1 January 2017 to the Effective Date prior to implementing the Scheme. The New Ordinary Shares will not carry an entitlement to receive these interim dividends but will rank equally with the existing Ordinary Shares for future dividends.</p>
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Section D – Risks

Element	Disclosure
D.1.	<p>Key information on the key risks that are specific to the Company or its industry</p> <p>The key risk factors relating to the Company and its industry which are known to the Directors are as follows:</p> <ul style="list-style-type: none"> • The Scheme may not be approved by AUKT Shareholders or the issue of New Ordinary Shares pursuant to the Issue may not be approved by Shareholders. This could have an adverse impact on the Company's net asset value and the profits that are available for distribution. • The Company has no employees and is reliant on the performance of third party service providers. Failure by any service provider to carry out its

	<p>obligations to the Company could have a materially detrimental effect on the Company.</p> <ul style="list-style-type: none"> • The departure of some or all of the Manager's investment professionals, or the termination of the Management Agreement and a failure to replace the Manager with a suitable replacement, could prevent the Company from achieving its current or amended investment objective which may affect the returns to Shareholders. • The AIFM, the Manager and their affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In addition, the Company may invest in funds operated by Aberdeen in relation to which the AIFM and/or the Manager may provide services. • There can be no guarantee that the current or amended investment objective of the Company will be achieved and that any dividends will be paid in respect of any financial year or period. • Investor returns are dependent on the performance of the portfolio which may be affected by general market conditions. • Changes in laws or regulations governing the Company's operations may adversely affect the Company's business, including through the increased expense that may be incurred in complying with such laws and regulations. • The due diligence process that the Manager undertakes in connection with the Company's investments may not reveal all facts that may be relevant in connection with an investment. Any failure by the Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the Company's profitability, income, Net Asset Value and share price. • The Company has and expects to continue to borrow money for investment purposes, which exposes the Company to risks associated with borrowings. • The Company may use derivative instruments which are subject to risks including credit risk and the risk of settlement default. • A proportion of the Company's assets are and are expected to continue to be denominated in currencies other than Sterling. The Manager typically hedges undesired currency exposures but where exposures are unhedged movements in exchange rates may affect the Sterling value of these assets favourably or unfavourably. • The Company may invest in illiquid securities. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. • The Company may invest in fixed interest asset classes which are subject to risks including interest rate and credit risk, which may expose investors to a higher risk of loss. • As a global portfolio, the Company's portfolio may include a weighting to emerging markets which tend to be less stable than more established markets and can be affected by local political and economic conditions, reliability of trading systems, buying and selling practices and financial reporting standards.
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	<ul style="list-style-type: none"> Legislation or practice generally could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.
D.3	<p>Key information on the key risks that are specific to the Ordinary Shares</p> <p>The key risk factors relating to the Ordinary Shares which are known to the Directors are as follows:</p> <ul style="list-style-type: none"> The value of the Ordinary Shares and the income derived from those shares (if any) can fluctuate and may go down as well as up. Accordingly, investors may not be able to realise the amount originally invested. It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares. Shareholders may not be able to realise their investment at a time of their choosing or at all. On the Proposals becoming effective, each current Shareholder's proportion of the total voting rights in the capital of the Company will be diluted. The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of their underlying net asset value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented.

Section E – Offer

<i>Element</i>	<i>Disclosure</i>
E.1	<p>Proceeds and expenses of the Issue</p> <p>The New Ordinary Shares are only being issued pursuant to the Issue to qualifying AUKT Shareholders who have elected (or who are deemed to have elected) for the Rollover Option. Under the terms of the Scheme the Company will acquire that part of the assets and undertakings of AUKT which represents the interests of AUKT Shareholders who elect (or are deemed to elect) for such option. The assets to be transferred to the Company are expected to comprise cash.</p> <p>The number of New Ordinary Shares to be issued pursuant to the Scheme will be calculated on the Calculation Date. The Company will announce, through a Regulatory Information Service, the number of New Ordinary Shares to be issued, the FAV per ADIGT Share (being the issue price of the New Ordinary Shares) and the FAV per AUKT Share as soon as practicable after the Calculation Date.</p> <p>The AIFM has agreed to make a contribution of £849,211 to the Company in relation to the costs the Company has or will incur in implementing the Scheme. The costs and expenses of the Issue payable by the Company net of the contribution from the AIFM are expected to be nil. In addition, the Company has agreed with the AIFM that no management fees will be paid for the transitional period from the date of appointment until the implementation of the Scheme and for a period of six months following the implementation of the Scheme (or if the Scheme is not implemented for whatever reason for a period of six months from 7 April 2017).</p> <p>If the Proposals are not implemented the aggregated costs and expenses incurred by the Company to be borne by Existing Shareholders are expected to be nil after taking into account the cost contribution from the AIFM.</p>

E.2a	<p>Reasons for the Issue, use of proceeds and estimated net amount of proceeds.</p> <p>The New Ordinary Shares are only being issued pursuant to the Issue to qualifying AUKT Shareholders. In consideration for the issue of New Ordinary Shares, the Company will acquire cash from AUKT which represents the interests of qualifying AUKT Shareholders who elect (or are deemed to have elected) for the Rollover Option. The Company will use the net cash to acquire investments in accordance with the Company's new investment policy.</p> <p>As at the Latest Practicable Date, AUKT had unaudited net assets of approximately £358.4 million.</p> <p>Taking into account the costs of the Proposals (for both AUKT and the Company) and on the assumption that all AUKT Shareholders elect for the Rollover Option and no Existing Shareholders tender their Ordinary Shares pursuant to the Tender Offer, had the Issue occurred on the Latest Practicable Date, the consideration for the Issue would be approximately £357.5 million.</p> <p>Taking into account the costs of the Proposals (for both AUKT and the Company) and on the assumption that no AUKT Shareholders elect for the Rollover Option (subject to the 60 per cent. cash exit limit and excess Elections being scaled back into the Rollover Option) and all Existing Shareholders tender their basic entitlement of Ordinary Shares pursuant to the Tender Offer, had the Issue occurred on the Latest Practicable Date, the consideration for the Issue would be approximately £148.5 million.</p>
E.3	<p>Terms and conditions of the Issue</p> <p>The New Ordinary Shares are only being issued pursuant to the Issue.</p> <p>The Issue is conditional upon, <i>inter alia</i>: (i) the passing of the resolutions to approve the Scheme at the two general meetings of AUKT Shareholders and the Scheme becoming unconditional; (ii) the passing of the Resolutions at the ADIGT General Meeting; (iii) admission of the New Ordinary Shares to the Official List with a premium listing and to the Main Market; (iv) the Sponsor Agreement becoming unconditional in all respects (save for Admission) and (v) the directors of AUKT and the Company resolving to proceed with the Scheme and the Issue respectively.</p> <p>If the Scheme does not become effective the Issue will not proceed.</p>
E.4	<p>Material interests</p> <p>Not applicable. Other than those described in B.6 there are no interests that are material to the Issue and no conflicting interests.</p>
E.5	<p>Name of person selling securities</p> <p>Not applicable. No person or entity is offering to sell Ordinary Shares as part of the Issue.</p>
E.6.	<p>Dilution</p> <p>The number of New Ordinary Shares to be issued pursuant to the Issue will not be known until the Calculation Date. Existing Shareholders in the Company (who do not hold AUKT Shares) are not able to participate in the Issue. Therefore. Existing Shareholders will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Ordinary Shares issued under the Issue (as adjusted for any reduction in the issued share capital pursuant to the Tender Offer).</p>

	<p>The number of New Ordinary Shares to be issued pursuant to the Scheme will be calculated by reference to the FAV per ADIGT Share and the FAV per AUKT Share which will be calculated on the Calculation Date.</p> <p>For illustrative purposes only, on the assumption that all AUKT Shareholders elect for the Rollover Option and no Existing Shareholders tender their Ordinary Shares pursuant to the Tender Offer, had the Calculation Date been 28 February 2017 (being the Latest Practicable Date), the FAV per AUKT Share would have been 365.8466 pence and the FAV per ADIGT Share would have been 121.7582 pence. This would have resulted in the issue of 3.0046978355 New Ordinary Shares for each AUKT Share in respect of which an Election is made (or deemed to have been made) to roll over into the Company under the Scheme and the Company would issue approximately 293.6 million New Ordinary Shares in connection with the Scheme. Existing Shareholders who do not hold AUKT Shares would suffer dilution of approximately 52 per cent. to their existing percentage holdings.</p> <p>On the assumption that no AUKT Shareholders elect for the Rollover Option (subject to the 60 per cent. cash exit limit and excess elections being scaled back into the Rollover Option) and 20 per cent. of the Ordinary Shares in issue are repurchased pursuant to the Tender Offer, had the Calculation Date been 28 February 2017 (being the Latest Practicable Date), the FAV per AUKT Share would have been 379.9222 pence and the FAV per ADIGT Share would have been 123.0126 pence. This would have resulted in the issue of 3.0884819929 New Ordinary Shares for each AUKT Share in respect of which an Election is made (or deemed to have been made) to roll over into the Company under the Scheme and the Company would issue approximately 120.7 million New Ordinary Shares in connection with the Scheme. Existing Shareholders who do not hold AUKT Shares would suffer dilution of approximately 20 per cent. to their existing percentage holdings, assuming the holder did not tender any Ordinary Shares.</p>
E.7	<p>Estimated expenses charged to the investor by the issuer</p> <p>The AIFM has agreed to make a contribution of £849,211 to the Company in relation to the costs the Company has or will incur in implementing the Scheme. The costs and expenses of the Issue payable by the Company net of the contribution from the AIFM are expected to be nil. In addition, the Company has agreed with the AIFM that no management fees will be paid for the transitional period from the date of appointment until the implementation of the Scheme and for a period of six months following the implementation of the Scheme (or if the Scheme is not implemented for whatever reason for a period of six months from 7 April 2017).</p> <p>If the Proposals are not implemented, the aggregate costs and expenses incurred by the Company to be borne by Existing Shareholders are expected to be nil (including VAT) after taking into account the cost contribution from the AIFM.</p>

RISK FACTORS

Investment in the Company is subject to a number of risks, including but not limited to the risks in relation to the Company and the Ordinary Shares referred to below. If any of the risks referred to below were to occur, the financial position and prospects of the Company could be materially and adversely affected. If that were to occur, the trading price of the Ordinary Shares and/or their Net Asset Value and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the New Ordinary Shares summarised in the Summary are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the New Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the key risks summarised in the Summary but also, among other things, the risks and uncertainties described below.

The Directors believe that the risks described below are the material risks relating to the Ordinary Shares as at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Ordinary Shares.

The past performance of the Company and of investments which are referred to in this document are for information or illustrative purposes only and should not be interpreted as an indication, or as a guarantee, of future performance.

Risks relating to the Company

The Company may not meet its proposed investment objectives

The Company may not achieve its proposed investment objectives. Meeting those objectives is a target but the existence of such objectives should not be considered as an assurance or guarantee that they can or will be met.

There is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of dividends earned from the portfolio and the distributable reserves available for that purpose. Income returns from the portfolio will be dependent, among other things, upon the Company successfully pursuing its investment policy.

An investor may not get back the amount originally invested. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

Existing Shareholder approval of amended investment objective and policy may not be received

The implementation of the proposed investment objective and policy is subject to Existing Shareholder approval at the ADIGT General Meeting which may not be granted. In the event that the relevant resolution is not passed then the AIFM and the Manager will continue to manage the Company under the existing investment and policy while the Board considers the future of the Company.

Investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its operating results

Investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment in the New Ordinary Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's operating expenses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Ordinary Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

The portfolio is actively managed and does not seek to track a benchmark and, although sector concentration and thematic characteristics of the portfolio are carefully monitored, there are no maximum limits to deviation from benchmark stock or sector weights. Accordingly, the portfolio of investments held by the Company is unlikely to mirror the stock and sector weightings of any benchmark which may lead to the Ordinary Shares failing to follow either the direction or extent of any moves in the financial markets generally which may or may not be to the advantage of Shareholders.

The effects of normal market fluctuations may impact the Company's business, operating results or financial condition

These are factors which are outside the Company's control and which may affect the volatility of underlying asset values and the liquidity and the value of the Company's portfolio. Changes in economic conditions globally (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) could substantially and adversely affect the Company's prospects.

The Company may invest in fixed interest asset classes which are subject to risks including interest rate and credit risk, which may expose investors to a higher risk of loss. A wide range of factors could adversely affect the ability of counterparties to make interest or other payments on those fixed income assets; all or any of these factors could adversely affect the value of the Company's investments and therefore the performance of the Company itself.

The Company may invest in loans

In the event of any default on the Company's investments by a counterparty, the Company will bear a risk of loss of principal and accrued interest of the investment, which could have a material adverse effect on the Company's income and potential to pay dividends to Shareholders. In the case of secured loans, foreclosure can be an expensive and lengthy process which could have a material negative effect on the Company's anticipated return on the foreclosed loan and consequently could adversely affect the performance of the Company.

The Company has no employees and is reliant on the performance of third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Proposed Directors will also be appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, the recently appointed AIFM and Manager, the Depositary and the Registrar perform services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations

to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

The past performance of other investments managed or advised by the Manager or the Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company.

Changes in laws or regulations governing the Company's operations may adversely affect the Company's business

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies, including the Prospectus Directive and the Market Abuse Regulation. The Company must comply with the Listing Rules for premium listed equity securities and the Disclosure Guidance and Transparency Rules and so far as the Company is aware, as at the date of this document, the Company complies with the Listing Rules. Any failure in future to comply with any future changes to the Listing Rules may result in the Ordinary Shares being suspended from listing. Any material changes to these laws or regulations could adversely affect the Company or its ability to operate in accordance with any such changed requirements and therefore adversely affect the returns that Shareholders may receive from the Company.

Any change in the law and regulation affecting the Company or the underlying assets may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy. Any such restriction on the Company's operations could have a material adverse effect on the performance of the Company and the value of the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

Risks relating to the UK's proposed exit from the European Union

The Company could face potential uncertainty as a result of the UK referendum to leave the European Union and the UK Government's stated intention to trigger Article 50 of the Treaty on the European Union in early 2017. The exit, anticipation of the exit or the terms of the exit could create UK (and potentially global) stock market uncertainty, which may have a material effect on the total Shareholder returns, the Net Asset Value and the price of the Ordinary Shares favourably or unfavourably.

The UK leaving the European Union may also make it more difficult to raise capital in the EU and/or increase the regulatory compliance burden on the Company. This could restrict the Company's future activities and thereby negatively affect returns.

The Company's assets will be subject to currency risk

A proportion of the Company's assets are and are expected to continue to be denominated in currencies other than Sterling. As a result, movements in exchange rates may affect the Sterling value of these assets favourably or unfavourably. The Manager typically hedges undesired currency exposures. There can be no assurances or guarantees that the Company will successfully hedge against such risks or that adequate hedging arrangements will be available on an economically viable basis. Inadequate hedging arrangements may result in additional costs being incurred or losses being greater than if hedging had not been used.

The Company's investment strategy will involve the use of leverage, which exposes the Company to risks associated with borrowings

The Company does and expects to continue to use borrowings to seek to enhance investment returns. While the use of borrowings should be expected to enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it should be expected to have the opposite effect where the return on the

Company's underlying assets is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of an Ordinary Share). Any reduction in the number of Ordinary Shares in issue (for example, as a result of buy backs) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

The Company has in issue £60 million 6.25 per cent. Bonds 2031 which are secured by a floating charge over all of the assets of the Company. The Company is subject to certain covenants and restrictions in respect of the Bonds and any reduction in the value of the Company's investments or reduction in the number of Ordinary Shares will impact such covenants. Early repayment of the Bonds is subject to a Spens penalty clause (being a 'make whole' penalty cost), the timing and payment of which could impact adversely on the Company's Net Asset Value. As the Company values the debt on both a market value and a fair value basis this can lead to significant differences in the Net Asset Value (debt at market value) and the Net Asset Value (debt at fair value) which are published by the Company.

Risks relating to the automatic exchange of information (AEOI) obligations

To the extent that the Company may be a Reporting Financial Institution under FATCA and/or the Common Reporting Standard, it may require Shareholders to provide it with certain information in order to comply with its AEOI obligations which information may be provided to the UK tax authorities who may in turn exchange that information with certain other tax authorities.

Risks relating to the AIFM and the Manager

The departure of the Manager's investment professionals could prevent the Company from achieving its investment objectives

The Company depends on the diligence, skill, judgment and business contacts of the Manager's investment professionals and their ability to successfully implement the investment policy. The Company's future success depends on the continued service of appropriately qualified individuals (who are not obligated to remain employed with the Manager) and the Manager's ability to strategically recruit, retain and motivate new talented personnel.

The AIFM, the Manager and their affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company

The AIFM, the Manager and their affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the AIFM and the Manager manage funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company. The AIFM and the Manager may provide services to certain in-house funds into which, subject to Board approval, the Company may invest, which may give rise to a conflict of interest.

The AIFM, the Manager and their affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest. The AIFM, the Manager

and their affiliates also provide management services to other clients, including other collective investment vehicles. The AIFM, the Manager and their affiliates may give advice and recommend investments to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

Risks relating to the Company's portfolio

Reliance on the Manager's due diligence processes

Before making investments, the Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Where appropriate the Manager will seek Board approval for certain investments. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

Any failure by the Manager to identify relevant facts through its due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the Company's profitability, Net Asset Value and share price.

The Company may make use of derivative instruments

The Company may make use of derivative instruments, such as options, financial futures and contracts for difference, for the purposes of efficient portfolio management and hedging as well as income enhancing strategies and for the management of risk within limits set by the Directors. The use of derivatives gives rise to a number of specific potential risks. Derivative instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract or the underlying securities may result in a profit or loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

Furthermore, the use of derivative instruments involves certain special risks for a company, including:

- (i) dependence on movements in the price of underlying securities and movements in interest rates;
- (ii) when used for hedging purposes, an imperfect correlation between the returns on the derivative instruments used for hedging and the returns on the investments or market sectors being hedged; and
- (iii) credit exposure to the counterparty with whom it trades.

Counterparty risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

The Company may invest in unquoted investments (including through closed ended funds)

The Company may invest in unquoted investments (whether directly or indirectly through closed ended funds with underlying unquoted assets). These investments may not have readily ascertainable market prices and may have reported valuations that differ from their true and actual realisable value. Valuations can be subject to significant fluctuations. Some investee companies

may not have ongoing valuations provided by third parties. The Manager's investment recommendations are based on analysis and valuations which may be materially inaccurate. In addition, the Manager may have to rely on old valuations in its due diligence process.

If values realised for underlying investments made by such investee companies are materially different from those values contained in reported valuations for such companies, there is a risk that investors may be carrying their investment in their books at an incorrect value and the price at which they buy and sell ordinary shares in such companies in the secondary market may not reflect the true value of such ordinary shares. As the Company is expected to be an investor in such companies this may impact the Net Asset Value of the Company.

The Company may invest in other investment funds

The Company may make investments in other quoted or unquoted vehicles for collective investment. The Company is unlikely to be able to influence significantly, or at all, the management of those vehicles. The Company is, therefore, reliant upon the skills of the investment managers of the funds in which it invests and may not be in a position to remove any such manager or to exit its investment in the event of under performance by those funds and/or managers.

The Company may invest in illiquid investments

The Company will invest in alternative diversifying assets including, but not limited to, high yield bonds and loans, emerging market debt, alternative financing, asset backed securities, property, social, economic, regulated and renewable infrastructure, commodities, absolute return investments, insurance linked, farmland and aircraft leasing. Investments in such assets (whether directly or indirectly through closed ended funds with underlying illiquid assets) are relatively illiquid and may not be able to be transferred within a reasonable timeframe or at all. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. The structure of certain illiquid investments, for example, through limited partnerships may restrict the Company's ability to control the investment while it remains invested. This could have an adverse effect on the Company's financial condition and results of operations as it could reduce the Company's profits and proceeds realised from such investment.

The Company may include weightings to emerging markets

As a global portfolio, the Company's portfolio may include weightings to emerging markets which tend to be less stable than more established markets and can be affected by local political and economic conditions, reliability of trading systems, buying and selling practices and financial reporting standards.

The concentration of the Company's portfolio

The Company has not set maximum or minimum exposures for any geographical regions or sectors and aims to achieve an appropriate spread of risk by investing in a diversified portfolio of securities and other assets. Subject to Shareholder approval of the amended investment objective and policy it is expected that up to 35 per cent. of the Company's total assets may be invested in the UCITS Fund. The focus of the portfolio on specific regions or sectors may present more risks than if the portfolio were broadly diversified over numerous regions or sectors.

Risks relating to taxation and regulation

The Company may lose investment trust status

The Directors seek to conduct the affairs of the Company so as to satisfy the conditions of approval as an investment trust. Any change in the Company's tax status or in taxation legislation generally could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, lead the Company to lose its exemption from tax on chargeable gains or alter the post-tax returns to Shareholders. It is not possible to guarantee that the Company

will remain non-close, which is a requirement in order to maintain status as an investment trust, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust, will, as soon as reasonably practicable, notify Shareholders of this fact.

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company. Representations in this document concerning the taxation of investors or prospective investors in Ordinary Shares are based upon current tax law and practice, each of which is in principle subject to change. The value of particular tax reliefs and allowances, if available, will depend on each individual Shareholder's circumstances. This document is not a substitute for independent tax advice.

The Company has not registered and will not register as an investment company under the U.S. Investment Company Act

The Company will seek to qualify for an exemption from the definition of "investment company" under the U.S. Investment Company Act and will not register as an investment company in the United States under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Company or its investors.

The Company's assets could be deemed "plan assets" that are subject to the requirements of ERISA and/or Section 4975 of the U.S. Code

The purchase of Ordinary Shares by an employee benefit plan subject to ERISA, or Section 4975 of the U.S. Code or by any entity whose assets are treated as assets of any such plan, could result in the assets of the Company being considered plan assets for the purposes of ERISA, and/or Section 4975 of the U.S. Code and regulations made thereunder. In such circumstances the Company, the AIFM, the Manager, and also the fiduciaries of such an employee benefit plan could be liable for any ERISA violations by the Company, the AIFM, the Manager and for other adverse consequences under ERISA. The Directors are also empowered by the Articles to require Shareholders, which they consider may because of their shareholding result in the assets of the Company being considered plan assets, to transfer their Ordinary Shares in order to reduce this risk materialising.

U.S. tax legislation may in the future impose a withholding tax on certain payments received by the Company unless the Company reports certain information about its Shareholders to the IRS

The US-UK Agreement to Improve International Tax Compliance and to Implement FATCA (the "**US-UK IGA**") was entered into with the intention of enabling the UK implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act ("**FATCA**"), which impose a new reporting regime and potentially a 30 per cent. withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a "**foreign financial institution**" or "**FFI**") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("**reporting financial institutions**") are required to provide certain information about their US account holders to HMRC (which information will in turn be provided to the US tax authority) pursuant to UK regulations implementing the US-UK IGA. It is expected that the Company will constitute a reporting financial institution for these purposes. The Company will not, however, generally need to report any information in respect of US Shareholders on the basis that the Ordinary Shares are expected to be treated as being regularly traded on an established securities market and should not, therefore, constitute financial accounts for FATCA purposes for so long as the Ordinary Shares are listed on the London Stock Exchange. It is the intention of the

Company and the Manager to procure that the Company is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-UK IGA. No assurance can, however, be provided that the Company will be able to comply with FATCA and, in the event that it is unable to do so, a 30 per cent. withholding tax may be imposed on payments the Company receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to the Company to make payments to Shareholders.

Risks relating to the Ordinary Shares

The value of an Ordinary Share may go up as well as down and the Ordinary Shares may trade at a discount to their underlying Net Asset Value

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of an Ordinary Share may vary considerably from its NAV.

The Board monitors the level of the discount at which the Ordinary Shares trade and intends to operate a discount management policy by buying back Ordinary Shares when deemed to be in the best interests of Shareholders as a whole taking into account market conditions, prevailing gearing levels and the composition of the Company's portfolio. The ability of the Company to control the level of discount will depend on the Company being able to buy back Ordinary Shares, which will be dependent upon Shareholders in general meeting conferring authority on the Board to buy back Ordinary Shares. The Board will seek renewal of these authorities from Shareholders annually and at other times should this prove necessary. However, there can be no guarantee that the requisite Shareholder approvals will be obtained.

The ability of the Company to buy back Ordinary Shares will be subject to the Companies Act and all other applicable legislation, rules and regulations of any government, regulatory body or market applicable to the Directors or the Company and, in particular, will be dependent on the availability of distributable reserves.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission to trading on the Main Market of the London Stock Exchange should not be taken as implying that there will be a liquid market for the Ordinary Shares. The market price of the Ordinary Shares may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors to so act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares on the market. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

Risks relating to the Proposals

The Proposals may not receive Existing Shareholder or AUKT Shareholder support and therefore may not become effective

Implementation of the Proposals is subject to a number of conditions and there is no certainty that the Proposals will become effective.

If the amended investment objective and policy is not approved by Existing Shareholders the Company will remain invested in accordance with its current investment policy whilst it consults with Shareholders regarding the future of the Company. Throughout that consultation process, the Company will continue to be managed by the AIFM under the Company's current investment policy and although there will not be an opportunity to exit the Company via the Tender Offer, the dividend will still be cut as the Board considers that it is currently unsustainable (for the reasons described on page 13 and 42). The Proposed Directors will not join the Board.

Risks relating to the calculation of the Net Asset Values for the purposes of the Scheme

New Ordinary Shares will be issued to AUKT Shareholders who elect to receive such shares on the basis of the value of the assets of both the Company and AUKT on 4 April 2017, the Calculation Date, and the relevant assets are expected to be transferred on 6 April 2017, the Effective Date, or as soon as possible thereafter. Movements in the value of those assets during the intervening period may have a positive or negative effect on the value of the entitlements of investors.

IMPORTANT NOTICES

General

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any New Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

AUKT Shareholders should not treat the contents of this document as advice relating to legal, taxation, investment, or any other matters. AUKT Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the election to acquire, holding, transfer, or other disposal of New Ordinary Shares; (b) any foreign exchange restrictions applicable to the election to acquire, holding, transfer, redemption or other disposal of New Ordinary Shares which they might encounter; and (c) the tax consequences which may apply in their own countries as a result of the election to acquire, holding, transfer or other disposal of New Ordinary Shares. AUKT Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Data protection

The information that an AUKT Shareholder provides in relation to the issue of New Ordinary Shares or subsequently by whatever means which relates to the prospective shareholder (if it is an individual) will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each Shareholder acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator for the following purposes:

- verifying the identity of the Shareholder to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the Shareholder with information about other products and services provided by the Manager and/or the AIFM, or its affiliates, which may be of interest to the Shareholder;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each AUKT Shareholder acknowledges and consents that, where appropriate, it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to them; and

- transfer personal data outside of the EEA States to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) and/or the Administrator discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Shareholders are responsible for informing any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Presentation of information

Performance data

Without limitation, results can be positively or negatively affected by market conditions beyond the control of the AIFM or Manager, which market conditions may be different in many respects from those that prevail at present or in the future, including (without limitation) with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

No representation is being made by the inclusion of the investment examples and strategies or illustrative portfolio information presented herein that the Company will achieve performance similar to the investment examples and strategies herein or avoid loss. There can be no assurance that the investment examples and strategies described herein will meet their objectives generally, or avoid losses. Past performance, in particular the past performance of the AIFM, the Manager or the Aberdeen Diversified Multi-Asset Team, is no guarantee of future results. An investment in the Company involves a significant degree of risk.

Market, economic and industry data

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company, the Directors and the Proposed Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this document to “**GBP**”, “**£**” or “**pence**” are to the lawful currency of the UK.

Definitions

A list of defined terms used in this document is set out at the end of this document.

Governing law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Website

The content of the Aberdeen Group’s website insofar as it relates to the Company or the website maintained on behalf of the Company, do not form part of this document. AUKT Shareholders should base their decision on whether or not to invest in New Ordinary Shares on the contents of this document alone.

Forward-looking statements

This document contains forward-looking statements including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, “aims” or “should” or, in each case, their negative or other variation or similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, AUKT Shareholders are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document or the Latest Practicable Date (as applicable). Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect changes in expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based, unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part 5 of this document.

Overseas investors

If you receive a copy of this document in any territory other than the United Kingdom, or subject to the below, the Isle of Man or the Channel Islands, you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom, the Isle of Man or the Channel Islands to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your receipt of Ordinary Shares, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

Without limiting the above, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, the Republic of South Africa, Japan or in the United States or any other Restricted Territory or to any US Person except in reliance on, or in a transaction not subject to, the registration requirements under the US Securities Act or other relevant legislation.

Selling restrictions

Save for the United Kingdom and Ireland, no action has been taken or will be taken in any jurisdiction by the Company that would permit the offering of New Ordinary Shares pursuant to the Scheme in any jurisdiction where action for that purpose is required. Similarly, no action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. Accordingly, the distribution of this document and the issue of New Ordinary Shares in jurisdictions other than the UK may be restricted.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to roll over into New Ordinary Shares by any person:

- in any jurisdiction in which such offer or invitation is not authorised;
- in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or
- to any person to whom it is unlawful to make such offer or invitation.

The information in this section is for general guidance only and it is the responsibility of any person in possession of this document to inform themselves about and observe any restrictions as to issue of New Ordinary Shares and the distribution of this document under the laws and regulations of

any relevant jurisdiction outside the UK in connection with the acquisition of any New Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Any failure to comply with any such restrictions may constitute a violation of the securities laws of the jurisdiction concerned.

Information for Irish investors

The distribution of this document and offering or purchase of New Ordinary Shares pursuant to the Scheme is restricted to the individual to whom this document is addressed. Accordingly, it may not be reproduced in whole or in part, nor may its contents be distributed in writing or orally to any third party and it may only be read solely by the person to whom it is addressed and his/her professional advisers. New Ordinary Shares must not be publicly marketed to professional investors in Ireland without notification being made and transmitted in accordance with Article 32 of the AIFMD. This notification has been made to or by the AIFM and the New Ordinary Shares of the Company may therefore be marketed to professional investors in Ireland. For the avoidance of doubt, this document has not been reviewed or approved by the Central Bank.

Information for investors in Guernsey

In accordance with guidance issued by the Guernsey Financial Services Commission, no regulatory approval or notification under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended has been obtained or made for the circulation of this document. Accordingly, the Issue may only be made in Guernsey where the offer is not an offer to the public and is circulated into Guernsey only to existing AUKT Shareholders.

The Issue referred to in this document and this document are not available in or from within the Bailiwick of Guernsey other than to persons noted above and must not be relied upon by any person unless made or received in accordance with that paragraph.

Information for investors in Jersey

Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this document. Accordingly, the Issue may only be made in Jersey where the offer is not an offer to the public or the offer is valid in the United Kingdom or Guernsey and is circulated into Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be.

Information for investors in the Isle of Man

The Issue is available, and is and may be made, in or from within the Isle of Man and this document is being provided in or from within the Isle of Man only to persons: (a) licensed under the Isle of Man Financial Services Act 2008; or (b) falling within exclusion 2(r) of the Isle of Man Regulated Activities Order 2011 (as amended); or (c) whose ordinary business activities involve them in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of their business.

The Issue referred to in this document and this document are not available in or from within the Isle of Man other than in accordance with the above and must not be relied upon by any person unless made or received in accordance with such paragraphs.

EXPECTED TIMETABLE

	2017
Record date for the ADIGT Tender Offer	5.00 p.m. on 7 March
Latest date and time for receipt of Forms of Proxy for the First General Meeting of AUKT	11.00 a.m. on 27 March
Latest date and time for receipt of Forms of Proxy and the Tender Forms for the ADIGT General Meeting and the Tender Offer	11.30 a.m. on 28 March
Record Date for Scheme	6.00 p.m. on 28 March
First General Meeting of AUKT	11.00 a.m. on 29 March
Annual General Meeting of the Company	10.30 a.m. on 30 March
General Meeting of the Company	11.30 a.m. on 30 March (or if later as soon as the Annual General Meeting has concluded)
Calculation Date for Scheme and ADIGT Tender Offer	5.00 p.m. on 4 April
Latest date and time for receipt of Forms of Proxy for the Second General Meeting of AUKT	11.00 a.m. on 4 April
Publication of the results of the Scheme, FAV per ADIGT Share and FAV per AUKT Share	6 April
Announcement of the results of the Tender Offer and Tender Offer Price	6 April
Second General Meeting of AUKT	11.00 a.m. on 6 April
Effective Date for the AUKT Scheme	6 April
Admission and dealings in New Ordinary Shares commence	8.00 a.m. on 10 April
CREST accounts credited to AUKT Shareholders in respect of New Ordinary Shares in uncertificated form	10 April
Certificates despatched by post in respect of New Ordinary Shares	week commencing 17 April

Notes:

1. The above times and/or dates may (where permitted by law) be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders and AUKT Shareholders by an announcement through a Regulatory Information Service.
2. All references to times in this document are to London time.
3. In this document, where the context requires, references to 28 February 2017 should be treated as being references to the latest practicable date prior to the publication of this document.

DEALING CODES

ISIN	GB0001297562
SEDOL	0129756
Ticker	ADIG
LEI	2138003QINEGCHYGW702

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	James Long (<i>Chairman</i>) Jim Grover Lynn Ruddick Ian Russell Julian Sinclair Jimmy West
Proposed Directors	Kevin Ingram Tom Challenor Paul Yates (<i>each being a current Director of AUKT</i>) The Directors and the Proposed Directors are all non-executive and of 7th Floor, 40 Princes Street, Edinburgh EH2 2BY
AIFM	Aberdeen Fund Managers Limited Bow Bells House 1 Bread Street London EC4M 9HH
Manager	Aberdeen Asset Managers Limited 10 Queen's Terrace Aberdeen AB10 1YG
Company Secretary	Aberdeen Asset Management PLC 10 Queen's Terrace Aberdeen AB10 1YG
Sponsor	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Legal Adviser to the Company	Dickson Minto W.S. 16 Charlotte Square Edinburgh EH2 4DF
Legal Adviser to the Sponsor	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Depository	BNY Mellon Trust & Depositary (UK) Limited BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA
Administrator	BNP Paribas Securities Services 10 Harewood Avenue Marylebone London NW1 6AA

**Reporting Accountant
and Auditor**

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Registrar

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

PART 1

THE COMPANY

Introduction

Aberdeen Diversified Income and Growth Trust plc (formerly BlackRock Income Strategies Trust plc) is an investment trust which was incorporated on 5 January 1898. The Company has one class of ordinary shares in issue which is listed on the premium segment of the Official List and traded on the Main Market.

Aberdeen Fund Managers Limited was appointed as alternative investment fund manager to the Company replacing BlackRock Fund Managers Limited with effect from 11 February 2017. The Manager is currently managing the Company's assets under the existing investment objective and policy on a transitional basis until the ADIGT General Meeting to be held on 30 March 2017 at which certain changes to the existing investment objective and policy will be proposed. The AIFM has delegated the day-to-day management of the Company's portfolio to Aberdeen Asset Managers Limited and the Aberdeen Diversified Multi-Asset Team.

The Aberdeen Diversified Multi-Asset Team consists of six multi-asset investment professionals, with substantial expertise across a very broad range of asset classes and a wealth of resources. The lead portfolio managers of the Company are Mike Brooks and Tony Foster. Mike Brooks is head of the Aberdeen Diversified Multi-Asset Team and is the co-lead manager of the Aberdeen Diversified Growth Fund. Mike has 22 years of investment experience. Tony Foster is a Senior Investment Manager in the Aberdeen Diversified Multi-Asset Team and has 28 years of investment experience.

Strategic review

Throughout August to October 2016 the board of ADIGT undertook a detailed review of the Company including its investment objective and policy, level of dividend, capital preservation and gearing. After the ADIGT Board reviewing a number of proposals from fund management groups and consulting with a number of ADIGT Shareholders, on 30 November 2016 the boards of ADIGT and Aberdeen UK Tracker Trust plc ("**AUKT**") announced details of recommended proposals to enlarge the Company by merging with AUKT which, subject to the satisfaction of a number of conditions, is to be effected by way of a scheme of reconstruction under section 110 of the Insolvency Act 1986 and voluntary winding up of AUKT. Under the Scheme the AUKT Shareholders are being offered the opportunity to elect to receive New Ordinary Shares issued by the Company and/or cash (with cash limited to 60 per cent. of the AUKT Cash NAV). In exchange for the issue of these New Ordinary Shares AUKT is expected to transfer cash to the Company under the Scheme.

In addition the board of ADIGT also announced its decision to recommend the appointment of Aberdeen Fund Managers Limited as the Company's investment manager and the following additional proposals to make the Company more attractive to new investors and existing Shareholders:

1. that the investment policy and strategy of the Company be amended to enable the portfolio to be diversified across a range of geographical regions, sectors and asset classes, including equity driven assets, alternative diversifying assets (including, but not limited to, high yield bonds and loans, emerging market debt, alternative financing, asset backed securities, property, social, economic, regulated and renewable infrastructure, commodities, absolute return investments, insurance linked, farmland and aircraft leasing) and low return assets such as gold, government bonds, investment grade credit and tail risk hedging. The Board is therefore proposing to amend its investment objective to target a total portfolio return of LIBOR plus 5.5 per cent. per annum (net of fees) over rolling five year periods;

2. that the dividend policy be revised to include a reduction in the current annual dividend level of approximately 20 per cent. and enable a sustainable dividend to be paid that recognises the current low yield environment; and
3. to offer Existing Shareholders the opportunity to tender their Ordinary Shares pursuant to a tender offer for up to 20 per cent. of the Ordinary Shares in issue at a tender price equal to NAV (cum income with debt at fair value) less 4 per cent. and the costs and expenses of the Tender Offer allocated *pro rata* between the tendered shares (including stamp duty, commission and portfolio realisation costs).

On 13 February 2017, the Company also announced that following further consultation with Existing Shareholders subject to normal market conditions, prevailing gearing level and the composition of the Company's portfolio, it intends to implement a discount control mechanism to maintain the Company's share price discount to net asset value (ex income, debt at fair value) at no wider than 5 per cent., by repurchasing Ordinary Shares in the market. In addition to this the Board has resolved to put forward a continuation vote to Shareholders at the annual general meeting in 2020 and at every annual general meeting thereafter.

The Proposals are subject to, *inter alia*, Existing Shareholders approval at the ADIGT General Meeting and the Scheme is also subject to the approval of the AUKT Shareholders at the AUKT General Meetings. Further details of the ADIGT General Meeting and the AUKT General Meetings are set out in the ADIGT Circular and AUKT Circular published on or around the date of this document. A copy of the AUKT Circular accompanies this document.

Aviva Investors Global Services Limited, as agent on behalf of its underlying clients, has discretionary management control over approximately 13.1 per cent. of the Ordinary Shares and approximately 24.6 per cent. of the AUKT Shares and has given the Company and AUKT each a non-legally binding letter of intent to vote in favour of any shareholder resolutions in connection with the Proposals, should it remain a Shareholder or AUKT Shareholder, as appropriate, at the time of the relevant shareholder general meetings.

1607 Capital Partners, LLC, as agent on behalf of its underlying clients, has discretionary management control over approximately 18.9 per cent. of the AUKT Shares and has given the Company and AUKT each a non-legally binding letter of intent to vote in favour of any shareholder resolutions in connection with the Proposals, should it remain an AUKT Shareholder at the time of the relevant shareholder general meetings.

The Board believes that the Proposals are in the best interests of both new investors and Existing Shareholders as they are expected to provide:

- access to an investment portfolio managed by the highly experienced Aberdeen Diversified Multi-Asset Team;
- an attractive overall investment proposition, offering exposure to a wide range of asset classes, which aims to deliver an above market target dividend yield and lower volatility than equity markets¹;
- increased assets, a reduction in the gearing ratio and increased liquidity in the Ordinary Shares as a result of the enhanced scale from the merger of the two companies²; and
- a discount control policy to maintain the discount to net asset value per Share (ex income, debt at fair value) at no wider than 5 per cent.

1 There is no guarantee that the Company will be able to pay the dividends referred to above or any dividends. The value of an Ordinary Share may go up as well as down.

2 Subject to the approval of the Scheme by Existing Shareholders at the ADIGT General Meeting and AUKT Shareholders at the AUKT General Meetings.

Proposed merger with Aberdeen UK Tracker Trust plc

The Scheme

As noted above, the Board is recommending that the assets of ADIGT be enlarged by way of a merger with AUKT.

Through the merger, the AUKT Shareholders will have the opportunity to gain exposure to a diversified multi-asset investment company which will be managed by Aberdeen. The AUKT Board is therefore recommending that AUKT Shareholders who want exposure to the Aberdeen Diversified Multi-Asset Team, roll over their shareholding in AUKT into the Company. The merger is to be effected by way of a scheme of reconstruction under section 110 of the Insolvency Act 1986 and a voluntary winding up of AUKT and is subject to the approval of AUKT Shareholders.

Under the terms of the Scheme, AUKT Shareholders may elect to receive New Ordinary Shares and/or cash. The Scheme will be effected on a formula asset value to formula asset value basis with each of the Company and AUKT bearing its own costs. The cash exit offered to AUKT Shareholders as part of the Scheme will be limited to 60 per cent. of the AUKT Cash NAV. AUKT is expected to transfer cash to the Company under the Scheme.

The issue of New Ordinary Shares to AUKT Shareholders pursuant to the Scheme is subject to Shareholder approval at the ADIGT General Meeting.

Aberdeen cost contribution

The AIFM has agreed to make a contribution of £849,211 to the Company in relation to the costs the Company has or will incur in implementing the Scheme. In addition, the Company has agreed with the AIFM that no management fees will be paid for the transitional period from the date of appointment until the implementation of the Scheme and for a period of six months following the implementation of the Scheme (or if the Scheme is not implemented for whatever reason for a period of six months from 7 April 2017) which will also be for the benefit of AUKT Shareholders who rollover into the Company. For the purposes of calculating entitlements under the Scheme the financial value of the cost contribution in relation to the costs the Company has or will incur in implementing the Scheme will be credited to the FAV per ADIGT Share.

Board Composition

The Board and directors of AUKT have considered the appropriate future composition of the Board following the merger with AUKT.

It has been agreed that the Board will comprise of seven directors: four directors from the current Board and three directors from the current AUKT Board. James Long will continue as Chairman and Kevin Ingram (current Chairman of AUKT) will become the Senior Independent Director of the Company. Tom Challenor and Paul Yates will also join the ADIGT Board from AUKT. Lynn Ruddick and Jimmy West will stand for re-election at the upcoming ADIGT AGM but they will retire from the ADIGT Board if the merger is approved by Existing Shareholders and AUKT Shareholders.

Aberdeen Fund Managers Limited

Aberdeen Fund Managers Limited, a member of the Aberdeen Asset Management Group, has been appointed as the alternative investment fund manager. The Aberdeen Asset Management Group currently has assets under management of approximately £302 billion with approximately £90 billion managed in multi-asset mandates. It has offices in 26 different countries and employs over 2,700 people worldwide. It manages 19 listed, UK closed-ended investment companies representing in total approximately £6.8 billion of assets under management (all figures as at 31 December 2016).

The Aberdeen Group has approximately £22 billion of client investments in alternative asset classes. Specialist teams focusing on private equity, social infrastructure, venture capital, hedge funds and real assets manage these investments including allocations to third party managers.

Aberdeen has been building its resources in these areas and now has over 90 staff working within these teams.

The Aberdeen Diversified Multi-Asset Team, comprising of the Lead Portfolio Managers, two additional portfolio managers and two investment analysts, manage approximately £567 million of assets in open-ended funds with broadly similar characteristics to the Company's mandate. The team's funds have been awarded positive investment ratings by a number of investment consultants in the UK corporate pensions market and as a result are seeing significant inflows from pension funds and other investors. This includes a £170 million mandate from a UK corporate pension sponsor.

Further details of Aberdeen, the Aberdeen Diversified Multi-Asset Team (including the Lead Portfolio Managers) and their track record are set out in Part 2 of this document.

The Management Agreement

In accordance with the terms of the Management Agreement, Aberdeen Fund Managers Limited has been appointed as the AIFM and the Company's portfolio is managed on a day-to-day basis by Aberdeen Asset Managers Limited and the Aberdeen's Diversified Multi-Asset Team. The Manager manages the Company's investments and portfolio in accordance with the Company's investment policy and other policies and restrictions agreed with the Board from time to time. Under the terms of the Management Agreement, the AIFM is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is calculated and payable monthly in arrears at the rate of: (i) 0.5 per cent. per annum of the first £300 million of the net assets of the Company; and (ii) 0.45 per cent. per annum of the net assets of the Company in excess of £300 million. Any investments made in Aberdeen funds investing directly in alternatives including, but not limited to, infrastructure and property will be charged at Aberdeen's lowest institutional rate. To avoid double charging such investments will be excluded however from the overall management fee calculation. The fees charged on any investment made in Aberdeen funds which do not invest in alternatives as noted above will be waived or rebated to the Company and these assets will be included for the purposes of calculating the overall management fee. The Company has agreed with the AIFM that no management fees will be paid for the transitional period from the date of appointment until the implementation of the Scheme and for a period of six months following the implementation of the Scheme (or if the Scheme is not implemented for whatever reason for a period of six months from 7 April 2017).

The Management Agreement is terminable by either party by six months prior written notice subject to an initial term of two years. Further details of the Management Agreement are set out in paragraph 8.3 of Part 7 of this document.

Current and proposed investment objective and policy

The Company's current investment objective is, over the medium term (5 to 7 years), to aim to preserve capital in real terms and to grow the dividend at least in line with inflation. As part of the outcome of the strategic review and on the recommendation of Aberdeen the ADIGT Board is proposing that the Company's investment objective and policy be amended in order that the portfolio can be managed under a flexible diversified, multi-asset investment strategy by the Aberdeen Diversified Multi-Asset Team. The Board is therefore proposing to amend its objective 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.

At the ADIGT General Meeting to be held on 30 March 2017 Existing Shareholders will be asked to approve certain amendments to the Company's investment objective and policy. The full text of the Company's current and proposed new investment objective and policies are set out below. Should the new investment policy be approved by Shareholders, it is expected that the reshaping of the existing investment portfolio into the new investment portfolio will take approximately three

months although some investment commitments (particularly in alternative asset classes) will be drawn down over a longer period. Pending these draw down periods, the Lead Portfolio Managers would look to ensure that cash drag (the dampening of portfolio performance through a proportion of a portfolio being uninvested and as such not participating in the market) is minimised through investing in quoted alternative closed-end funds.

Any future material changes to the investment objective and policy will require the prior approval of Shareholders.

Current investment objective and policy

Investment objective

The Company's investment objective is, over the medium term (5 to 7 years), to aim to preserve capital in real terms and to grow the dividend at least in line with inflation. The Company targets a total portfolio return of UK Consumer Price Index ("**CPI**") plus 4 per cent. per annum (before ongoing charges), over a five to seven year cycle.

Current investment policy

The Company invests globally using a flexible multi-asset approach. The Company has not set maximum or minimum exposures for any geographical regions or sectors and will achieve an appropriate spread of risk by investing in a diversified portfolio of securities and other assets. It is the current intention that approximately 40 per cent. of the portfolio will be invested in UK equity income stocks and the balance of the portfolio will be invested on a tactical asset allocation basis, including in pooled investment funds, but these allocations may change significantly over time.

Proposed investment objective and policy

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.

Proposed investment policy

The Company invests globally using a flexible multi-asset approach via quoted and unquoted investments. The Company has not set maximum or minimum exposures for any geographical regions or sectors and will achieve an appropriate spread of risk by investing in a diversified portfolio of securities and other assets. This includes, but is not limited to, achieving exposure to the following securities and asset classes:

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

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

Current investment policy

No individual company exposure in the portfolio may exceed 10 per cent. of the Company's total assets at the time of investment, other than in money market funds, treasuries and gilts. No more than 15 per cent. of the Company's total assets, at the time of investment, may be invested in aggregate in unlisted alternative assets (including direct lending, commercial property, renewable energy and mortgage strategies). The Company will not normally invest more than 2 per cent. of its total assets in the unlisted securities issued by any individual company at the time of investment, with the exception of pooled investment funds. The Company may invest in exchange-traded funds provided they are listed on a recognised investment exchange.

No more than 10 per cent. of the Company's total assets may be invested in aggregate in other listed closed-ended investment companies unless such investment companies themselves have published investment policies to invest no more than 15 per cent. of their total assets in other closed-ended investment companies, in which case the limit is 15 per cent.

Proposed investment policy

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

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

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

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

Current investment policy

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

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

The Company may invest from time to time in funds managed by BlackRock. To the extent that management or performance fees are charged in respect of these holdings, the Company will be rebated these fees on a regular basis to ensure that no double charging occurs.

The Board believes that the proposed changes to the investment objective and policy will enable the Company to deliver greater capital stability over the medium term than the current policy. The use of the genuinely diversified, multi-asset strategy should also allow the Company to generate long-term income and capital returns with reduced reliance on equities which should mean that the portfolio is, going forward, less susceptible to equity downturns and, as a result, less volatile.

Gearing

The Company has and expects to continue to use gearing, in the form of borrowings and derivatives, to enhance income and capital returns over the long term. The borrowings may be in Sterling or other currencies. The Articles contain a borrowing limit equal to the value of its adjusted total of capital and reserves. However, borrowings would not normally be expected to exceed 20 per cent. of Shareholders' funds. Total gearing, including net derivative exposure, would not normally be expected to result in a net economic equity exposure in excess of 120 per cent.

The Company has in issue £60 million 6.25 per cent. Bonds 2031. The Bonds are secured by a floating charge over all of the assets of the Company.

The Board considered the level and structure of the Company's gearing as part of its strategic review. The Board concluded that the cost of repayment of the Bonds 2031 would have had a significant adverse impact on the then NAV. Therefore, under the Proposals, it is the Board's intention to retain the existing 6.25 per cent. Bonds 2031. However, as a result of the Proposals, the size of the Company's asset base will increase which should simultaneously reduce the Company's current gearing level. For the purposes of calculating the NAV per Share and the FAV per ADIGT Share under the Scheme the Bonds 2031 will be valued at fair value. Early repayment

Proposed investment policy

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

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

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

of the Bonds 2031 is subject to a Spens penalty clause (being a 'make whole' penalty cost), the timing and payment of which could impact adversely on the Company's Net Asset Value.

Dividend policy

The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares. The Board has declared the first interim dividend of 1.635 pence for the year ended 30 September 2017 in respect of the period from 1 October 2016 to 31 December 2016 payable on 24 March 2017. In addition the Board also expects to declare a further dividend in respect of the period from 1 January 2017 to the Effective Date prior to implementing the Scheme. The New Ordinary Shares will not carry an entitlement to receive these interim dividends but will rank equally with the existing Ordinary Shares for future dividends.

The Company's current dividend policy is to continue to pay dividends at least at the current level and to grow the dividend at least in line with inflation. The Board expected that the Company's investment strategy would have provided an attractive level of income which would have enabled the Company to pay dividends at the current level of 6.54 pence per Ordinary Share per annum and to grow the dividend at least in line with inflation. However, there has been a significant change in market conditions leading to increased volatility in the equity markets and an overall decline in the yield of many investments, notably instruments issued by governments (including gilts). As part of its strategic review, the Board considered these changes in market circumstances, together with the resultant increased risk to capital of continuing the current dividend level (6.54 pence per Ordinary Share for the year ended 30 September 2016). The Board concluded that the Company's dividend policy required amendment.

The intention is that the quarterly dividends will be reduced by an amount equivalent to an annualised cut in the dividend level of approximately 20 per cent. By way of illustration, had this 20 per cent. cut been applied to the 2016 full year dividend of 6.54 pence per Ordinary Share this would have resulted in a dividend payment of 5.23 pence per Ordinary Share, a yield of 4.6 per cent. based on the closing share price of 113.25 pence per Ordinary Share on 28 February 2017.

The Board believes that the rebasing of the dividend policy together with the proposed amendments to the investment policy, will (if approved by Existing Shareholders) allow the Company to pay an attractive dividend consistent with the underlying portfolio yield and that this still represents an attractive yield for Shareholders in the current environment.

Existing Shareholders are being given the opportunity to vote on the Company's proposed dividend policy at the upcoming ADIGT AGM. As a result of the timing of the payment of the Company's quarterly dividends, the Company's shareholders are unable to approve a final dividend each year. In line with good corporate governance the Board therefore proposes to put the Company's dividend policy to Shareholders for approval on an annual basis at the Company's annual general meeting. The Company's dividend policy shall be that dividends on the Ordinary Shares are payable quarterly in relation to periods ending March, June, September and December. It is intended that the Company will pay quarterly dividends consistent with the expected annual underlying portfolio yield. The Company has the flexibility in accordance with its Articles of Association to make distributions from capital. There is no guarantee that the Company will be able to pay the dividends referred to above or any dividends.

Issue of further Shares

Shareholder resolutions were passed at the ADIGT AGM in 2016 granting the Directors authority to allot equity securities in the Company up to an aggregate nominal amount of £3,432,966 on a non pre-emptive basis. This authority will expire at the upcoming ADIGT AGM and the Directors intend to renew the annual authority to allot Ordinary Shares on a non pre-emptive basis at that meeting.

While the Directors intend to allot New Ordinary Shares under the Proposals, this authority, if granted, will not be sufficient for the allotment of the New Ordinary Shares pursuant to the Issue. Existing Shareholders are therefore being asked, at the ADIGT General Meeting, to authorise the Directors to allot up to 320 million New Ordinary Shares in connection with the AUKT Scheme, having an aggregate nominal value of £80 million which represents 120 per cent. of the Company's issued share capital (excluding treasury shares) as at the Latest Practicable Date.

Continuation vote

Subject to approval at the ADIGT General Meeting, the Articles will be amended to provide for a continuation vote at the annual general meeting to be held in 2020 and at every annual general meeting thereafter. The Board believes that the introduction of the continuation vote is in the best interest of the Company as it provides Shareholders with an opportunity to decide on the Company's future at regular intervals if the Company does not meet its targets.

Discount control policy

The Board intends to renew its authority to buy back up to 14.99 per cent. of the Ordinary Shares currently in issue at the upcoming ADIGT AGM and on an annual basis as appropriate. The Board intends, subject to normal market conditions, prevailing gearing level and the composition of the Company's portfolio, to implement a discount control mechanism to maintain the Company's share price discount to Net Asset Value (ex income, debt at fair value) at no wider than 5 per cent., by repurchasing Ordinary Shares in the market. Any buy back of Ordinary Shares will be made subject to the Companies Act and the Listing Rules and within guidelines established by the Board from time to time and the timing and quantum of any buy backs will be at the discretion of the Board. It should be noted that this is a target only and there is no guarantee that such maximum discount will be maintained or that any Ordinary Shares will be bought back.

Tender Offer for Existing Shareholders

Conditional on the Existing Shareholders approving all of the resolutions at the ADIGT General Meeting, the Company will carry out a tender offer for up to 20 per cent. of the Ordinary Shares in issue as at 7 March 2017 (excluding any shares in treasury) or if less the number of Ordinary Shares representing 20 per cent. of the Ordinary Shares in issue at the Record Date, at a tender price equal to the NAV per Share (cum income with debt at fair value adjusted for declared but unpaid dividends) less 4 per cent. and less the costs and expenses of the Tender Offer allocated *pro rata* between the tendered Ordinary Shares (including stamp duty, commission and portfolio realisation costs). The FAV per ADIGT Share will be adjusted to take account of the Tender Offer.

The Tender Offer will be available to all Existing Shareholders except those in Restricted Territories. The Tender Offer will take place prior to the Scheme becoming effective provided that all of the resolutions are passed at the ADIGT General Meeting and the Scheme becomes unconditional.

Ongoing charges

The Company incurs ongoing and annual fees and expenses, including *inter alia*, the annual management fees, audit fees, Directors' fees, the Depositary's fees, regulatory fees, Directors' insurance premiums, the Registrar's fees, promotional fees, administration fees and printing costs. Taking into account the costs of the Proposals and declared but unpaid dividends and on the assumption that 60 per cent. of AUKT Shareholders elect for the Cash Option and the Tender Offer for up to 20 per cent. of the existing Ordinary Shares in issue is subscribed by Existing Shareholders in full, the Company's net assets will increase by approximately £81.0 million and the total expenses of the Company for the year ending 30 September 2017 (excluding the fees paid to the Manager which will be nil due to the six month fee waiver agreed with the Company) are expected to be approximately £810,000.

PART 2

THE MANAGEMENT AND INVESTMENT STRATEGY

The AIFM and the Aberdeen management team

The Company has appointed Aberdeen Fund Managers Limited as the Company's AIFM. The AIFM is part of the Aberdeen Asset Management Group and it has delegated the day-to-day investment management of the Company's portfolio to Aberdeen Asset Managers Limited and the Aberdeen Diversified Multi-Asset Team. The Aberdeen Group currently has assets under management of approximately £302 billion with approximately £90 billion managed in multi-asset mandates. It manages 19 listed, UK closed-ended investment companies representing approximately £6.8 billion of assets under management (all figures as at 31 December 2016). On 6 March 2017 Aberdeen and Standard Life plc announced that they had agreed terms for a recommended all share merger. There is no certainty that any transaction will be completed and the possible merger will be subject to shareholder approvals and regulatory and merger control approvals.

The Aberdeen Group has approximately £22 billion of client investments in alternative asset classes. Specialist teams focussing on private equity, social infrastructure, venture capital, hedge funds and real assets manage these investments including allocations to third party managers. Aberdeen has been building its resources in these areas and now has over 90 staff working within these teams.

The Company's portfolio is managed by the Aberdeen Diversified Multi-Asset Team and the lead portfolio investment managers are Mike Brooks and Tony Foster. The investment team, comprising of the Lead Portfolio Managers, two additional portfolio managers and two investment analysts, manage approximately £567 million of assets in open-ended funds with broadly similar characteristics to the Company's mandate. The team's funds have been awarded positive investment ratings by a number of investment consultants in the UK corporate pensions market and, as a result, are seeing significant inflows from pension funds and other investors. This includes a £170 million mandate from a UK corporate pension sponsor.

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

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

Investment opportunity and market outlook

A traditional 'balanced' portfolio of equities and government (or investment grade corporate bonds) has generally served investors well over the past 10 to 30 years, producing good returns with lower volatility than equity markets. However, looking forward the Board, together with the Manager, believes that this approach faces significant headwinds.

Firstly, there has been a bond bull market over the past 30 years with falling bond yields leading to strong returns. In particular, in recent years the unprecedented monetary easing policies followed by several central banks have pushed bond yields to historic lows, and negative territory in some countries. Government bonds do not therefore have high return prospects at this time.

Secondly, equity markets have also benefited from the monetary easing policies of central banks, reaching new highs despite generally challenging economic conditions. Whilst this has dampened equity market volatility in recent years the risks to equity markets have not gone away and may well resurface when the support from central banks eventually tapers off.

It is worth highlighting that equity investors do not just run the risk of higher short-term volatility. Equity markets can perform poorly for extended periods. For example, the FTSE 100 Index produced a lower total return than cash for over 12 years from the end of December 2000.

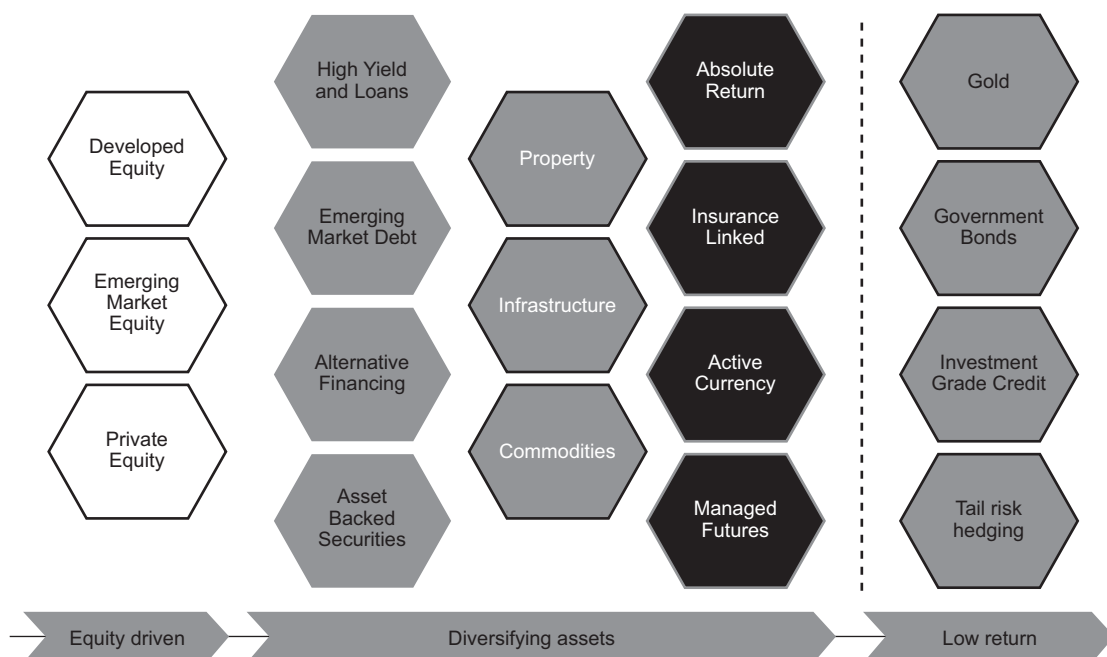
Investment approach

The Company's ability to generate the sustainable long-term returns that it is seeking to deliver will stem from the approach adopted by the Manager and the following three key elements:

- A genuinely diversified portfolio. The Board, together with the Manager, believe that the breadth and scope of the Company's investment policy is critical to the Company's ability to deliver sustainable long-term growth. It is also a valuable element of the risk management approach. The ability to successfully select from this broad range of investments stems from the Aberdeen Diversified Multi-Asset Team's access to Aberdeen's global investment platform including its wide array of specialist capabilities in not only traditional but also alternative asset classes.
- An unconstrained and flexible asset allocation. The Manager is not tied to a benchmark mix of assets, nor are they forced to hold investments that they believe are unattractive. This flexibility is a core part of their ability to target consistent long-term growth. The Lead Portfolio Managers use all of Aberdeen's research capabilities, including specialist macro and asset class researchers, to identify investments that offer attractive risk-adjusted returns.
- Robust risk management. Risk management is an embedded part of the investment approach. It starts from the principle of diversification that underpins portfolio construction and includes the benefit of an experienced investment team with a complementary mix of backgrounds. The Lead Portfolio Managers are supported in the management of the portfolio by specialist portfolio construction and risk systems. Quantitative tools are used in conjunction with the Lead Portfolio Managers' qualitative judgments, on-going scenario analysis and broader peer review within Aberdeen.

Breadth of investment opportunities

The universe of asset classes that the Manager currently considers for investment is shown in the chart below:



Source: Aberdeen Asset Management

The Board, together with the Manager, believe that equities should form a core part of any growth or income portfolio but should not dominate the portfolio. This view is reflected by an initial target portfolio weighting of 25-30 per cent. in equities (quoted and unquoted).

Government and investment grade corporate bonds are not currently expected to feature in the portfolio given the current low returns and the better opportunities that are available elsewhere. However, they are part of the opportunity set and may be held on occasions when the Lead Portfolio Managers see them as relatively attractive.

It is expected that the majority of the Company's portfolio will, going forward, assuming Existing Shareholders approve the amended investment objective and policy at the ADIGT General Meeting, be made up of a range of diversifying assets. These include:

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

The ability to successfully select from this broad range of investments stems from the Aberdeen Diversified Multi-Asset Team's access to Aberdeen's global investment platform including its wide range of specialist capabilities in traditional and alternative asset classes. This is outlined in the table below and includes teams specialising in equities (quantitative and active), fixed income (including emerging market debt, high yield bonds, loans, investment grade credit and government bonds), property, property multi-manager, private equity, infrastructure, real assets, hedge funds and other alternative asset classes.

<i>Team</i>	<i>No. of team members</i>
Equities	101 people
Fixed Income	143 people
Property (including property multi-manager)	222 people
Quantitative Strategies	27 people
Private Equity	41 people
Hedge Funds	23 people
Infrastructure	25 people
Real Assets	4 people

Source: Aberdeen Asset Management, 31 December 2016

The Company's portfolio accesses these capabilities in two ways:

- via sub-portfolios of direct investments managed by the appropriate specialist team within Aberdeen; and
- via pooled funds managed by Aberdeen.

Investment in Aberdeen funds is subject to Board approval.

Subject to Shareholder approval of the amended investment objective and policy it is expected that up to 35 per cent. of the Company's total assets may be invested in a global equity UCITS pooled fund (the "**UCITS Fund**"). It is the intention that this pooled investment fund will be launched by Aberdeen at the beginning of May 2017 as an underlying fund of Aberdeen Global. It is expected that the investment objective of the UCITS Fund will be to achieve income, with the potential for long term capital growth, by investing primarily in equities and equity related securities of companies worldwide. It is also expected that the UCITS Fund will use a variety of quantitative techniques, based on statistical and numerical analysis, adopting a disciplined and rigorous approach to both stock selection and portfolio construction, whilst seeking to achieve a reduced level of volatility compared to that of the MSCI All Country World Index over a market cycle, typically three to five years.

In accordance with its proposed investment objective and policy the UCITS Fund will not invest in excess of 10 per cent. of its gross assets in other collective investment undertakings. In addition, the general investment powers and limits for UCITS schemes set out in the FCA Handbook state that a maximum of 10 per cent. of the UCITS Fund's net assets may be invested in securities of a single issuer and that investments of more than 5 per cent. with a single issuer may not make up more than 40 per cent. of the fund's whole portfolio.

In addition, the Lead Portfolio Managers, and their colleagues in a number of the asset class teams, research third party fund managers to ensure that the Company has access to the widest range of investment opportunities.

Investment process

The Manager's investment process is based around three broad stages: strategic framework setting, identifying best ideas and implementation.

Strategic framework setting

The Company is seeking to generate long-term returns from exposure to a broad and diversified array of asset classes and investments. While the attractions of diversification are persistent, the relative attractiveness of assets will vary through time and particularly through the market cycle.

The Economic and Thematic Research Team leads Aberdeen's work on return forecasting, making use of economic forecasts, implied market views and assumptions about historical trends and mean reversion. Their analysis is informed by varied research inputs, including global economic modelling provided by Oxford Economics, investment banks and institutional forecasts. This provides them with a well-informed view of the macro-economic outlook and drivers of asset class

returns. For each asset class they have a model for expected returns. The modelling focuses on three core time horizons (3, 5 and 10 years), although longer-term outlooks are also considered.

By the end of this process, the team has a base case view on where they believe the world is heading over various time periods, the implications for investment returns through and across the market cycle and where there are potential opportunities to rotate investments from expensive to cheap assets. This provides the initial frame of reference for the Lead Portfolio Managers in setting the broad asset allocation for the Company using qualitative and quantitative methods.

Identifying best ideas

The Lead Portfolio Managers work closely with their colleagues across Aberdeen's Alternatives Division to ensure that the Company has access to the most attractive opportunities in each asset class. This includes formal meetings and conference calls as well as day-to-day informal communication.

At the divisional level, the Lead Portfolio Managers attend a monthly Pan Alternatives Investment Review and Perspectives meeting where each specialist asset class team outlines its latest research ideas and potential investment opportunities among alternative asset classes. On a weekly basis, there is an update call to discuss the latest market and macro-economic news flow plus trade ideas.

The Lead Portfolio Managers will consider each investment opportunity for potential inclusion in the Company's portfolio. Research ideas will come from the specialist alternatives research teams or from within the Aberdeen Diversified Multi-Asset Team. The research process is based upon one or more meetings with the managers of the investment alongside other detailed analyses (including operational due diligence for unquoted funds managed by third parties). The aim of the review process is to identify the drivers of expected returns from the investment plus the diversification benefits and key risks of investing.

The research analyst will present the detailed research review at a meeting with the Lead Portfolio Managers and other appropriate colleagues. This will normally take place at a regular meeting of the Aberdeen Diversified Multi-Asset Team. The investment case will be cross-examined thoroughly and, in some cases, areas requiring further work may be identified. The conclusion of the discussion will be minuted and, if appropriate, the idea will be added to the "Buy List" of investments that can be included in the Company's portfolio.

Portfolio holdings are reviewed on a regular basis in a similar way. If the original investment case is no longer valid or the valuation and diversification benefits are no longer deemed to be attractive, the investment will be sold and it will be removed from the Buy List.

Implementation

The ultimate responsibility for the inclusion of research ideas into the portfolio, whether generated by the Aberdeen Diversified Multi-Asset Team or by the specialist asset class teams, lies with the Lead Portfolio Managers. They adopt a pragmatic portfolio construction process such that the weighting ascribed to each investment reflects the perceived attractiveness of the investment case and is in keeping with the strategic framework (further details of which are set out above). Individual positions are sized in relation to the portfolio's liquidity profile and its exposure to traditional and alternative asset classes.

The Lead Portfolio Managers are responsible for the day-to-day management of the portfolio reflecting the implementation of trade ideas, currency hedging, the level of cash or gearing (in accordance with parameters agreed by the Board) and position sizing in light of share price and valuation movements.

The Lead Portfolio Managers and their colleagues in the Aberdeen Diversified Multi-Asset Team usually meet formally on a weekly basis to review the latest research ideas generated within the

team, investment performance, the latest market newsflow and feedback from meetings with third party managers. The Company's portfolio is formally reviewed at these meetings alongside other portfolios managed by the team. On a regular basis, the team reviews all of its investments in each asset class and conducts a scenario analysis and a liquidity stress test as part of its risk management process.

On a monthly basis, the Aberdeen Diversified Multi-Asset Review Group subjects the portfolios to review. This review group consists of the Aberdeen Diversified Multi-Asset Team plus senior colleagues from across Aberdeen's Multi-Asset and Solutions business. Colleagues in other related areas, such as Performance and Risk, also contribute to these review meetings.

Non-Sterling currency exposure is typically hedged back to Sterling unless currency exposure is part of the investment rationale for the position, for example, in local currency emerging market bonds. Active currency positions may be taken on occasions in order to enhance the risk-return profile of the portfolio.

Track record of the Lead Portfolio Managers and the Aberdeen Diversified Multi-Asset Team

The Aberdeen Diversified Growth Fund is the largest fund managed by the Aberdeen Diversified Multi-Asset Team and has the longest track record. As illustrated in the table below, since its inception more than 5 years ago, the Aberdeen Diversified Growth Fund has achieved its performance target of LIBOR plus 4.5 per cent. per annum net of fees, with less than half the volatility of equities and dampened drawdowns when equity markets have fallen by more than 10 per cent.

Performance, net of fees, since inception (on 1 November 2011) to 31 January 2017:

Aberdeen Diversified Growth Fund	+5.3% p.a.
Cash (represented by 1 month LIBOR)	+0.5% p.a.

Volatility versus global equities since inception (on 1 November 2011) to 31 January 2017:

Aberdeen Diversified Growth Fund	+4.4% p.a.
MSCI World Equity Index	+9.5% p.a.

Performance, net of fees, during stress events*

31 July 2015 – 25 August 2015:

Aberdeen Diversified Growth Fund	-2.6%
MSCI World Equity Index	-10.5%

31 December 2015 to 11 February 2016:

Aberdeen Diversified Growth Fund	-4.2%
MSCI World Equity Index	-12.7%

* Defined as when the MSCI World Equity Index fell by more than 10%

Figures based on the 1 shares of the Aberdeen Diversified Growth Fund. Performance based on dividends reinvested.

Past performance is not a guide to future performance.

Source: Aberdeen Asset Management, Thomson Reuters Datastream

Mike Brooks joined Aberdeen in 2015 and Tony Foster joined Aberdeen in 2014. The Aberdeen Diversified Growth Fund, which typically requires daily liquidity in its investments, does not have the same access to the illiquidity premium (attributable to investing in longer dated funds in higher returning assets classes, for example, private equity secondary funds) which the Manager expects the Company to access if the new investment objective and policy is approved by Shareholders.

In combining the Aberdeen Diversified Multi-Asset Team's experience and capabilities with the accessible and transparent structure of the Company as a quoted closed ended investment trust,

small to medium sized shareholders can gain access to a genuinely diversified, global, multi-asset portfolio which may typically only be accessible to large, sophisticated investors.

Indicative asset allocation

Using the framework and research resources (further details of which are set out above), the Lead Portfolio Managers, on behalf of the Company, expect to deploy the Company's assets across a broad range of sectors (subject to Existing Shareholder approval of the amended investment objective and policy) as outlined in the table below. It is currently expected that approximately 60 per cent. of the Company's assets will be invested in Aberdeen funds and 40 per cent. in third party funds but these proportions may vary over time (as investment opportunities become available).

<i>Asset Class</i>	<i>Weight</i>
Listed Equity	25%
Private Equity	4%
Real Assets	3%
Property	8%
Infrastructure	8%
High Yield	0%
Loans	10%
Asset Backed Securities	11%
Emerging Market Bonds	12%
Absolute Return	6%
Insurance Linked	4%
Special Opportunities*	8%
Cash	1%
Total	100%

* For example, litigation finance, aircraft leasing, trade finance, marketplace lending, healthcare royalties

Source: Aberdeen Asset Management.

Note that this is an illustrative portfolio rather than being based on any portfolio that Aberdeen currently manages. Exposure to specific investments will depend in some instances on the ability to buy into funds and will be subject to due diligence and prevailing market conditions.

There is a balance between giving access to the most attractive illiquid opportunities whilst providing flexibility to add some value through altering the asset allocation. Should the new investment policy be approved by Shareholders, it is expected that the reshaping of the existing investment portfolio into the new investment portfolio will take approximately three months although some investment commitments (particularly in alternative asset classes) will be drawn down over a longer period. During this draw down period, the Lead Portfolio Managers would look to ensure that cash drag is minimised through investment in quoted alternative closed-end funds. It is currently expected that approximately 60 per cent. of the realigned portfolio will offer quarterly or better liquidity, with approximately 40 per cent. offering daily liquidity.

PART 3

DIRECTORS AND ADMINISTRATION OF THE COMPANY

Set out below are further details of the management and administration of the Company and corporate governance.

Directors and Proposed Directors

The Directors are (and the Proposed Directors post appointment will be) responsible for the determination of the Company's investment policy and strategy. Although the management of the Company has been delegated to the AIFM (and portfolio management delegated by the AIFM to the Manager), the Directors have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Company. The Board currently comprises six Directors, each of whom is non-executive and independent of the AIFM.

Lynn Ruddick and Jimmy West will stand for re-election at the upcoming ADIGT AGM but they will retire from the ADIGT Board if the merger is approved by Existing Shareholders and AUKT Shareholders. In addition, Kevin Ingram, Tom Challenor and Paul Yates, currently directors of AUKT, will be appointed as directors of ADIGT if the Scheme becomes effective. The new Board will therefore comprise of seven Directors and Kevin Ingram will be appointed as Senior Independent Director.

Biographies of the Directors are as follows:

James Long (Chairman) was appointed in 2006. He was formerly Director of Risk and Compliance for AstraZeneca Europe, Corporate Finance Director of Inchcape plc and Managing Director, Asia and Emerging Markets, for the ESAB Group. He was non-executive Chairman of JPMorgan Asian Investment Trust plc.

Jim Grover was appointed in 2013. He was, until June 2013, Group Strategy Director of Diageo plc and a member of its Executive Committee. He was formerly a Senior Advisor to the Consumer Markets group of KPMG LLP. He is currently a senior adviser to OC&C Strategy Consultants.

Lynn Ruddick was appointed in 2004. She is a fellow of the Chartered Association of Certified Accountants. She is a member of the Investment Committee of the Pearson Group Pension Plan and Chairman of the Western Provident Association Pension Plan. She was formerly a non-executive director of Standard Life UK Smaller Companies Trust plc, non-executive Chairman of Fidelity Special Values plc and a non-executive director of BlackRock Frontiers Investment Trust plc as well as Chairman of the Scottish and Newcastle Pension Scheme trustee board. Before retiring from Merrill Lynch Investment Managers in 2004 she headed their investment trust business unit.

Ian Russell (Chairman of the Audit Committee) was appointed in 2008. He was formerly Chief Executive of Scottish Power plc. He is currently chairman of HICL Infrastructure Company Limited and of Scottish Futures Trust Limited and is a non executive director of The Mercantile Investment Trust plc.

Julian Sinclair was appointed in 2015. He is the Chief Investment Officer at Talisman Global Asset Management Limited. Prior to joining Talisman, he was a Senior Portfolio Manager at BlueBay Asset Management plc and a Partner at Altima Partners LLP. He started his career at Gartmore as an analyst and portfolio manager.

Jimmy West (Senior Independent Director) was appointed in 1995. He was formerly a managing Director of Lazard Brothers and Co Ltd and Chief Executive of Lazard Asset Management Ltd. He is Chairman of CQS New City High Yield Fund Ltd and a non-executive

director of JPMorgan Income & Capital Trust plc and Threadneedle UK Select Trust Limited. He is Chairman of Associated British Foods Pension Fund Ltd.

Biographies of the Proposed Directors are as follows:

Kevin Ingram was appointed as a director of AUKT in 2010 and became Chairman in 2013. He is a chartered accountant and former audit partner and UK Head of the Investment Funds practice of PricewaterhouseCoopers LLP. He is also a non-executive director of VPC Speciality Investments PLC.

Tom Challenor was appointed as a director and chairman of the audit committee of AUKT in 2014. He is Senior Independent Director of Euroclear UK & Ireland Limited and a former director of Cofunds Limited, Xtrakter Limited and Threadneedle Lux (SICAV). At Threadneedle Asset Management he was Director of Strategy and Risk from 2005 until 2009 and CFO from 1997 to 2005. He is also a non-executive director of Threadneedle India Fund Limited.

Paul Yates was appointed as a director of AUKT in 2012. He is non-executive chairman at 33 St James's, a firm of management consultants and executive search consultants. He had a long career in investment management, mainly with UBS, where he held a number of global roles. He is also a non-executive director of The Merchants Trust PLC.

Administration of the Company

Administrator

Pursuant to the Management Agreement, the AIFM has also been appointed to provide day-to-day administration services to the Company, including responsibility for the Company's general administrative functions, such as maintenance of the Company's accounting records and accounting services. The AIFM has delegated the provision of these accounting and administration services to BNP Paribas. The fees payable for administration services are included within the overall management fees.

Company Secretary

Aberdeen Asset Management PLC has been appointed to provide the general secretarial functions required by the Act. The fees payable for general secretarial services are included within the overall management fees.

Depositary

BNY Mellon Trust and Depositary (UK) Limited has been appointed as the Company's depositary for the purposes of the AIFM Directive. The depositary holds all of the cash, securities and other assets of the Company and arranges and settles all transactions relating to those assets as agent for the Company. Under the terms of the Depositary Agreement, the Depositary is entitled to be paid fees of 0.0115 per cent., of the Company's net assets per annum. The Depositary is also entitled to receive custody fees in accordance with a specified schedule of charges. Further details of the Depositary Agreement are set out in paragraph 8.4 of Part 7 of this document.

Registrar

Computershare Investor Services plc acts as the Company's registrar. The Registrar is responsible for the maintenance of the Register, dealing with routine correspondence and enquiries and the performance of all the usual duties of a registrar in relation to the Company. The Registrar is entitled to receive a minimum fixed fee of £33,300 per annum payable monthly in arrears although this fee may be greater dependent on the number of transaction fees incurred during the year.

Corporate governance

The Board is accountable to Shareholders for the governance of the Company's affairs. As an investment trust, the Company's day-to-day responsibilities are delegated to third parties; the Company has no employees and the Directors are (and the Proposed Directors post appointment will be) all non-executive. Therefore not all the provisions of the UK Corporate Governance Code (the "**UK Code**") issued by the Financial Reporting Council ("**FRC**") in September 2014 are directly applicable to the Company.

The Board of the Company has therefore considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to Shareholders. As at the date of this document, the Company complies with the recommendations of the AIC Code and the relevant provisions of the UK Code.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company, and the Company does not therefore report further in respect of these provisions.

Audit Committee

The Company's Audit Committee is chaired by Ian Russell and currently consists of three Directors: Ian Russell, Jim Grover and Julian Sinclair and meets at least twice a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee examines the reports on the effectiveness of the control systems of the AIFM and the Manager in so far as they relate to the Company. It reviews the half-yearly and annual reports and also receives information from the AIFM and the Manager. It also reviews the scope, results, cost effectiveness, independence and objectivity of the external auditor.

The audit committee has written terms of reference, which are reviewed annually and clearly define its responsibilities and duties. It is expected that following implementation of the Scheme Kevin Ingram, Tom Challenor and Paul Yates will join this committee.

Management Engagement Committee

In accordance with the AIC Code the Company has established a Management Engagement Committee which is chaired by James Long and consists of all the Directors. The Management Engagement Committee meets at least annually. Its principal duties are to consider the terms of appointment of the AIFM, the Manager and the Company's other third party service providers and it annually reviews their appointments and the terms thereof. It is expected that all the Proposed Directors will join this committee following implementation of the Scheme.

Nomination Committee

The Nomination Committee is chaired by James Long and consists of all the Directors. The Nomination Committee is convened for the purpose of considering the appointment of additional Directors as and when appropriate.

Any appointments to the Board are based on merit, but in considering appointments the Nomination Committee takes into account the need to maintain the balance of skills, knowledge, experience, gender and diversity existing on the Board and will recommend when the recruitment of additional non-executive Directors is required. It is expected that all the Proposed Directors will join this committee following implementation of the Scheme.

Remuneration Committee

The full Board determines the level of Directors' fees and accordingly there is no separate remuneration committee.

Conflicts of interest

The AIFM, the Manager and their affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the AIFM and the Manager manage funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company. The AIFM and the Manager may provide services to certain in-house funds into which, subject to Board approval, the Company may invest which may give rise to a conflict of interest.

The Directors have satisfied themselves that the AIFM and the Manager each has procedures in place to address potential conflicts of interest and that, where a conflict arises in relation to the allocation of an investment opportunity, the AIFM and the Manager will allocate the investment opportunity on a fair basis. Any investment by the Company in to funds managed by the Aberdeen Group will be subject to Board approval.

The AIFM has regard to its obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients, when potential conflicts of interest arise. In the event of a conflict of interest arising, the AIFM will ensure that it is resolved fairly and in accordance with the COB Rules. The COB Rules require the AIFM to ensure fair treatment of all its clients. The COB Rules also require that when an investment is made it should be allocated fairly amongst all of its clients for whom the investment is appropriate. In particular, the AIFM uses its reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Investment Manager which fall within the Company's investment objective and policy, on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained in accordance with the COB Rules.

Accounting information***Shareholder information***

The annual report and financial statements of the Company are made up to 30 September in each year and are sent to Shareholders by the following January. The Company also publishes unaudited half-yearly results covering the six months to the end of March in each year which are normally despatched by July.

Net Asset Value calculation and publication

The unaudited NAV per Share is calculated in Sterling by the Administrator on a daily basis, as described below. Such calculations are notified daily, on a cum income and ex-income basis, (with debt at fair and par value) through a Regulatory Information Service.

The Net Asset Value is the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with applicable accounting standards. Quoted investments are valued by reference to their bid prices on the relevant exchange. Unquoted or illiquid investments, if any, are valued by the Directors based on recommendations from the Manager's pricing committee. The Board reviews detailed portfolio valuations on a regular basis throughout the year and receives confirmation from the Manager that the pricing basis is appropriate, in line with relevant accounting standards as adopted by the Company, and that the carrying values are materially correct. Derivatives are initially accounted and measured at fair value on the date the derivative contract is entered into and subsequently measured at fair value.

The Directors may temporarily suspend the calculation of Net Asset Value if the Company is unable to procure accurate and up to date prices or valuations for a substantial proportion of the assets in the Company's portfolio. Any suspension in the calculation of the Net Asset Value will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

Accounting policies

The statutory financial statements for the Company for the years ended 30 September 2014 and 30 September 2015 have been prepared in accordance with UK GAAP and for the year ended 30 September 2016 have been prepared in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("**FRS 102**"), which forms part of revised Generally Accepted Accounting Practice issued by the Financial Reporting Council in 2013 and which came into effect for accounting periods beginning on or after 1 January 2015.

The audited accounts of the Company going forward will be prepared in Sterling under FRS 102 and in accordance with the guidelines set out in the Statement of Recommended Practice, for investment trust companies and venture capital trusts issued by the AIC.

Taxation

The Company has been approved by HM Revenue & Customs as an investment trust. The Directors believe that the affairs of the Company have been conducted so as to continue to satisfy the conditions to qualify as an investment trust under section 1158 of the Tax Act and accordingly the Company will be exempt from UK taxation on its capital gains. The Company will, however, be liable to UK corporation tax on its income in the normal way, with dividend income generally being exempt from UK corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available on overseas income other than dividend income.

A guide to the general UK taxation position as at the date of this document is set out in Part 6 of this document.

If you are in any doubt as to your taxation position, or are subject to tax in a jurisdiction other than in the United Kingdom, you should consult your professional adviser without delay.

PART 4

DETAILS OF THE SCHEME AND THE ISSUE

1. Introduction

The Board and the AUKT Board have resolved to recommend the Scheme to Shareholders and AUKT Shareholders respectively. The Scheme involves AUKT being placed into voluntary liquidation and the AUKT Shareholders being offered the opportunity to elect for New Ordinary Shares and/or elect to receive cash as further described below. The Company will issue the New Ordinary Shares, pursuant to the Issue, in exchange for the transfer to it of the balance of cash of AUKT that represents the interest of AUKT Shareholders who elect (or are deemed to elect) for the Rollover Option.

The Issue relates solely to the Scheme and pursuant to the Scheme the New Ordinary Shares are only available to AUKT Shareholders on the AUKT register as at 28 March 2017. Prior to the Effective Date the ADIGT Board will also propose, subject to approval at the ADIGT General Meeting and the Scheme becoming unconditional, the Tender Offer for Existing Shareholders for up to 20 per cent. of the Ordinary Shares that are in issue as at 7 March 2017.

On completion of the implementation of the Proposals, the Company will be managed in accordance with its new investment policy (further details of which are set out in Part 1 of this document) which targets a genuinely diversified, multi-asset investment approach with the aim of generating attractive long-term income and capital returns.

2. Details of the Scheme

Pursuant to the terms of the Scheme, AUKT will be wound up by means of a voluntary winding up under section 110 of the Insolvency Act 1986. Under the Scheme, each AUKT Shareholder (other than any Restricted AUKT Shareholder) may elect to receive:

- New Ordinary Shares in ADIGT (the “**Rollover Option**”); and/or
- cash equivalent to the AUKT NAV on the Calculation Date (being 4 April 2017) less Liquidators’ costs and Liquidators’ retention (the “**Adjusted AUKT NAV**”) and less a 2.75 per cent. discount applied to this Adjusted AUKT NAV (the “**AUKT Cash NAV**”) (the “**Cash Option**”). The Cash Option is limited to 60 per cent. of the AUKT Cash NAV.

AUKT Shareholders can make different Elections in respect of different parts of their holdings. The cash exit offered to AUKT Shareholders as part of the Scheme will be limited to 60 per cent. of the AUKT Cash NAV, therefore the minimum rollover of AUKT Shareholders to the Company will be equal to approximately 40 per cent. of the net assets of AUKT as at the Calculation Date. Should total Elections for the Cash Option exceed 60 per cent. of the AUKT Cash NAV, aggregate excess Elections will be scaled back into New Ordinary Shares on a *pro rata* basis. The AUKT Discount sum taken from the Cash Pool will then be applied to the Rollover Pool and will be for the benefit of those Shareholders who have elected for the Rollover Option.

AUKT Shareholders who do not make an Election under the Scheme will be deemed to have elected the Rollover Option. Valid Elections under the Scheme must be received by 11.00 a.m. on 27 March 2017.

If the Proposals are implemented, in accordance with the terms of the Transfer Agreement that will be entered into between the Company, AUKT and the Liquidators, assets of AUKT in the Rollover Pool will be transferred to the Company. The consideration for such transfer will be satisfied by the issue of New Ordinary Shares by the Company to AUKT Shareholders who elect (or are deemed to elect for) the Rollover Option. Further details of the Transfer Agreement are set out in Part 7 of this document.

The Scheme is subject to the approval of AUKT Shareholders at the AUKT General Meetings and Existing ADIGT Shareholders approving the amended investment objective and policy and the issue of the New Ordinary Shares in connection with the Scheme at the ADIGT General Meeting.

As a result of the Scheme, the AUKT Shareholders who elect the Rollover Option will gain exposure to a diversified multi-asset portfolio and a larger company with more shares in issue which is expected to result in better underlying liquidity in the Ordinary Shares. Full details of the Scheme are set out in the AUKT Circular which accompanies this document.

3. Details of the Issue

The Scheme will be effected on a formula asset value to formula asset value basis with each company bearing its own costs. The ADIGT formula asset value will be calculated on the basis of the NAV on the Calculation Date (being 4 April 2017) adjusted for the proceeds to be paid to any tendering Shareholder and any enhancement from the Tender Offer, to exclude any dividends declared but not paid and adjusted to include the Aberdeen Contribution and less any costs of the Scheme. This resultant value of assets will then be divided by the total number of Ordinary Shares in issue on the Calculation Date less the number of Ordinary Shares repurchased pursuant to the Tender Offer.

The AUKT formula asset value will be calculated by deducting the following from the total AUKT net assets on the Calculation Date (i) Liquidators' retention of £100,000 and Liquidators' estimated costs of £57,000; (ii) the costs of the Scheme (iii) the value of AUKT Cash NAV multiplied by the number of AUKT Shares accepted under the Cash Option (subject to any scaling back). This resultant balance of assets will be divided by the number of AUKT Shares electing (or deemed to have elected for) the Rollover Option.

The FAV per AUKT Share will be divided by the FAV per ADIGT Share and this ratio will be applied to the shareholdings of each AUKT Shareholder who elects (or is deemed to have elected for) the Rollover Option.

As at the date of the First AUKT General Meeting, the AUKT Shares in respect of which Elections for the Rollover Option are validly made or are deemed to have been made will have "A" rights attached to them. The issue of ADIGT New Ordinary Shares shall be made to holders of AUKT Shares with "A" rights on the basis that the number of such shares to which each of them is entitled shall be determined in accordance with the following provisions:

$$\text{Number of New Ordinary Shares} = \left(\frac{A}{B} \right) \times C$$

Where:

A is the FAV per AUKT Share;

B is the FAV per ADIGT Share; and

C is the aggregate number of Reclassified Shares with "A" rights held by the relevant AUKT Shareholder.

Following the Calculation Date, AUKT will divide its assets into three distinct pools: the Liquidation Pool, the Cash Pool and the Rollover Pool. AUKT will set aside cash and other assets in the Liquidation Pool in an amount which it considers sufficient to provide for all current and future, actual and contingent liabilities of AUKT, including a retention (estimated at £100,000) in respect of unascertained and unknown liabilities. There shall then be apportioned to the Cash Pool such proportion of the undertaking and cash as shall equal the Cash NAV per Share multiplied by the total number of AUKT Shares (subject to scaling back) in respect of which Elections for the Cash Option were received and accepted. Thereafter, the balance of the undertaking and cash shall be transferred to the Rollover Pool.

The New Ordinary Shares are denominated in Sterling. The Issue is not being underwritten.

In consideration for the issue of New Ordinary Shares, the Company will acquire the cash of AUKT which represents the interests of AUKT Shareholders who elect (or are deemed to have elected) for the Rollover Option. The Company will use the net cash to acquire investments in accordance with the Company's new investment policy (subject to ADIGT Shareholder approval).

Conditions of the Issue

The Issue is conditional upon, *inter alia*:

1. the passing of the resolutions to approve the Scheme at the AUKT General Meetings and the Scheme becoming unconditional (including the Transfer Agreement becoming unconditional in all respects);
2. the passing of the resolutions at the ADIGT General Meeting on 30 March 2017;
3. Admission of the New Ordinary Shares to the Official List with a premium listing and to trading on the Main Market; and
4. the board of AUKT and the Board resolving to proceed with the Scheme and the Issue respectively.

Entitlements to New Ordinary Shares under the Issue

The number of New Ordinary Shares to be issued pursuant to the Scheme, the FAV per AUKT Share and the FAV per ADIGT Share will be announced through a Regulatory Information Service as soon as practicable following the Calculation Date.

The New Ordinary Shares to be issued pursuant to the Scheme will rank *pari passu* with the existing Ordinary Shares already in issue except that they will not carry any entitlement to receive the first interim dividend for the year ended 30 September 2017 in respect of the period from 1 October 2016 to 31 December 2016 payable on 24 March 2017 or the dividend to be declared in respect of the period from 1 January 2017 to the Effective Date (even though such dividend is to be paid on a date that is after the Effective Date, by which point AUKT Shareholders will have received New Ordinary Shares pursuant to the Scheme).

Illustrative examples

Illustrative example 1

As at the Latest Practicable Date, AUKT had unaudited net assets of approximately £358.4 million and ADIGT had unaudited net assets (cum income, debt at fair value) of approximately £330.4 million.

On the assumption all AUKT Shareholders elect for the Rollover Option and no Existing Shareholders tender their Ordinary Shares pursuant to the Tender Offer, had the Calculation Date been 28 February 2017 (the Latest Practicable Date), the Scheme would have resulted in:

The FAV per AUKT Share being 365.8466 pence

The FAV per ADIGT Share being 121.7582 pence

Number of New Ordinary Shares to be issued and consideration for the Issue

The issue of 3.0046978355 New Ordinary Shares for each AUKT Share in respect of which an Election is made (or deemed to have been made) to roll over into the New Ordinary Shares under the Scheme. The Company would issue approximately 293.6 million New Ordinary Shares in total in connection with the Scheme and consideration for the Issue would be approximately £357.5 million.

Dilution

The number of New Ordinary Shares to be issued pursuant to the Issue will not be known until the Calculation Date. Existing Shareholders in the Company (who do not hold AUKT Shares) are not able to participate in the Issue. Therefore, Existing Shareholders will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Ordinary Shares issued under the Issue. Therefore, Existing Shareholders would suffer a dilution of approximately 52 per cent. to their existing percentage holdings.

Illustrative example 2

As at the Latest Practicable Date, AUKT had unaudited net assets of approximately £358.4 million and ADIGT had unaudited net assets (cum income, debt at fair value) of approximately £330.4 million.

On the assumption no AUKT Shareholder elect for the Rollover Option (subject to the 60 per cent. cash exit limit and excess elections being scaled back into the Rollover Option) and 20 per cent. of the Ordinary Shares in issue were repurchased pursuant to the Tender Offer, had the Calculation Date been 28 February 2017 (the Latest Practicable Date), the Scheme would have resulted in:

The FAV per AUKT Share being 379.9222 pence

The FAV per ADIGT Share being 123.0126 pence

Number of New Ordinary Shares to be issued and consideration for the Issue

The issue of 3.0884819929 New Ordinary Shares for each AUKT Share in respect of which an Election is made (or deemed to have been made) to roll over into the New Ordinary Shares under the Scheme. The Company would issue approximately 120.7 million New Ordinary Shares in total in connection with the Scheme and consideration for the Issue would be approximately £148.5 million.

Dilution

The number of New Ordinary Shares to be issued pursuant to the Issue will not be known until the Calculation Date. Existing Shareholders in the Company (who do not hold AUKT Shares) are not able to participate in the Issue. Therefore, Existing Shareholders will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Ordinary Shares issued under the Issue. Therefore, Existing Shareholders would suffer a dilution of approximately 20 per cent. to their existing percentage holdings assuming the Shareholder did not tender any Ordinary Shares.

The above figures are for illustrative purposes only and do not represent forecasts. The FAV per AUKT Share, the FAV per ADIGT Share and the AUKT Shareholders' entitlements under the Proposals may change materially up to the Effective Date as a result of, *inter alia*, changes in the values of the Company's and AUKT's investments.

4. Costs and expenses of the Scheme

The AIFM has agreed to make a contribution of £849,211 to the Company in relation to the costs the Company has or will incur in implementing the Scheme. The costs and expenses of the Issue payable by the Company, net of this contribution from the AIFM, are expected to be nil. In addition, the Company has agreed with the AIFM that no management fees will be paid for the transitional period from the date of appointment until the implementation of the Scheme and for a period of six months following the implementation of the Scheme (or if the Scheme is not implemented for whatever reason for a period of six months from 7 April 2017). For the purposes of calculating entitlements under the Scheme the financial value of the cost contribution in relation to the costs the Company has or will incur in implementing the Scheme will be credited to the FAV per ADIGT Share for the purposes of the Scheme.

If the Proposals do not become effective for any reason, the New Ordinary Shares will not be issued and the Company (and therefore existing Shareholders) will in principle bear some costs

and expenses. However, such costs and expenses are expected to be nil after taking into account the contribution from the Manager.

5. Admission and dealings

Application will be made to the UK Listing Authority for the New Ordinary Shares to be admitted to the premium segment of the Official List. Application will also be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the Main Market. If the Proposals become effective, it is expected that the New Ordinary Shares will be admitted to the Official List on 10 April 2017, and the first day of dealings in such shares on the Main Market will be 10 April 2017.

The New Ordinary Shares will be in registered form. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB0001297562. AUKT Shareholders who hold their AUKT Shares in uncertificated form and who elect to receive New Ordinary Shares will receive New Ordinary Shares in uncertificated form on 10 April 2017. Certificates in respect of New Ordinary Shares to be issued to AUKT Shareholders who hold their AUKT Shares in certificated form and who elect to receive New Ordinary Shares will be despatched in the week commencing 17 April 2017.

Dealings in the New Ordinary Shares in advance of the crediting of the relevant CREST accounts or the issue of certificates will be at the risk of the persons concerned.

Fractional entitlements to New Ordinary Shares pursuant to the Scheme will not be issued under the Proposals and entitlements will be rounded down to the nearest whole number. No cash payments shall be made or returned in respect of any fractional entitlements which will be retained for the benefit of the Company.

6. Restricted AUKT Shareholders

The terms of the Scheme, as they relate to Restricted AUKT Shareholders, may be affected by the laws of the relevant jurisdiction. Restricted AUKT Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Restricted AUKT Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental or other consents which may be required, compliance with necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any New Ordinary Shares allotted to the Liquidators and which would otherwise be issued to a Restricted AUKT Shareholder pursuant to the Scheme will instead be issued to the Liquidators as nominees on behalf of such Restricted AUKT Shareholder who will arrange for such shares to be sold promptly into the market within 30 Business Days, in circumstances in which the Liquidators and/or the Board, acting reasonably, consider that any such issue of New Ordinary Shares to those Restricted AUKT Shareholders would or may involve a breach of the securities laws or regulations of any jurisdiction, or if the Liquidators and/or the Board reasonably believe that the same may violate any applicable legal or regulatory requirements or may require the Company to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Liquidators and/or the Board, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Restricted AUKT Shareholders are permitted to hold New Ordinary Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that the Company would not be subject to any additional regulatory requirements to which it would not be subject but for such issue).

The proceeds of such sales will be paid to the relevant Restricted AUKT Shareholders entitled to them within 10 Business Days of the date of sale, save that entitlements of less than £5.00 per Restricted AUKT Shareholder will be retained by the Company for its own account.

Restricted AUKT Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of the Proposals on them.

PART 5

FINANCIAL INFORMATION (INCLUDING PORTFOLIO INFORMATION)

1. Introduction

The statutory financial statements for the Company for the years ended 30 September 2014 and 30 September 2015 have been prepared in accordance with UK GAAP and for the year ended 30 September 2016 have been prepared in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("**FRS 102**"), which forms part of revised Generally Accepted Accounting Practice issued by the Financial Reporting Council in 2013 and which came into effect for accounting periods beginning on or after 1 January 2015. In each case the Company's auditors, Ernst & Young LLP of 25 Churchill Place, London E14 5EY who are members of the Institute of Chartered Accountants in England and Wales, made an unqualified report under section 495 of the Act.

The Company adopted FRS 102 in respect of its financial year ended 30 September 2016. The last financial statements prepared under the previous UK GAAP were for the year ended 30 September 2015. The statutory accounts for the financial years ended 30 September 2015 and 30 September 2016 have been prepared in a manner which is consistent with that which will be adopted in the next annual statutory accounts of the Company (to be prepared in accordance with FRS 102) having regard to accounting standards, policies and legislation applicable to such annual financial statements in so far as there are no material differences between the financial statements for these years prepared under these two accounting frameworks.

The financial statutory financial statements have been delivered to the Registrar of Companies in Scotland. Such reports are incorporated into this document by reference and can be obtained from www.aberdeendiversified.co.uk. The non-incorporated parts of these annual reports and accounts of the Company are either not relevant to investors or covered elsewhere in this document. Copies are also available for inspection during normal business hours on any weekday at the Company's registered office.

2. Historical financial information

Historical financial information relating to the Company on the matters referred to below is included in the published annual report and audited accounts of the Company for the three financial years ended 30 September 2016, 30 September 2015 and 30 September 2014 as set out in the table below and is expressly incorporated by reference into this document.

	<i>2014</i> <i>Annual Report</i> <i>and Accounts</i> <i>(Page numbers)</i>	<i>2015</i> <i>Annual Report</i> <i>and Accounts</i> <i>(Page numbers)</i>	<i>2016</i> <i>Annual Report</i> <i>and Accounts</i> <i>(Page numbers)</i>
<i>Nature of information</i>			
Chairman's Statement	4-7	4-5	8-10
Investment Manager's Report	12-15	13-15	17-19
Portfolio Valuation	16-17	19-25	21-26
Independent Auditor's Report	53-55	44-46	45-48
Income Statement	34	47	49
Reconciliation of Movement in Shareholders Funds	34	48	50
Balance Sheet	35	49	51
Cash Flow Statement	36	50	52
Notes to the Financial Statements	37-52	51-70	53-76

3. Selected financial information

The information in this paragraph 3 is information regarding the Company which has been prepared by the Company and has been extracted directly from the historical financial information referred to in paragraph 2 above of this Part 5. Selected financial information relating to the Company which summarises the financial condition of the Company for the three years ended 30 September 2016, 30 September 2015 and 30 September 2014 is set out in the following table.

	2014 <i>Annual Report and Accounts (Audited)</i>	2015 <i>Annual Report and Accounts (Audited)</i>	2016 <i>Annual Report and Accounts (Audited)</i>
Net assets			
Total assets (£'000)	510,900	451,352	442,827
Total liabilities (£'000)	(84,035)	(76,520)	(91,306)
Net assets (with debt at amortised cost) (£'000)	426,865	374,832	351,521
NAV per Share (cum income with debt at fair value) (p)	143.3	131.00	123.62
Income			
Revenue return after expenses and taxation (£'000)	20,298	20,163	20,602
Revenue return per Ordinary Shares (p)	7.01	7.07	7.56
Dividends per Ordinary Share (p)	6.440	6.540	6.540

4. Operating and financial review

A description of changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chairman's Statement", "Investment Manager's Report" and "Portfolio Valuation" in the published statutory accounts of the Company as follows:

	2014 <i>Annual Report and Accounts (Page numbers)</i>	2015 <i>Annual Report and Accounts (Page numbers)</i>	2016 <i>Annual Report and Accounts (Page numbers)</i>
<i>Nature of information</i>			
Chairman's Statement	4-7	4-5	8-10
Investment Manager's Report	12-15	13-15	17-19
Portfolio Valuation	16-17	19-25	21-26

5. Significant change

Save for the (i) the fall in the net assets (with debt at amortised cost) from £351.5 million as at 30 September 2016 to £351.2 million as at 28 February 2017 (the latest practicable date prior to the publication of this document) and the associated increase in the Net Asset Value per Share (cum income with debt at fair value) from 123.62 pence to 123.71 pence as at 28 February 2017 (the latest practicable date prior to the publication of this document); (ii) the payment of the final quarterly dividend for financial year ended 30 September 2016 of 1.635 pence per Ordinary Share; and (iii) the declaration of the first quarterly dividend of 1.635 pence per Ordinary Share for the financial year ended 30 September 2017 on 23 February 2017 payable on 24 March 2017, there has been no significant change in the financial or trading position of the Company since 30 September 2016 (being the last date in respect of which financial information of the Company has been published).

6. Significant gross change

The result of the Scheme and the Issue will represent a significant gross change for the Company. The Company expects to acquire cash from AUKT pursuant to the Scheme. As at the Latest

Practicable Date, AUKT had unaudited net assets of approximately £358.4 million and the Company had unaudited net assets of approximately £330.3 million.

Taking into account the costs of the Proposals and declared but unpaid dividends (for both AUKT and the Company) and on the assumption that all AUKT Shareholders elect to roll over into the Company and no Existing Shareholders tender their Ordinary Shares pursuant to the Tender Offer, had the Issue occurred on the Latest Practicable Date, the Company's net assets would have increased by approximately £352.3 million.

Taking into account the costs of the Proposals and declared but unpaid dividends (for both AUKT and the Company) and on the assumption that no AUKT Shareholders elect for the Rollover Option (subject to the 60 per cent. cash exit limit and excess Elections being scaled back into the Rollover Option) and the Tender Offer for up to 20 per cent. of the existing Ordinary Shares is subscribed by Existing Shareholders in full, had the Issue occurred on the Latest Practicable Date, the Company's net assets would have increased by approximately £81.0 million.

Assuming the cash received from AUKT in accordance with the terms of the Scheme is invested in accordance with the Company's investment objective and policy on the assumption that no AUKT Shareholders elect for the Cash Option and no Existing Shareholders tender their Ordinary Shares pursuant to the Tender Offer, had the Issue occurred on the Latest Practicable Date, there would be no impact on the earnings per Ordinary Share.

Assuming the cash received from AUKT in accordance with the terms of the Scheme is invested in accordance with the Company's investment objective and policy on the assumption that no AUKT Shareholders elect for the Rollover Option (subject to the 60 per cent. cash exit limit and excess Elections being scaled back into the Rollover Option) and the Tender Offer is subscribed by Existing Shareholders in full, had the Issue occurred on the Latest Practicable Date, there would be no impact on the earnings per Ordinary Share.

7. Capitalisation and indebtedness

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 January 2017:

	<i>31 January 2017</i> <i>(unaudited)</i> <i>£'000</i>
Total Current Debt	
Guaranteed	(864)
Secured	—
Unguaranteed/Unsecured	(2,759)
Total Non-Current Debt (excluding current portion of long-term debt)	
Guaranteed	—
Secured	(59,615)
Unguaranteed/Unsecured	—
Shareholders' Equity ⁽¹⁾	
Share capital	72,778
Legal reserves	15,563
Other reserve	219,063

Notes:

(1) In accordance with the ESMA update of the CRSR recommendations, retained earnings (comprising retained revenue reserves and other capital reserves) have been excluded from Shareholders' equity.

There has been no material change in the capitalisation of the Company since 30 September 2016 (being the last date in respect of which financial information for the Company has been published).

The following table shows the Company's unaudited net indebtedness as at 31 January 2017:

	<i>31 January 2017</i> <i>(unaudited)</i> £'000
(A) Cash	19,792
(B) Cash equivalent	–
(C) Trading securities	365,695
(D) Liquidity (A+B+C)	385,487
(E) Current financial receivables	1,388
(F) Current bank debt	–
(G) Current portion of non-current debt	–
(H) Other current financial debt	3,623
(I) Current financial debt (F+G+H)	3,623
(J) Net current financial indebtedness (I-E-D)	(383,253)
(K) Non-current bank loans	–
(L) Bonds issued	59,615
(M) Other non-current loans	–
(N) Noncurrent financial indebtedness (K+L+M)	59,615
(O) Net financial indebtedness (J+N)	(323,638)

At 31 January 2017, the Company had commitments of £21,500,000 (30 September 2016: £21,500,000) of which £14,650,000 remained outstanding (30 September 2016: £18,006,000). There were no contingent liabilities as at 31 January 2017 (30 September 2016: Nil).

8. Capital resources

The Company currently has 267,037,282 Ordinary Shares in issue (as at the date of this document). The Company also holds 24,075,000 Ordinary Shares in treasury. As at the Latest Practicable Date, the Company had cash available of £20.0 million. The Company's source of funds is its returns from the investments in its portfolio. The Company's principal expenditure is the fees payable to the AIFM, the Directors and the Depositary. Its total expenditure for the period to 30 September 2016 was £2.355 million.

9. Working capital

In the opinion of the Company, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

10. Net Asset Value

As at 28 February 2017 the unaudited NAV per Share (cum income, debt at fair value) was 123.71 pence and the unaudited NAV per Share (ex income, debt at fair value) was 121.21 pence.

11. Analysis of Investment portfolio

As at the date of this document (based on valuations as at 28 February 2017, being the latest practicable date prior to the publication of this document), the Company's asset allocation was: 32.4 per cent. equities, 14.8 per cent. quoted alternatives, 4.4 per cent. unquoted alternatives, 23.7 per cent. fixed income strategies and 24.7 per cent. cash and cash equivalents (including equity index futures exposure).

The Company's portfolio comprised 345 investments. The aggregate unaudited value of the Company's portfolio (including cash and forward contracts), calculated in accordance with the Company's normal accounting policies, was £412.3 million as at 28 February 2017 (being the latest practicable date prior to the publication of this document).

Ten largest equity investments as at 28 February 2017

<i>Name</i>	<i>Currency</i>	<i>Country</i>	<i>Industry</i>	<i>Market value (£'000)</i>	<i>% of portfolio</i>
BlackRock Impact World Equity Fund	GBP	LUX	Financials (OEIC)	17,188	4.2%
BlackRock Throgmorton Trust	GBP	UK	Financials	11,979	2.9%
BlackRock Emerging Markets Equity Income Fund	USD	LUX	Financials (OEIC)	9,821	2.4%
British American Tobacco	GBP	UK	Consumer Goods	9,587	2.3%
Unilever	GBP	UK	Consumer Goods	7,627	1.8%
Lloyds Banking Group	GBP	UK	Financials	7,186	1.7%
Astrazeneca	USD	UK	Health Care	6,738	1.6%
Royal Dutch Shell B	EUR	UK	Oil & Gas	5,084	1.2%
Relx	GBP	UK	Consumer Services	4,936	1.2%
Glaxosmithkline	GBP	UK	Health Care	4,584	1.1%

Ten largest quoted alternative investments as at 28 February 2017

<i>Name</i>	<i>Market value (£'000)</i>	<i>% of portfolio</i>
iShares Gold	16,951	4.1%
Blackstone/GSO	12,074	2.9%
Funding Circle Sme Income	9,216	2.2%
Foresight Solar Fund	5,193	1.3%
iShares II UK Property	4,394	1.1%
NB Distressed Debt Extended Life	3,180	0.8%
Catco Reinsurance Opportunities Fund	2,274	0.6%
Fair Oaks Income Fund	2,068	0.5%
P2P Global Investments	2,067	0.5%
Amedeo Air Four Plus	1,323	0.3%

Ten largest fixed income investments as at 28 February 2017

<i>Name</i>	<i>Market value (£'000)</i>	<i>% of portfolio</i>
BlackRock (Luxembourg) Corporate Bond Fund	25,388	6.2%
UK (Govt of) 2% 07/09/25	9,031	2.2%
Brazil (Fed Rep of) 10% 01/01/27	5,153	1.2%
Turkey (Rep of) 10.7% 17/02/21	5,026	1.2%
Poland (Rep of) 2.5% 25/07/26	3,805	0.9%
Indonesia (Rep of) 9% 15/03/29	2,808	0.7%
South Africa (Rep of) 10.5% 21/12/26	2,529	0.6%
South Africa (Rep of) 6.25% 31/03/36	2,513	0.6%
Russian Federation 7.05% 19/01/28	2,309	0.6%
Mex Bonos Desarr Fix Rt 10% 05/12/24	2,006	0.5%

Largest unquoted alternative investments as at 28 February 2017

<i>Name</i>	<i>Market value (£'000)</i>	<i>% of portfolio</i>
MAS Mortgage Holdings	9,000	2.2%
Forward Partners LP	3,637	1.1%
BlackRock Infrastructure Renewable Income	4,613	1.1%

The information in this paragraph 11 is unaudited information of the Company, which has been extracted from internal managing accounting records held by the Company and has not been reported on by an accountant.

PART 6

UK TAXATION

Introduction

The following comments do not constitute tax advice and are intended only as a general guide to certain aspects of current UK law and HMRC published practice as at the date of this document (both of which are subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK tax treatment of Shareholders and (except insofar as express reference is made to the treatment of non-UK residents) are intended to apply only to Shareholders who for UK tax purposes are resident in and, in the case of individuals, domiciled in, the UK and to whom “split year” treatment does not apply. The comments apply only to Shareholders who are the absolute beneficial owners of their Ordinary Shares and the dividends payable on them and who hold their Ordinary Shares as investments (and not as securities to be realised in the course of a trade).

The comments below may not apply to certain categories of Shareholder such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation (or who hold their Ordinary Shares through an ISA) and Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of any office or employment. Such persons may be subject to special rules.

Prospective investors who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK are strongly advised to consult their own professional advisers.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that it continues to satisfy the conditions for approval as an investment trust. However, none of the AIFM, the Manager nor the Directors can guarantee that this approval will be maintained. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK corporation tax on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

Approved investment trusts are able to elect to take advantage of modified UK tax treatment in respect of their “qualifying interest income” for an accounting period (referred to here as the “streaming” regime). Under such treatment, the Company may (assuming it is approved as an investment trust) designate as an “interest distribution” all or part of the amount it distributes to Shareholders as dividends, to the extent that it has “qualifying interest income” for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

In principle, the Company will be liable to UK corporation tax on its dividend income. However, there are broad-ranging exemptions from this charge which would be expected to be applicable in respect of most dividends it receives.

Shareholders

Taxation of dividends – individuals

(A) Dividends which are not designated as “interest distributions”

The following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends in respect of their Ordinary Shares which are not designated as interest distributions.

The Company will not be required to withhold tax at source when paying a dividend not designated as an “interest distribution.”

The notional 10 per cent., dividend credit was abolished with effect from 6 April 2016. A £5,000 (fiscal year 2016-2017) annual tax free dividend allowance was introduced for UK individuals with effect from 6 April 2016. Dividends received in excess of this threshold will be taxed, for the fiscal year 2016/17 at 7.5 per cent. (basic rate taxpayers), 32.5 per cent. (higher rate taxpayers) and 38.1 per cent. (additional rate taxpayers). The taxation of dividends received by SIPP and ISAs will be unaffected.

(B) “Interest distributions”

Should the Directors elect to apply the streaming regime to any dividend paid by the Company, a UK resident individual Shareholder in receipt of such a dividend would be treated as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the rates of 20 per cent., 40 per cent. or 45 per cent., depending on the level of the Shareholder’s income and the availability of any exemption, allowance or relief. Such distributions would generally be paid to the individual Shareholder after the deduction of 20 per cent. income tax.

An individual Shareholder who is not UK tax resident should generally be entitled to receive dividends designated as interest distributions without deduction of UK tax, provided the Company has received the necessary declarations of non-residence.

Taxation of dividends – companies

(A) Dividends which are not designated as “interest distributions”

The following statements in this section (A) summarise the expected UK tax treatment for Shareholders within the charge to UK corporation tax who receive dividends in respect of their Ordinary Shares which are not subject to the streaming regime.

The Company is not required to withhold UK tax when paying a dividend on the Ordinary Shares which is not designated as an “interest distribution”.

Subject to the discussion of “interest distributions” below, Shareholders within the charge to UK corporation tax should generally be exempt from corporation tax on dividends paid by the Company in respect of their Ordinary Shares provided the dividends fall within an exempt class under the distribution exemption regime and certain conditions are met.

(B) “Interest distributions”

The following statements in this section (B) summarise the expected UK tax treatment for Shareholders within the charge to UK corporation tax who receive dividends in respect of their Ordinary Shares which are designated as interest distributions and thus subject to the streaming regime.

The Company will not generally be required to withhold UK tax when paying a dividend on the Ordinary Shares where the recipient of the dividend is a company (whether UK resident or not).

If the Directors were to elect for the streaming regime to apply, a Shareholder within the charge to UK corporation tax receiving a dividend designated by the Company as an interest distribution would be treated for tax purposes as receiving interest under a creditor loan relationship. Accordingly, such a Shareholder would be subject to corporation tax in respect of the distribution.

It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

Taxation of chargeable gains

If a Shareholder sells or otherwise disposes or is deemed to dispose of his Ordinary Shares he may, depending on his circumstances and subject to any available exemption or relief, incur a liability to UK capital gains tax (for individual shareholders) or corporation tax on chargeable gains (for corporate shareholders). For Shareholders within the charge to corporation tax, indexation allowance may be available to reduce any such gain (but not to create or increase an allowable loss). No indexation allowance will be available to individual Shareholders. However, each individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of the exempt amount.

Shareholders who are individuals and who are temporarily non-resident in the UK may also, in certain circumstances, be liable to UK tax on capital gains realised (subject to any available exemption or relief).

ISAs and SIPPs

The Ordinary Shares should qualify as investments which are eligible for inclusion in an ISA when acquired on the open market. Where New Ordinary Shares are acquired in connection with the AUKT Scheme and the AUKT Shares originally owned were held in an ISA, the inclusion of the New Ordinary Shares in the ISA by the ISA manager should not affect the individual's annual investment limit.

Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility.

The Directors have been advised that the Ordinary Shares should also be eligible for inclusion in a SIPP, subject to the discretion of the trustees of the SIPP.

Stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax ("**SDRT**") will be payable by AUKT Shareholders on the issue of New Ordinary Shares to them pursuant to the AUKT Scheme.

Transfers on sale of Ordinary Shares outside of CREST will generally be subject to UK stamp duty at the rate of 0.5 per cent., of the consideration given for the transfer, rounded up to the nearest £5. The purchaser normally pays the stamp duty. However, where the consideration for the transfer is £1,000 or less (and the instrument of transfer contains a statement that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000) no stamp duty will be payable.

An unconditional agreement to transfer Ordinary Shares will normally also give rise to a charge to SDRT at the rate of 0.5 per cent., of the amount or value of the consideration payable for the transfer. However, if an instrument of transfer is executed in pursuance of the agreement and duly stamped within six years of the date on which the agreement became unconditional, the SDRT charge will generally be cancelled and any SDRT which has already been paid can generally be reclaimed.

The liability to pay stamp duty or SDRT is normally satisfied by the purchaser or transferee.

Paperless transfers of Ordinary Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent., of the amount or value of the consideration payable. Such SDRT will generally be collected through the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person, including market makers, brokers and dealers may not be liable to stamp duty or SDRT and others, including persons connected with depositary arrangements and clearance services, may be liable at a higher rate of 1.5 per cent., or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

Information reporting

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA. The UK has also introduced legislation implementing other international exchange of information arrangements, including the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. In connection with such international agreements and arrangements the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the relevant international agreements.

PART 7

ADDITIONAL INFORMATION ON THE COMPANY

1. The Company, the AIFM and the Depositary

- 1.1 The Company was incorporated in Scotland as British Assets Trust plc, a public limited company with an unlimited life on 5 January 1898. The Company changed its name on 26 February 2015 to BlackRock Income Strategies Trust plc and became Aberdeen Diversified Income and Growth Trust plc on 10 February 2017. The Company is registered as an investment company under section 833 of the Act with registered number SC003721. The Company is domiciled in Scotland. Its registered office and principal place of business is at 7th Floor, 40 Princes Street, Edinburgh EH2 2BY. The Company's telephone number is 0131 528 4000.
- 1.2 The Company has no subsidiaries.
- 1.3 The existing Ordinary Shares in the Company are admitted to the premium segment of the Official List and are traded on the Main Market. The Company is subject to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and to the rules of the London Stock Exchange. The Company operates under the Act and regulations made under the Act.
- 1.4 The objects of the Company are unrestricted.
- 1.5 The AIFM is a private limited company incorporated in England and Wales with registered number 00740118. The AIFM is authorised and regulated by the FCA. The registered office address of the AIFM is Bow Bells House, 1 Bread Street, London EC4M 9HH and its telephone number is 01224 631999.
- 1.6 The Manager is a private limited company incorporated in Scotland with registered number SC108419. The Manager is authorised and regulated by the FCA. The registered office address of the Manager is 10 Queens's Terrace, Aberdeen AB10 1YG and its telephone number is 01224 631999.
- 1.7 The Depositary has its registered office at 160 Queen Victoria Street, London EC4V 4LA. Its telephone number is 020 3322 4806. The Depositary is authorised by the PRA and regulated by the FCA and the PRA. The Depositary is a private limited company and was incorporated in England and Wales with registered number 03588038.

2. Share capital

- 2.1 The share capital of the Company consists only of Ordinary Shares. The Ordinary Shares carry the right to receive notice of, attend and vote at general meetings of the Company. At any general meeting holders of Ordinary Shares on a show of hands shall have one vote, every proxy appointed by a holder of Ordinary Shares on a show of hands will have one vote and every holder of Ordinary Shares present in person or by proxy on a poll has one vote for every Ordinary Share held. Shareholders are entitled to such dividends (if any) as are declared by the Company and are entitled, on a return of capital on a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company which remains after satisfying any liabilities.
- 2.2 Set out below is the issued share capital of the Company as at the Latest Practicable Date and immediately following Admission:

	Aggregate nominal value (£)	Number
As at the Latest Practicable Date		
Ordinary Shares	72,778,070	291,112,282
Immediately following Admission		
<i>(Assuming all AUKT Shareholders elect for the Rollover Option and no Existing Shareholders tender their Ordinary Shares pursuant to the Tender Offer)</i>		
Ordinary Shares	146,189,686	584,758,742
<i>(Assuming no AUKT Shareholders elect for the Rollover Option and all Existing Shareholders tender their Basic Entitlement of Ordinary Shares pursuant to the Tender Offer subject to 60 per cent. cash exit limited and excess Elections being scaled back into the Rollover Option)</i>		
Ordinary Shares	89,609,668	358,438,670

Note: Includes 24,075,000 Ordinary Shares which are held in treasury.

All of the existing issued Ordinary Shares are fully paid up.

2.3 The Company had the following changes in share capital during the period from 1 October 2013 to 30 September 2016:

2.3.1 during the period from 1 October 2013 to 30 September 2014 there were no changes in share capital.

2.3.2 during the period from 1 October 2014 to 30 September 2015 14,975,000 Ordinary Shares were purchased and placed in to treasury for a consideration of £20,256,259 (excluding stamp duty).

2.3.3 during the period from 1 October 2015 to 30 December 2016 7,600,000 Ordinary Shares were purchased and held in treasury for a consideration of £8,934,698 (excluding stamp duty). In addition, 200,000 Ordinary Shares were re-issued from treasury for a consideration of £271,200.

2.4 By an ordinary resolution and a special resolution, respectively, passed on 22 February 2016 at the 2016 AGM:

2.4.1 the Directors were generally and unconditionally authorised pursuant to Section 551 of the Act to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £6,865,932 (representing 10 per cent. of the Company's issued ordinary share capital at the date of the notice of the 2016 AGM) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of 31 March 2017 and the conclusion of the Company's ADIGT AGM, but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Directors may allot relevant securities in pursuance of that offer or agreement as if the authority conferred by the resolution had not expired; and

2.4.2 the Directors were empowered, pursuant to Section 570 of the Act to allot or sell equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by the resolution described in paragraph 2.4.1 as if Section 561 of the Act did not apply to the allotment and to sell relevant shares (within the meaning of Section 560 of the Act) held by the Company immediately before the sale of treasury shares (as defined in Section 724 of the Act) for cash as if Section 561 of the Act did not apply provided that this power shall be limited:

- (a) to the allotment or sale (otherwise than pursuant to sub-paragraph 2.4.1 above) of equity securities up to a maximum aggregate nominal value of £3,432,966 (representing approximately 5 per cent. of the Company's issued ordinary share capital at the date of the notice of the 2016 AGM); and
- (b) to the allotment or sale of equity securities at a price not less than the Net Asset Value per Share;

and shall expire on the earlier of 31 March 2017 and the conclusion of the ADIGT AGM, save that the Directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred by the resolution had not expired.

This power applies to a sale of treasury shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words "pursuant to the authority given in accordance with section 551 of the Act by the resolution described in paragraph 2.4.1" were omitted.

2.5 By ordinary resolution and special resolution, respectively, the following authorities will be sought at the Company's ADIGT AGM:

2.5.1 the Directors be generally and unconditionally authorised pursuant to Section 551 of the Act to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £6,675,932 (representing 10 per cent. of the Company's issued ordinary share capital at the date of the notice of the ADIGT AGM) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of 31 March 2018 and the conclusion of the Company's 2018 AGM, but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Directors may allot relevant securities in pursuance of that offer or agreement as if the authority conferred by the resolution had not expired; and

2.5.2 the Directors be empowered, pursuant to Section 570 of the Act to allot or sell equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by the resolution described in paragraph 2.5.1 as if Section 561 of the Act did not apply to the allotment and to sell relevant shares (within the meaning of Section 560 of the Act) held by the Company immediately before the sale of treasury shares (as defined in Section 724 of the Act) for cash as if Section 561 of the Act did not apply provided that this power shall be limited:

- (a) to the allotment or sale (otherwise than pursuant to sub-paragraph 2.5.1 above) of equity securities up to a maximum aggregate nominal value of £3,337,966 (representing approximately 5 per cent. of the Company's issued ordinary share capital at the date of the notice of the ADIGT AGM); and
- (b) to the allotment or sale of equity securities at a price not less than the Net Asset Value per Share;

and shall expire on the earlier of 31 March 2018 and the conclusion of the Company's 2018 AGM, save that the Directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred by the resolution had not expired.

This power applies to a sale of treasury shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this

resolution the words “pursuant to the authority given in accordance with section 551 of the Act by the resolution described in paragraph 2.5.1” were omitted.

- 2.6 In order to authorise the Company to issue the New Ordinary Shares in connection with the AUKT Scheme and implement the Proposals, Existing Shareholders will be asked to pass the resolutions at the ADIGT General Meeting.
- 2.7 No share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital and no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- 2.8 The New Ordinary Shares will be in registered form. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB0001297562. The SEDOL of the Ordinary Shares is 0129756. The ticker for the Ordinary Shares is ADIG. The Company's legal entity identifier is 2138003QINEGCHYGW702.

3. **Articles of Association**

A summary of the main provisions of the Articles (including the proposed introduction of a continuation vote which is subject to Existing Shareholder approval at the ADIGT General Meeting) is set out below.

3.1 **Objects**

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

3.2 **Variation of rights**

Subject to the provisions of the Act and any statutory modification or re-enactment thereof for the time being in force and every other Act from time to time in force concerning companies and affecting the Company (the “**Statutes**”), if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated:

3.2.1 in such manner (if any) as may be provided by such rights; or

3.2.2 in the absence of any such provision by a special resolution passed at a separate meeting of the holders of shares of that class. Meetings of any special class of members may be summoned by the Directors whenever they shall deem it requisite or expedient so to do. The rules and regulations with respect to the summoning, holding and conducting of general meetings, and the voting thereat, shall apply as nearly as may be to any such meeting provided that no member, not being a Director, shall be entitled to notice thereof unless he be a holder of shares of the class intended to be affected by the resolution to be proposed thereat, and that no vote shall be given except in respect of a share of that class, and that the quorum at any such meeting shall be members holding or representing by proxy one-third of the issued shares of that class (but so that if at any adjourned meeting of such members a quorum as above defined is not present, those members who are present shall be a quorum) and that at any such meeting a poll may be demanded in writing by any five members present in person or by proxy and entitled to vote at the meeting, and provided also that at such meetings every share shall confer one vote, and any special restriction as regards voting at general meetings applicable to certain shares (if any) shall apply to such class meetings. A meeting of any special class of members shall be convened by the Directors on a requisition in writing authenticated by the holders of not less than one-tenth of the issued capital of that class upon which all calls or other sums then due have been paid.

3.3 ***Alteration of share capital***

The Company may by ordinary resolution:

- 3.3.1 authorise the Directors to increase its share capital by allotting new shares;
- 3.3.2 consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- 3.3.3 subject to the provisions of the Statutes, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from such sub-division, any of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with, the others as the Company has power to attach to new shares; and
- 3.3.4 redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

3.4 ***Issue of shares***

Without prejudice to any special rights attached to any existing shares, and subject to the provisions of the Statutes and of the Articles, any shares may be issued with such rights or restrictions as the Company may from time to time by ordinary resolution determine.

Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and to any directions which may be given by the Company in general meeting, the Board may allot, grant options over or otherwise dispose of any new shares to such persons (including the Directors themselves) on such terms and at such times as the Board may think proper, provided that no shares shall be issued at a discount to their nominal value.

3.5 ***Dividends***

Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividends shall exceed the amount recommended by the Board.

Subject to the provisions of the Statutes the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear and provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by lawful payment of any interim dividend on any shares ranking after those with preferential rights.

No dividend shall be paid otherwise than out of profits available for distribution in accordance with the Statutes.

Subject to any rights or restrictions for the time being attached to any particular shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividends are paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this paragraph 3.5 as paid up on the share.

3.6 ***Voting rights***

Subject and without prejudice to any rights or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, at any general meeting, on a show of hands every member entitled to vote who (being an individual) is present in person and every person (not being himself a member entitled to vote) who is present as proxy for a member entitled to vote, or as a duly authorised representative of a corporation, shall have one vote and on a poll every member entitled to vote who is present in person or by proxy shall have one vote for every £1 in nominal amount of shares in the capital of the Company of which is the holder.

If two or more persons are jointly entitled to a share, then in voting on any question the vote of the senior who tenders the vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority of the holders shall be determined by the order in which the names stand in the Register.

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares in the Company either personally or by proxy in respect of any shares held by him or to exercise any privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

3.7 ***Transfer of shares***

Subject to such of the restrictions contained in the Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form, or in such other form as the Board shall approve.

Notwithstanding any other provision of the Articles, title to any securities of the Company may be evidenced and transferred without a written instrument in accordance with statutory regulations from time to time made under the Statutes and the Board shall have power to implement any arrangements it may think fit for such evidencing and transfer which accord with those regulations.

The Board may, in its absolute discretion, refuse to register a transfer of any shares which is not fully paid to a person of whom it does not approve and it may also refuse to register any transfer of any share to more than four transferees or any transfer of any share on which the Company has a lien provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are listed on the Official List on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

If the Board shall refuse to register a transfer of any share, it shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of such refusal. At the same time as it sends the transferee notice of the refusal to register a transfer, the Board will provide the transferee with its reasons for the refusal.

No fee shall be charged for registration of a transfer or on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares.

3.8 ***Distribution of assets on a winding up***

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Statutes, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the

members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110 of the Insolvency Act 1986. The liquidator may, with the like sanction, vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine, but no member shall be compelled to accept any assets on which there is a liability.

3.9 ***Suspension of rights: failure to respond to a section 793 notice***

If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the “**default shares**”) to give the Company the information thereby required within the prescribed period from the service of the notice, the following sanctions shall apply unless the Board otherwise determines:

3.9.1 the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

3.9.2 where the default shares represent at least 0.25 per cent., in nominal value of the issued shares of their class:

- (a) any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect to receive shares instead of that dividend; and
- (b) subject to certain exceptions, no transfer of any shares held by the member shall be registered unless:
 - (i) the member is not himself in default as regards supplying the information required; and
 - (ii) the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

3.10 ***Untraced shareholders***

The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:

3.10.1 during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph 3.10.2 below (or, if published on different dates, the earlier or earliest thereof) no dividend, warrant or cheque in respect of the shares in question sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share or stock at his address on the Register or other the last known address given by the member or the person entitled by transmission to which warrants and cheques are to be sent has been cashed and during such period at least three dividends (whether interim or final) in respect of the shares in question have been paid by the Company and no dividend has been claimed in respect of such shares;

3.10.2 the Company shall on expiry of the said 12 years have inserted advertisements, both in a national newspaper published in the United Kingdom and in a newspaper

circulating in the area of the address in which the address referred to in paragraph 3.10.1 above is located, giving notice of its intention to sell the said shares;

3.10.3 the said advertisements, if not published on the same day, shall have been published within 30 days of each other; and

3.10.4 during the said period of 12 years and the period of three months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) the Company shall have not received indication either of the whereabouts or of the existence of such member or person.

3.11 *Appointment of Directors*

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be more than ten or less than three. A Director shall not be required to hold any qualification shares.

At every annual general meeting of the Company each Director shall retire from office who is required to do so in accordance with any corporate governance policy adopted from time to time by the Board and may offer him or herself for reappointment by the members.

The Board may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.

Any Director appointed to fill a casual vacancy or as an additional Director shall hold office only until the conclusion of the next following annual general meeting and shall then be eligible for reappointment, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

Each of the Directors shall be paid a fee at such rate as may from time to time be determined by the Board.

3.12 *Powers and duties of Directors*

Subject to the provisions of the Statutes, the Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by the Statutes or by the Articles required to be exercised or done by the Company in general meeting.

3.13 *Quorum and voting at board meetings*

The Board may regulate its proceedings as it thinks fit and determine the quorum for the transaction of business. Until otherwise determined, two Directors present shall be a quorum.

Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.

A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself a Director shall if his appointor is not present, be counted in the quorum,

3.14 ***Restrictions on voting***

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises only because the case falls within certain limited categories specified in the Articles.

3.15 ***Directors' interests***

Subject to the provisions of the Act and provided that the Director has disclosed to the other Directors the nature and extent of any material interest, a Director, notwithstanding his or her office, may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

3.16 ***Indemnity***

Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, alternate Director, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him or her in the execution and/or discharge of his or her duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him or her in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him or her as an officer or employee of the Company and in which judgement is given in his or her favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part) or in which he or she is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him or her by the Court.

3.17 ***General meetings***

An annual general meeting shall be convened by not less than twenty-one clear days' notice in writing. Subject to the Statutes, all other general meetings shall be convened by not less than fourteen clear days' notice in writing.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be not less than three persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation.

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. Any person or persons (whether a member of the Company or not) may be appointed to act as a proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member. A proxy shall, notwithstanding that he is not a member, be entitled to speak at any general meeting and at any separate general meeting of the holders of any class of shares of the Company at which the member appointing such proxy would have been entitled to speak.

Any corporation (whether or not a company within the meaning of the Statutes) which is a member of the Company may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company, or at any meeting of any class of members of the Company, and the person or persons so authorised shall be entitled to exercise the

same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

A Director (and any other person invited by the Chairman to do so) shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company.

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded: (a) by the Chairman; or (b) in writing by at least 3 persons entitled to vote on the resolution; or (c) in writing by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares in the Company which are held as treasury shares); or (d) in writing by a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right, and a demand by a person as a proxy for a member shall be the same as a demand by the member.

3.18 Borrowings

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital and, subject to the Statutes, to issue debentures, debenture stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to ensure (as regards its subsidiaries so far as by such exercise they can secure) that the aggregate principal amount of all moneys borrowed by the Group (exclusive of intra-Group borrowings) shall not, except with the sanction of the Company in general meeting, exceed at the time of borrowing the aggregate of:

3.18.1 the amount paid up or credited as paid up on the share capital of the Company; and

3.18.2 the amount standing to the credit of the capital and revenue reserves (including any share premium account and any balance on the revenue account),

all as shown by the latest published audited balance sheet of the Company, subject to certain adjustments.

3.19 Continuation vote

The Articles will be amended to contain a provision requiring the Directors to put an ordinary resolution to the Shareholders to approve the continuation of the Company as an investment trust at the annual general meeting of the Company to be held in 2020 and annually thereafter. In the event that such resolution is not passed, proposals will be put forward to the effect that the Company be wound up, liquidated or reconstructed.

4. City Code on Takeovers and Mergers

4.1 Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

4.1.1 a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

4.1.2 a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

4.2 ***Compulsory Acquisition***

Under sections 974 to 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent., of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to holders of outstanding shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the holders of outstanding shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent., of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of outstanding shares notice of his right to be bought out within one month of that right arising. Such sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of outstanding shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

5. **Directors and their interests**

5.1 At the Latest Practicable Date, the Directors and Proposed Directors held the following interests in the share capital of the Company. It is expected that the Directors and Proposed Directors will hold, from Admission, the following interests in the share capital of the Company.

<i>Name</i>	<i>Number of Ordinary Shares currently held</i>	<i>Percentage of issued Ordinary Share capital</i>	<i>New Ordinary Shares to be issued pursuant to the Scheme²</i>	<i>Percentage of issued Ordinary Share Capital following implementation of the Proposals²</i>
Jim Grover	27,500	0.0103	—	0.0049
James Long	40,033	0.0150	—	0.0071
Lynn Ruddick ¹ – Beneficial	165,598	0.0620	—	0.0295
– Non-beneficial	6,668	0.0025	—	0.0012
Ian Russell	27,500	0.0103	—	0.0049
Julian Sinclair	36,200	0.0136	—	0.0065
Jimmy West	63,400	0.0237	93,524	0.0280
Tom Challenor	—	—	35,160	0.0063
Kevin Ingram	—	—	54,321	0.0097
Paul Yates	—	—	45,070	0.0080

Notes:

1. Ms Ruddick's holding includes 63,290 Ordinary Shares held by her husband, Mr Dewar.
2. Assumes that all AUKT Shareholders elect for the Rollover Option, no Shareholders tender their Ordinary Shares pursuant to the Tender Offer and that each AUKT Shareholder receives 3.0046978355 New Shares for every AUKT Share held.

Save as disclosed in this paragraph, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

- 5.2 No Director has a service contract with the Company, nor is any such contract proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. In accordance with the corporate governance policy adopted by the Company, all the Directors retire at each annual general meeting and may offer themselves for re-election. The Directors' appointments can also be terminated in accordance with the Articles.

There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.

The current period of service of each of the Directors expires at the annual general meeting in 2018.

- 5.3 The annual fees payable to the Directors in respect of the Company's financial year ended 30 September 2016 were £41,250 for the Chairman, £28,250 for the Audit Committee Chairman, £26,250 for the Senior Independent Director and £24,250 for other Directors. The total fees receivable by the Directors and paid by the Company to the Directors in respect of the Company's accounting period ended 30 September 2016 was £168,500. It is estimated that the total salary and fees payable by the Company to the Directors and the Proposed Directors for the accounting period ended 30 September 2017 will amount to £180,625 (as a result of the increased size of the Board).

There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

- 5.4 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

- 5.5 Over the five years preceding the date of this document, the Directors and the Proposed Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of the following administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Present directorships and partnerships</i>	<i>Past directorships and partnerships</i>
<i>Directors</i>		
Jim Grover	None	None
James Long	Cubana (Waterloo) Ltd	JPMorgan Asian Investment Trust plc
Lynn Ruddick	WPA Pension Trustees Limited	BlackRock Frontiers Investment Trust plc Fidelity Special Values plc City of London Investment Management Company Limited City of London Investment Group plc Scottish & Newcastle Pension Plan Trustee Limited Standard Life UK Smaller Companies Trust plc
Ian Russell	Disabled People's Employment Corporation (GB) Ltd HICL Infrastructure Company Limited Scottish Futures Trust The Mercantile Investment Trust plc	British Polythene Industries Limited Johnston Press plc
Julian Sinclair	Downshire Investments Ltd	None
Jimmy West	CQS New City High Yield Fund Ltd Jimmy West Associates Limited Associated British Foods Pension Trustees Limited JP Morgan Income & Capital Trust plc Threadneedle UK Select Trust Limited	Aberdeen Smaller Companies Income Trust plc Canaccord Genuity Limited Canaccord Genuity Securities Limited I Value plc (Dissolved)
<i>Proposed Directors</i>		
Tom Challenor	Aberdeen UK Tracker Trust plc Euroclear UK & Ireland Limited Threadneedle India Fund Limited	Cofunds Limited Legal & General Holdings No.2 Limited NHS Brent, Harrow & Hillingdon Clinical Commissioning Groups The Ealing Brewery Company Limited (Dissolved) Andiamo Partners Limited (Dissolved) XTRAKTER Limited

<i>Name</i>	<i>Present directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Kevin Ingram	Aberdeen UK Tracker Trust plc VPC Speciality Lending Investments plc	
Paul Yates	Aberdeen UK Tracker Trust plc Merchants Trust plc (The)	

5.6 As at the date of this document, none of the Directors nor Proposed Directors:

5.6.1 have any convictions in relation to fraudulent offences for at least the previous five years;

5.6.2 have been, for at least the previous five years, associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; or

5.6.3 have had any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

5.7 None of the Directors nor the Proposed Directors has any conflict of interest between duties to the Company and his or her private interests or other duties.

6. Substantial Share interests

6.1 So far as is known to the Company by virtue of the notifications made to it pursuant to the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date the following persons held directly or indirectly three per cent. or more of the Company's voting rights:

<i>Name</i>	<i>Number of voting rights held</i>	<i>Percentage of voting rights</i>
Aviva Investors Global Services Limited	35,037,697	13.1
Brown Shipley & Co Limited	10,224,942	3.8

Save as set out in this paragraph 6.1, the Company is not aware of any person who holds as shareholder (within the meaning of the Disclosure Guidance and Transparency Rules), directly or indirectly, 3 per cent. or more of the voting rights of the Company.

6.2 All Shareholders have the same voting rights in respect of the share capital of the Company.

6.3 The Company, the Directors and the Proposed Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

6.4 The Company, the Directors and the Proposed Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

7. **Related party transactions**

Save for continuing payment of Directors' remuneration on the basis set out in paragraph 5.3 of this Part 7, there have been no related party transactions entered into by the Company at any time during the period from 1 October 2013 to the Latest Practicable Date.

8. **Material Contracts**

Save as described below, the Company has not: (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this document; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this document.

8.1 **Sponsor Agreement**

The Sponsor Agreement dated 6 March 2017 between the Company, the AIFM, the Manager and Cenkos Securities, pursuant to which, subject to certain conditions, Cenkos Securities has agreed to act as sponsor to the Company for the purposes of the Listing Rules. The Sponsor Agreement may be terminated by Cenkos Securities in certain customary circumstances prior to Admission.

The obligation of Cenkos Securities under the Sponsor Agreement are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring and becoming effective by 8.00 a.m. on 10 April 2017 (or such later time and/or date, not being later than 30 April 2017, as the Company, the AIFM, the Manager and Cenkos Securities may agree); (ii) the passing of the resolutions in connection with the Scheme at the ADIGT General Meeting; and (iii) the Sponsor Agreement not having been terminated in accordance with its terms.

The Company, the AIFM and the Manager have given warranties to Cenkos Securities concerning, *inter alia*, the accuracy of the information contained in this document. The Company, the AIFM and the Manager have also given indemnities to Cenkos Securities. The warranties given by the Company, the AIFM and the Manager and the indemnities given by the Company, the AIFM and the Manager are standard for an agreement of this nature.

The Sponsor Agreement is governed by the laws of England and Wales.

8.2 **Transfer Agreement**

Pursuant to letters of undertaking from: (i) the Liquidators to each of the Company and AUKT, each dated on or around 6 March 2017 and (ii) the Company to AUKT dated on or around 6 March 2017, the Liquidators and the Company have each irrevocably undertaken (subject to certain conditions) to enter into a transfer agreement (the "**Transfer Agreement**") between the Company, the Liquidators and AUKT in connection with the AUKT Scheme. Under the terms of the Transfer Agreement, a pool of AUKT's assets will be transferred to the Company in consideration for the allotment by the Company of fully paid New Ordinary Shares to the Liquidators (as nominees for AUKT Shareholders entitled to them in accordance with the Scheme). Thereafter, the Liquidators will renounce the allotments of the New Ordinary Shares in favour of AUKT Shareholders who have elected (or are deemed to have elected) to receive New Ordinary Shares under the Scheme, and such New Ordinary Shares will be issued by the Company to those AUKT Shareholders pursuant to the Scheme.

The Transfer Agreement excludes any liability on the part of the Liquidators for entering into or carrying into effect the Transfer Agreement.

Any holdings that cannot be sold will be transferred to the Liquidation Fund.

The Transfer Agreement is governed by the laws of England and Wales.

8.3 **Management Agreement**

The Management Agreement dated 10 February 2017 between the Company and the AIFM, whereby the AIFM is appointed to act as the discretionary investment manager of the Company and as AIFM to the Company for the purposes of the AIFM Directive with responsibility to manage the assets of the Company and to advise the Company on a day-to-day basis in accordance with the investment policy of the Company and subject to the overall control and supervision of the Board. Under the terms of the Management Agreement, the AIFM has discretion to buy, sell, retain, exchange, convert, redeem or otherwise deal in investment assets for the account of the Company. The AIFM has delegated portfolio management to the Manager.

Under the terms of the Management Agreement, the AIFM is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is calculated and payable monthly in arrears at the rate of: (i) 0.5 per cent. per annum of the first £300 million of the net assets of the Company; and (ii) 0.45 per cent. per annum of the net assets of the Company in excess of £300 million. Any investments made in Aberdeen funds investing directly in alternatives including, but not limited to, infrastructure and property will be charged at Aberdeen's lowest institutional rate. To avoid double charging such investments will be excluded however from the overall management fee calculation. The fees charged on any investment made in Aberdeen funds which do not invest in alternatives as noted above will be waived or rebated to the Company and these assets will be included for the purposes of calculating the overall management fee. The Company has agreed with the AIFM that no management fees will be paid for the transitional period from the date of appointment until the implementation of the Scheme and for a period of six months following the implementation of the Scheme (or if the Scheme is not implemented for whatever reason for a period of six months from 7 April 2017).

Under the Management Agreement, the AIFM may delegate the exercise of all or any of its powers, provided that the AIFM does not delegate its duties to the extent that it becomes a "letter-box entity" within the meaning of the AIFM Directive.

The Management Agreement is terminable by either the AIFM or the Company giving to the other not less than six months' written notice, subject to an initial term of two years, or, if terminated by the Company earlier, upon the payment of compensation. The Management Agreement may also be terminated earlier by either party with immediate effect and without compensation on the occurrence of certain events, including material and continuing breach and insolvency. On termination the AIFM is entitled to receive its fees payable under the Management Agreement *pro rata* to the date of termination and the Company will pay any necessary termination expenses.

The Company has given an indemnity in favour of the AIFM, its group members and their respective officers, employees and agents in respect of the AIFM's potential losses in carrying on its responsibilities under the Management Agreement. The indemnity given by the Company is standard for an agreement of this nature.

The Management Agreement is governed by the laws of England and Wales.

8.4 **Depositary Agreement**

The Depositary Agreement dated 10 February 2017 between the Company, the AIFM and the Depositary, pursuant to which the Depositary has been appointed to provide depositary services to the Company, in fulfilment of the requirements of the AIFM Directive.

The Depositary is registered in England and Wales and operates through its branch in London. It is authorised by the PRA and is subject to limited regulation by the FCA and the PRA.

Under the Depositary Agreement, the Depositary has safekeeping of assets, cash flow monitoring and oversight responsibilities. It is liable for financial instruments held in custody

and for negligence and intentional failure to properly fulfil its obligations. The Depositary Agreement is terminable on six months' prior written notice. The Depositary Agreement is subject to earlier termination on the occurrence of certain events, including insolvency and material and continuing breach.

The Depositary is able to delegate safekeeping to another person provided it follows the requirements of the AIFMD, which include that the delegation is for objective reasons and that the Depositary undertakes due diligence and monitoring of the delegate.

Under the terms of the Depositary Agreement, the Depositary is entitled to be paid fees of 0.0115 per cent., of the Company's net assets per annum. The Depositary is also entitled to receive custody fees in accordance with a specified schedule of charges.

The Depositary Agreement is governed by the law of England and Wales.

8.5 **Repurchase Agreement**

The Company and Cenkos Securities entered into a repurchase agreement on 6 March 2017 pursuant to which the Company has agreed, subject to the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms, to purchase from Cenkos Securities, on the London Stock Exchange, such number of Shares as Cenkos Securities shall purchase pursuant to the Tender Offer, at an aggregate price equal to the amount paid by Cenkos Securities for its purchase of the tendered Shares. The Tender Offer may be terminated if Cenkos Securities receives notice from the Company that, in the Board's reasonable opinion:

8.5.1 a change in national or international financial, economic, political or market conditions, results in the cost of realisation of assets to fund the Tender Offer becoming significantly more expensive since the date of this document; or

8.5.2 the completion of the purchase of Shares in the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed,

unless with the prior consent of the Company, Cenkos Securities decides to proceed with the Tender Offer or in the event that the Repurchase Agreement is terminated in accordance with its terms.

In acquiring Shares pursuant to valid tenders made under the Tender Offer and in selling such Shares to the Company, Cenkos Securities will act as principal. The Repurchase Agreement, which is stated not to create a relationship of agency between Cenkos Securities and the Company, is governed by and construed in accordance with English law.

The Repurchase Agreement contains certain representations, warranties and undertakings from Cenkos Securities in favour of the Company concerning its authority to enter into the agreement and to make the purchase of Shares pursuant thereto. The Repurchase Agreement also contains representations and warranties from the Company in favour of Cenkos Securities and incorporates an indemnity in favour of Cenkos Securities in respect of any liability which it may suffer in relation to its performance under the Tender Offer. The representations, warranties, undertakings and indemnities are standard for an agreement of this nature.

8.6 **Trust Deed**

The trust deed originally entered into between the Company and The Law Debenture Trust Corporation Plc (the "**Trustee**") on 10 September 2001 (as amended) constituting the £60 million 6.25 per cent bonds due 2031 pursuant to which the Trustee has agreed to act as trustee in respect of the Bonds 2031. The Bonds 2031 are repayable on 10 September

2031. The Bonds 2031 are secured by a floating charge over all the assets of the Company. Interest is payable on the Bonds 2031 semi-annually in equal instalments in arrears on 10 March and 10 September each year. The Trust Deed contains certain financial covenants relating to the Bonds 2031 which are customary for an agreement of this nature including that the Company is to ensure that, at all times, the aggregate principal amount outstanding in respect of monies borrowed by the Company does not exceed an amount equal to its share capital and reserves. The Company is entitled to buy back or reduce its share capital provided that the Auditor reports to the Trustee that immediately following the repayment, cancellation or purchase certain limits will not be exceeded. Under the Trust Deed the Company has given an indemnity to the Trustee including any delegates in respect of any potential losses in carrying out its duties under the Trust Deed. Nothing in the Trust Deed shall relieve or indemnify the Trustee in respect of any negligence, default, breach of duty or breach of trust. The Bonds 2031 are repayable on the occurrence of certain events of default, including inter alia, the administration or winding up of the Company or if default shall be made in the payment of any principal moneys or for a period of 14 days in the payment of any interest. Any Trustee may retire at any time on giving at least three months' written notice to the Company.

For so long as the Bonds 2031 are outstanding the Company will pay to the Trustee as remuneration for its services such sum on such dates in each case as they may be agreed from time to time. The Trust Deed is governed by and construed in accordance with English law.

8.7 **BlackRock Management Agreement**

The amended and restated management agreement dated 15 December 2015 between BlackRock Fund Managers Limited ("**BlackRock**") and the Company (the "**BlackRock Management Agreement**"), whereby BlackRock was appointed to act as the discretionary investment manager of the Company and as alternative investment fund manager to the Company for the purposes of the AIFM Directive with responsibility to manage the assets of the Company and to advise the Company on a day-to-day basis in accordance with the investment policy of the Company and subject to the overall control and supervision of the Board. Under the terms of the BlackRock Management Agreement, BlackRock had discretion to buy, sell, retain, exchange, convert, redeem or otherwise deal in investment assets for the account of the Company. BlackRock delegated portfolio management to the BlackRock Investment Management (UK) Limited.

Under the terms of the BlackRock Management Agreement, BlackRock was entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee was payable monthly in advance of the first day of each calendar quarter and is at the rate of 0.4 per cent. per annum of the gross assets of the Company.

The BlackRock Management Agreement was terminable by either BlackRock or the Company giving to the other not less than six months' written notice or, if terminated by the Company earlier, upon the payment of compensation. On termination BlackRock was entitled to receive its fees payable under the BlackRock Management Agreement *pro rata* to the date of termination. Protective notice was served on BlackRock on 4 October 2016 and the BlackRock Management Agreement was formally terminated on 10 February 2017 as part of the Proposals.

Under the BlackRock Management Agreement, the Company gave an indemnity in favour of the BlackRock, its group members and their respective officers, employees and agents in respect of its potential losses in carrying on its responsibilities under the BlackRock Management Agreement. The indemnity given by the Company is standard for an agreement of this nature.

The BlackRock Management Agreement is governed by the laws of England and Wales.

8.8 **BlackRock Depositary Agreement**

The depositary agreement dated 26 February 2015 between the Company, BlackRock and the Depositary (the “**BlackRock Depositary Agreement**”), pursuant to which the Depositary was appointed to provide depositary services to the Company, in fulfilment of the requirements of the AIFM Directive.

Under the BlackRock Depositary Agreement, the Depositary had safekeeping of assets, cash flow monitoring and oversight responsibilities. It was liable for financial instruments held in custody and for negligence and intentional failure to properly fulfil its obligations. The BlackRock Depositary Agreement was terminable on six months’ prior written notice. The BlackRock Depositary Agreement was subject to earlier termination on the occurrence of certain events, including insolvency and material and continuing breach. The BlackRock Depositary Agreement was terminated on 10 February 2017 as part of the Proposals.

The Depositary was able to delegate safekeeping to another person provided it follows the requirements of the AIFMD, which included that the delegation was for objective reasons and that the Depositary undertakes due diligence and monitoring of the delegate. The indemnity given by the Company is standard for an agreement of this nature.

Under the terms of the BlackRock Depositary Agreement, the Depositary was entitled to be paid fees of 0.0115 per cent., of the Company’s gross assets per annum. The Depositary was also entitled to receive custody fees in accordance with a specified schedule of charges.

The Depositary Agreement was governed by the law of England and Wales.

9. **Litigation**

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

10. **Typical investor**

Following the proposed amendments to the Company’s investment objective and policy, the profile of a typical investor in the Ordinary Shares will be institutional investors, professionally advised private investors and individual investors who are seeking income and capital growth through investing in a diversified multi-asset portfolio. Investors should be capable of evaluating the risks and merits of an investment in the Company and have sufficient resources to bear any loss which may result from such investment. AUKT Shareholders may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before making an election under the Scheme for New Ordinary Shares.

11. **General**

- 11.1 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 11.2 Cenkos Securities has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 11.3 Aberdeen, the AIFM and the Manager have given and not withdrawn their written consent to the inclusion in this document of references to its name in the form and context in which they

appear. Aberdeen accepts responsibility for the statements concerning the AIFM, the Manager and the Aberdeen Group within the section headed 'Risk Factors' and Part 2 of the document. To the best of the knowledge and belief of the Aberdeen, who has taken all reasonable care to ensure that such is the case, the information contained under the aforementioned headings is in accordance with the facts and contains no omission likely to affect its import.

- 11.4 As at 28 February 2017 (being the latest practicable date prior to the date of this document), there have been no public takeover bids by third parties in respect of the Company's share capital since incorporation.

12. Disclosure requirements and notifications of interest in shares

- 12.1 Under Chapter 5 of the Disclosure Guidance and Transparency Rules, subject to certain limited exceptions, a person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he holds (within two trading days) if he acquires or disposes of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he holds as a shareholder (or, in certain cases, which he holds indirectly) or through his direct or indirect holdings of certain types of financial instruments (or a combination of such holdings):

- (i) reaches, exceeds or falls below three per cent. or each one per cent. threshold thereafter; or
- (ii) reaches, exceeds or falls below an applicable threshold in paragraph 12.1(i) of this Part 7 as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

- 12.2 The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure Guidance and Transparency Rules.

- 12.3 A notification must be made using the prescribed form TR1 available from the FCA's website at www.fca.org.uk. Under the Disclosure Guidance and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

13. Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and the offices of the AIFM, Bow Bells House, 1 Bread Street, London, EC4M 9HH until the date of Admission:

- 13.1 this document;
- 13.2 the Articles and the amended Articles;
- 13.3 the audited accounts of the Company for the years ended 30 September 2014, 30 September 2015 and 30 September 2016;
- 13.4 the ADIGT Circular;
- 13.5 the AUKT Circular; and
- 13.5 the Transfer Agreement.

A copy of this document will also be available from the National Storage Mechanism (www.morningstar.co.uk/uk/nsm) from the date of this document.

6 March 2017

DEFINITIONS

2016 AGM	the annual general meeting of the Company that was held at 11.00 a.m. on 22 February 2016 at 12 Throgmorton Avenue, London EC2N 2DL
Aberdeen	Aberdeen Asset Management PLC
Aberdeen Asset Management Group or Aberdeen Group	the group of companies of which Aberdeen is the ultimate holding company
Aberdeen Contribution	the contribution of £849,211 from the AIFM has agreed to make to the Company in relation to the costs of implementing the Scheme
Aberdeen Diversified Growth Fund	the Non-UCITS Retail Scheme named the Aberdeen Diversified Growth Fund which was launched on 1 November 2011
Aberdeen Global	an open-ended société d'investissement à capital variable (a "SICAV") with UCITS status incorporated in Luxembourg on 25 February 1988 as a société anonyme under the laws of the Grand Duchy of Luxembourg
Act	the Companies Act 2006, as amended from time to time
ADIGT AGM	the annual general meeting of the Company to be held at 10.30 a.m. on 30 March 2017 at Drapers' Hall, Throgmorton Avenue, London EC2N 2DQ
ADIGT Board or Board or Directors	the board of Directors of the Company or any duly constituted committee thereof
ADIGT Circular	the circular published by the Company in connection with the Proposals dated 6 March 2017
ADIGT General Meeting	the general meeting of the Company convened for 11.30 a.m. (or as soon as the ADIG AGM has concluded) on 30 March 2017 or any adjournment thereof, notice of which is set out at the end of this document
Administrator or BNP Paribas	BNP Paribas Securities Services
Admission	the admission of the New Ordinary Shares to: (i) listing on the premium segment of the Official List; and (ii) trading on the Main Market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
AIC	Association of Investment Companies
AIC Code	the Association of Investment Companies' Code of Corporate Governance, as amended from time to time
AIC Guide	the Association of Investment Companies' Corporate Governance Guide for Investment Companies, as amended from time to time
AIF	an alternative investment fund

AIFM	Aberdeen Fund Managers Limited
AIFM Directive or AIFMD	Directive 2011/61/EU on Alternative Investment Fund Managers
AIFM Regulation	Alternative Investment Fund Manager Regulations 2013 (SI 2013/1773)
Articles	the articles of association of the Company
Auditor	Ernst & Young LLP or such other auditor as the Company may appoint from time to time
AUKT	Aberdeen UK Tracker Trust plc
AUKT Board	the board of directors of AUKT or any duly constituted committee thereof
AUKT Cash NAV	the prevailing AUKT NAV, before the costs of the Scheme but after the <i>pro rata</i> share of any costs of portfolio reorganisation, the costs of the Liquidator (estimated to be £57,000) and a Liquidator's retention of £100,000 and less the AUKT Discount
AUKT Cash NAV per Share	the AUKT Cash NAV, subject always to the AUKT Cash Pool Cap, divided by the number of AUKT Shares electing for the Cash Option rounded down to 4 decimal places with 0.00005 pence being rounded down
AUKT Cash Pool Cap	the maximum value of the cash and other assets to be appropriated to the Cash Pool calculated as being equal to 60 per cent. of the AUKT Cash NAV
AUKT Circular	the circular to be published on or around the date of this document by AUKT in connection with the reconstruction and winding up of AUKT
AUKT Discount	a discount of 2.75 per cent.
AUKT General Meetings	the general meetings of AUKT to be held on 29 March 2017 and 6 April 2017 at Bow Bells House, 1 Bread Street, London EC4M 9HH, or any adjournment thereof
AUKT NAV	the value of the assets of AUKT (cum income) less its liabilities, determined in accordance with the accounting principles adopted by AUKT from time to time
AUKT NAV per Share	the net asset value of an AUKT Share being the AUKT NAV divided by the number of AUKT Shares in issue (excluding AUKT Shares held in treasury)
AUKT Shareholders	holders of AUKT Shares
AUKT Shares	ordinary shares of 10 pence each in the capital of AUKT
Basic Entitlement	the entitlement of an Existing Shareholder to tender up to 20 per cent. of the Shares registered in such Shareholder's name as at the Record Date, rounded down to the nearest whole number

BlackRock	any company in the group of companies of which BlackRock, Inc. is the holding company as the context may require
BNY Mellon or Depositary	BNY Mellon Trust & Depositary (UK) Limited
Bonds 2031	the £60 million 6.25 per cent. bonds due 2031
Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
Calculation Date	5.00 p.m. on 4 April 2017, being the time and date at which (i) the value of the assets of AUKT and the Company will be calculated for the purposes of the Scheme and (ii) the Tender Price will be calculated by the Company for the purposes of the Tender Offer
Cash Option	the option for the AUKT Shareholders to receive cash under the terms of the Scheme
Cash Pool	the pool of assets attributable to the AUKT Shares which have elected for the Cash Option
Cenkos Securities	Cenkos Securities plc
certificated form	not in uncertificated form
COB Rules	the FCA Business Standards Conduct of Business Rules applicable to firms with investment business customers
Company or ADIGT	Aberdeen Diversified Income and Growth Trust plc, a company incorporated in Scotland with registered number SC003721
CREST	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
CTA 2010	the Corporation Tax Act 2010, as amended
Depositary Agreement	the depositary agreement dated 10 February 2017 between the Company, the AIFM and the Depositary summarised in paragraph 8.4 of Part 7 of this document
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules contained within the FCA Handbook
Effective Date	the date on which the Scheme becomes effective, which is expected to be 6 April 2017
Elections	an election (including, except where the context requires otherwise, a deemed election) for New Ordinary Shares or cash or a combination of them, as the case may be, in respect of AUKT Shares pursuant to the Scheme, and any reference to “elect” shall, except where the context requires otherwise, mean “elect or is deemed to elect”

Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Existing Shareholders	a holder of Ordinary Shares in ADIG as at the date of this document
FAV per ADIGT Share	the net asset value of an Ordinary Share being the value of the Company's assets less any liabilities it has, calculated in accordance with its normal accounting policies, on a cum-income basis adjusted for debt calculated at fair value adjusted (i) for the proceeds to be paid to any tendering Shareholder and any enhancement from the Tender Offer (ii) to exclude any dividends declared but not paid prior to the Effective Date by the Company to its Shareholders, and (iii) to include the cost contribution from the AIFM in connection with the Scheme and any costs of the Scheme otherwise payable by the Company. This resultant value of assets will then be divided by the number of Ordinary Shares in issue on the Calculation Date less the number of Ordinary Shares to be repurchased pursuant to the Tender Offer
FAV per AUKT Share	the value of the Rollover Pool at the Calculation Date divided by the total number of Reclassified Shares with "A" rights attached to them
FCA	the UK Financial Conduct Authority
FCA Handbook	the handbook of rules and guidance published by the FCA, as amended from time to time
FSMA	the UK Financial Services and Markets Act 2000, as amended from time to time
HMRC	HM Revenue & Customs
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998, as amended from time to time
Issue	the issue of New Ordinary Shares to the AUKT Shareholders who elect (or are deemed to elect) for the Rollover Option pursuant to the Scheme
Latest Practicable Date	close of business on 28 February 2017, being the latest practicable date prior to the date of this document for ascertaining certain information contained herein
Lead Portfolio Managers	Mike Brooks and Tony Foster
LIBOR	one month London Interbank Offered Rate
Liquidation Fund	the fund to be retained by the Liquidators in connection with the Scheme to meet all known and unknown liabilities of AUKT and other contingencies
Liquidators	the liquidators of AUKT appointed in connection with the implementation of the AUKT Scheme
Liquidation Pool	the pool to be retained by the Liquidators to meet all known and unknown liabilities of AUKT and other contingencies (excluding the costs of the Scheme)

Listing Rules	the listing rules made by the FCA under section 73A of FSMA
London Stock Exchange	London Stock Exchange plc
Main Market	the main market for listed securities operated by the London Stock Exchange
Management Agreement	the management agreement dated 10 February 2017 between the AIFM and the Company summarised in paragraph 8.3 of Part 7 of this document
Manager	Aberdeen Asset Managers Limited
Member State	any member state of the European Economic Area
NAV or Net Asset Value	the value of the assets of the Company (cum income with debt at fair value) less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
Net Asset Value per Share or NAV per Share	the net asset value of an Ordinary Share being the Net Asset Value divided by the number of Ordinary Shares in issue (excluding Ordinary Shares held in treasury)
New Ordinary Shares	new Ordinary Shares to be issued pursuant to the Issue
Official List	the official list maintained by the FCA
Ordinary Share or Share	an ordinary share of 25 pence in the capital of the Company
PRA	the UK Prudential Regulation Authority
Proposals	the recommended proposals to (i) amend the Company's investment objective and policy; (ii) issue the New Ordinary Shares to the AUKT Shareholders who validly elect (or are deemed to elect) for the Rollover Option under the Scheme; (iii) implement the Scheme; (iv) invite Existing Shareholders (other than Restricted Shareholders) to tender their Shares pursuant to the Tender Offer; and (v) replace the current zero discount policy with a more flexible approach including a continuation vote in 2020 and annually thereafter
Prospectus Rules	the rules and regulations made by the FCA under Part 6 of FSMA
Reclassified Shares	AUKT Shares with "A" or "B" rights arising as a result of the Scheme
Record Date	in respect of the Tender Offer, 5.00 p.m. on 7 March 2017 and in respect of the Scheme, 6.00 p.m. on 28 March 2017
Register	the register of members of the Company
Registrar	Computershare Investor Services PLC, a company incorporated in England and Wales with registered number 03498808
Regulation S	Regulation S under the Securities Act
Regulatory Information Service	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange

Relevant Member State	each Member State which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator in that Member State
Repurchase Agreement	the agreement dated 6 March 2017 between the Company and Cenkos Securities relating to the repurchase by the Company on the London Stock Exchange of the Ordinary Shares purchased by Cenkos Securities pursuant to the Tender Offer a summary of which is set out in paragraph 8.2 of Part 7 of this document
Restricted AUKT Shareholder	an AUKT Shareholder with a registered address in any of the Restricted Territories or any other jurisdiction where the offer or receipt of New Ordinary Shares pursuant to the Scheme may violate the relevant laws and/or regulations of that jurisdiction
Restricted Shareholder	Shareholders who are resident in, or citizens of, a Restricted Territory
Restricted Territories or each being a Restricted Territory	any of the following territories: Australia, Canada, Japan, South Africa and the United States
Rollover Option	the option for AUKT Shareholders to receive New Ordinary Shares in respect of their holding of AUKT Shares under the Scheme
Rollover Pool	the pool of AUKT's assets that will be transferred to the Company pursuant to the Scheme
Savings Scheme Tender Form	the tender form accompanying the ADIG Circular for use by Savings Scheme Participants
Scheme	the proposed scheme of reconstruction and voluntary winding up of AUKT under section 110 of the Insolvency Act 1986
Securities Act	the United States Securities Act of 1933, as amended from time to time
Shareholder	a holder of Ordinary Shares
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
South Africa	the Republic of South Africa
Sponsor Agreement	the agreement dated 6 March 2017 between the Company, the AIFM, the Manager and Cenkos Securities relating to the sponsorship services to be provided by Cenkos Securities in connection with the Issue a summary of which is set out in paragraph 8.1 of Part 7 of this document
Sterling or £	pounds sterling, the lawful currency of the UK
Takeover Code	the City Code on Takeovers and Mergers
Tax Act	the Corporation Tax Act 2010
Tender Form	the tender form enclosed with the ADIG Circular for use by Existing Shareholders in connection with the Tender Offer

Tender Offer	the invitation by Cenkos Securities to each Shareholder (other than Restricted Shareholders) to sell up to their Basic Entitlement of Shares (and to the extent that other Shareholders tender less than their aggregate Basic Entitlements, the invitation to tender additional Ordinary Shares up to a maximum of the number of Ordinary Shares held at the Record Date (provided a sufficient number of Ordinary Shares are still held at the implementation of the Tender Offer) but with any such excess tenders above the Basic Entitlement only to be satisfied, on a <i>pro rata</i> basis) and the acceptance of such tenders by Cenkos Securities on the terms and subject to the conditions set out in this document and, in the case of Shares held in certificated form, the Tender Form or the Savings Scheme Tender Form (as applicable), or any one or more of such invitation, tender or acceptance as the context requires
Tender Price	the NAV per Share on the Calculation Date, less a 4 per cent. discount and less the amount equal to the costs and expenses of the Tender Offer (including stamp duty, commission and portfolio realisation costs) per tendered Ordinary Share (being an amount equal to the total costs and expenses of the Tender Offer divided by the number of Ordinary Shares successfully tendered), calculated in Sterling rounded down to four decimal places with 0.00005 pence being round down
Transfer Agreement	the agreement for the transfer of assets from AUKT to the Company, details of which are set out in paragraph 8.4 of Part 7 of this document
Transfer Date	the date on which AUKT's assets are transferred to the Company pursuant to the Transfer Agreement, which is expected to be the Effective Date
Trust Deed	the trust deed originally dated 10 September 2001 (as amended) between the Company and the Trustee in relation to the Bonds
Trustee	The Law Debenture Trust Corporation Plc
UK	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
uncertificated or in uncertificated form	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction

US Investment Company Act

the United States Investment Company Act of 1940, as amended

US Person

a US Person as defined for the purposes of Regulation S

