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If you have sold or otherwise transferred all of your Shares in Aberdeen Diversified Income and Growth Trust plc (formerly BlackRock Income Strategies Trust plc) (the "Company"), you should pass this document (but not any personalised Form of Proxy or Tender Form) as soon as possible, to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. Please note this does not apply to Savings Scheme Participants. However, this document or any of the accompanying documents should not be forwarded or transmitted in or into any Restricted Territory.

Cenkos Securities, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Proposals and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities or for providing advice in relation to the Proposals and the contents of this document or any matter referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Cenkos Securities may have under FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos Securities by FSMA or the regulatory regime established thereunder, Cenkos Securities accepts no responsibility whatsoever for the contents of the document nor any other statement made or purported to be made by it or on its behalf in connection with the Company or the Proposals. Cenkos Securities accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement. Cenkos Securities has given and not withdrawn its written consent to the inclusion of its letter in Part 6 hereof and to the references to its name in the form and context in which it is included in the document.

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## **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)*

**Recommended proposals to approve material changes to the Company's investment objective and policy, a tender offer and the proposed merger with Aberdeen UK Tracker Trust plc and the introduction of a continuation vote**

**and**

**Notice of General Meeting**

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Notice of a General Meeting of the Company to be held at Drapers' Hall, Throgmorton Avenue, London EC2N 2DQ at 11.30 a.m. (or if later as soon as the annual general meeting convened for 10.30 a.m. the same day has concluded) on 30 March 2017 is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the Resolutions at the General Meeting. Shareholders and Savings Scheme Participants are requested to complete and return their Forms of Proxy and/or Forms of Direction as applicable as per the instructions set out on pages 5 to 7.

Also enclosed with this document is a Tender Form for use by Shareholders or a Savings Scheme Tender Form for use by Savings Scheme Participants in connection with the Tender Offer. To be effective, such forms must be returned as indicated on the relevant form so as to be received as

soon as possible and, in any event, not later than 11.30 a.m. on 28 March 2017 (in the case of Shareholders) and not later than 5.00 p.m. on 21 March 2017 (in the case of Savings Scheme Participants). In the case of Shares held by Shareholders in CREST, applications to tender Shares can be made by submitting a Transfer to Escrow instruction ("**TTE Instruction**") no later than 11.30 a.m. on 28 March 2017.

Applications by Shareholders to sell Shares under the Tender Offer may only be made on the applicable Tender Form or, in the case of Shares held in uncertificated form (that is, in CREST), by making a TTE Instruction. Applications by Savings Scheme Participants to sell Shares under the Tender Offer may only be made on the applicable Savings Scheme Tender Form. The Tender Offer will only be available to Shareholders whose names appeared on the Register at 5.00 p.m. on 7 March 2017.

The Tender Offer is not being made to Restricted Shareholders. In particular, the Tender Offer is not being made, directly or indirectly, in or into or by the use of mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of the United States, nor is it being made, directly or indirectly, in or into Australia, Canada, Japan or South Africa and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility from within Australia, Canada, Japan, South Africa or the United States.

Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered. Shareholders who hold Shares in uncertificated form (that is, in CREST) should arrange for the Shares tendered to be transferred into escrow as described in Part 5 of this document.

**Your attention is drawn to the sections headed "What you need to do if you are a Shareholder" or "What you need to do if you are a Savings Scheme Participant" on pages 5 to 7 of this document and the letter from the Chairman set out on pages 8 to 16 of this document.**

If you have any queries relating to your shareholding(s), please call the Shareholder Helpline on 0330 303 1184 (or if calling from outside the UK +44 330 303 1184) between the hours of 8.30 a.m. and 5.30 p.m., London time, Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

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## EXPECTED TIMETABLE

2017

### General Meeting of the Company

If you are a Savings Scheme Participant you need to return your GREEN Form(s) of Direction by no later than 5.00 p.m. on 21 March

If you are a Shareholder you need to return your WHITE Form(s) of Proxy by no later than 11.30 a.m. on 28 March

Annual General Meeting at Drapers' Hall, Throgmorton Avenue, London EC2N 2DQ 10.30 a.m. on 30 March

General Meeting at Drapers' Hall, Throgmorton Avenue, London EC2N 2DQ 11.30 a.m. on 30 March (or if later as soon as the Annual General Meeting has concluded)

### Tender Offer for existing Shareholders of the Company

Record Date for the Tender Offer 5.00 p.m. on 7 March

If you are a Savings Scheme Participant you need to return your YELLOW Savings Scheme Tender Form (for Savings Plan holders) and/or for PINK Savings Scheme Tender Form (for NISA holders) by no later than 5.00 p.m. on 21 March

If you are a Shareholder you need to return your WHITE Tender Form or transmit TTE Instructions in CREST by no later than 11.30 a.m. on 28 March

Calculation Date for the Tender Offer 5.00 p.m. on 4 April

Result of Tender Offer and Tender Price announced 6 April

Settlement Date: payments through CREST made and CREST accounts settled 10 April

Cheques in relation to the Tender Offer despatched to Savings Scheme Participants week commencing 10 April

Balancing share certificates and cheques despatched to certificated Shareholders week commencing 17 April

### Issue of New Ordinary Shares to AUKT Shareholders

Record Date for the Scheme 6.00 p.m. on 28 March

Calculation Date for the Scheme 5.00 p.m. on 4 April

Results of Scheme announced 6 April

Effective date for the implementation of the Scheme and the commencement of the liquidation of AUKT 6 April

Admission to listing and dealings commence in the New Ordinary Shares issued to AUKT Shareholders pursuant to the Scheme 8.00 a.m. on 10 April

Share certificates in respect of the New Ordinary Shares issued in certificated form pursuant to the Scheme despatched to AUKT Shareholders week commencing 17 April

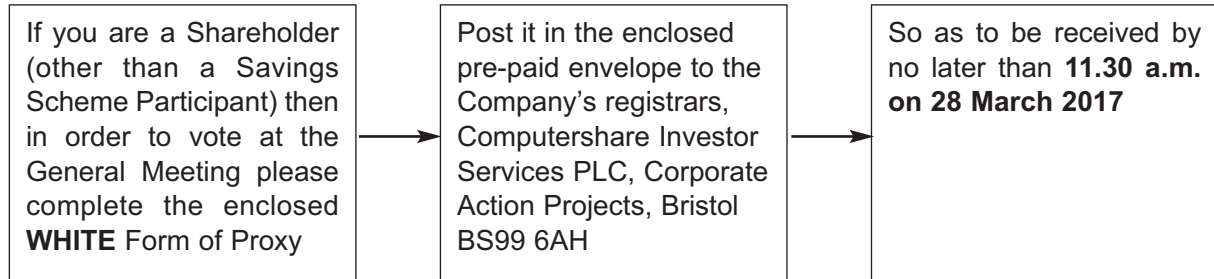
#### Notes:

- (i) All references to times in this document are to London time.
- (ii) Each of the times in the above expected timetable (other than the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a Regulatory Information Service.

# WHAT YOU NEED TO DO IF YOU ARE A SHAREHOLDER

## To vote at the General Meeting

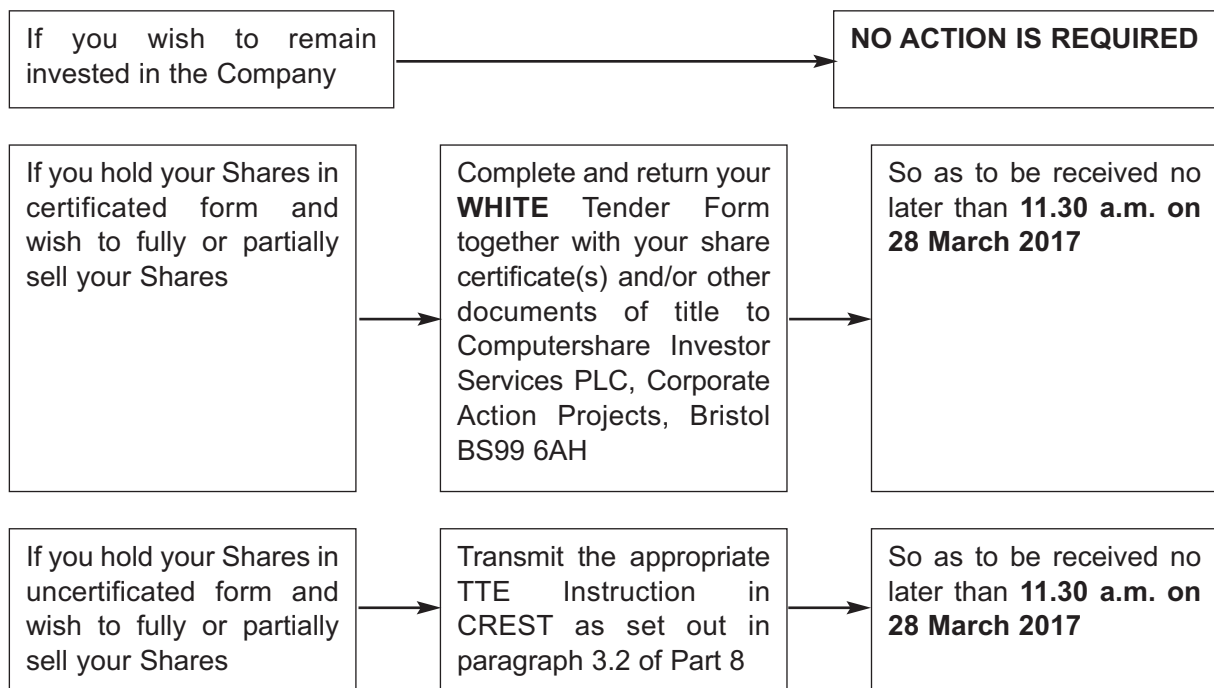
You should read the whole of this document when deciding what action to take. It contains details of the proposed changes to the Company's investment objective and policy, the Tender Offer, the proposed merger and the introduction of a continuation vote.



## To participate in the Tender Offer

Only Shareholders who held Shares as at 5.00 p.m. on 7 March 2017 are able to participate in the Tender Offer in respect of those Shares. The extent to which Shareholders participate in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and investment objectives. Shareholders should seek advice from their own independent financial adviser.

**IF YOU DO NOT WISH TO SELL ANY OF YOUR SHARES IN THE TENDER OFFER, DO NOT COMPLETE AND RETURN THE TENDER FORM OR SEND A TTE INSTRUCTION.**

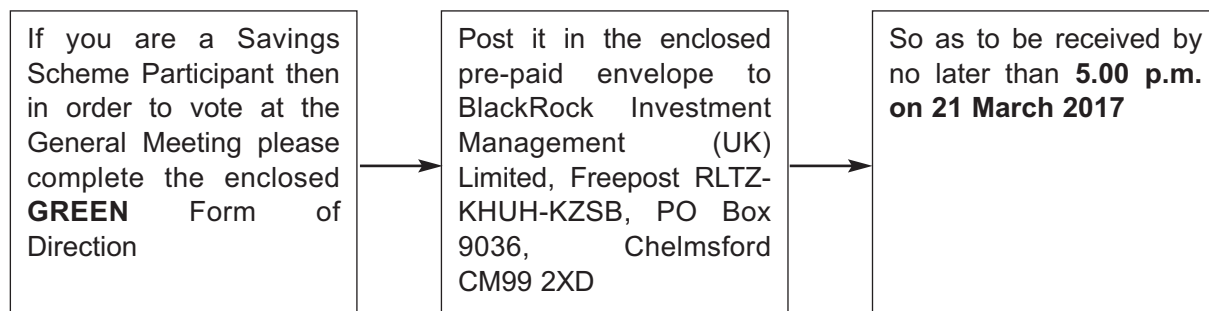


If you have any queries relating to your shareholding(s), please call the Shareholder Helpline on 0330 303 1184 (or if calling from outside the UK +44 330 303 1184) between the hours of 8.30 a.m. and 5.30 p.m., London time, Monday to Friday (excluding UK public holidays). Calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

## WHAT YOU NEED TO DO IF YOU ARE A SAVINGS SCHEME PARTICIPANT

### To vote at the General Meeting

You should read the whole of this document when deciding what action to take. It contains details of the proposed changes to the Company's investment objective and policy, the Tender Offer, the proposed merger and the introduction of a continuation vote. As a Savings Scheme Participant you are entitled to vote on the proposed changes.



### To participate in the Tender Offer

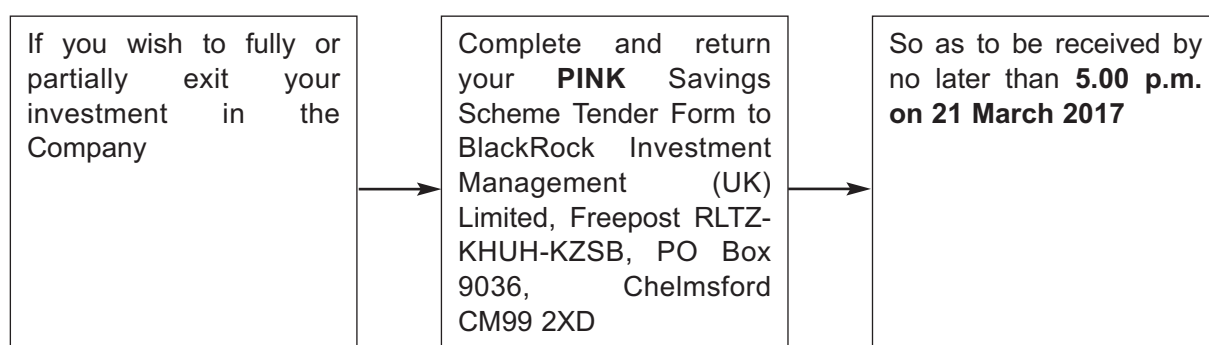
Only Savings Scheme Participants who hold Shares in the Company through the Savings Schemes as at 5.00 p.m. on 7 March 2017 are able to participate in the Tender Offer in respect of those Shares. The extent to which Savings Scheme Participants participate in the Tender Offer is a matter for each Savings Scheme Participant to decide, and will be influenced by their own individual financial and tax circumstances and investment objectives. Savings Scheme Participants should seek advice from their own independent financial adviser.

**IF YOU DO NOT WISH TO SELL ANY OF YOUR SHARES IN THE TENDER OFFER, DO NOT COMPLETE AND RETURN THE SAVINGS SCHEME TENDER FORM.**

### *BlackRock Investment Trust Savings Plan*



### *BlackRock Investment Trust Stocks and Shares NISA*



If you have any queries relating to your shareholding(s) through the Savings Schemes, please call BlackRock Investment Management (UK) Limited, the manager of the Savings Schemes, on 0800 44 55 22 (or +44 207 743 5024, if outside the UK) between the hours of 9.00 a.m. and 5.00 p.m., London time, Monday to Friday (excluding UK public holidays). Calls to the 0800 44 55 22 number are free of charge from a BT landline. Other telephone providers' costs may vary. Calls to the +44 207 743 5024 number will be charged at standard rates. Your telephone call may be recorded for security. Please note that the manager of the Savings Schemes cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

Irrespective of the outcome of the General Meeting, Aberdeen Fund Managers Limited will continue to manage the Company's assets going forward. As the Company is no longer a permitted investment option in the BlackRock Savings Schemes, a letter from BlackRock to all Savings Scheme Participants setting out the available options for your shareholding in the Company and its removal from the BlackRock Savings Schemes will be sent to Savings Plan Participants shortly after the Tender Offer has been implemented (or following the General Meeting if the Tender Offer is not approved by Shareholders). This allows Savings Scheme Participants to participate in the Tender Offer should they wish to do so.

**Saving Scheme Participants should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of, other than in accordance with the Tender Offer.**

# PART 1

## LETTER FROM THE CHAIRMAN

### ABERDEEN DIVERSIFIED INCOME AND GROWTH TRUST PLC

(Formerly BlackRock Income Strategies Trust plc)

*(Incorporated in Scotland with registered number SC003271)*

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

*Directors:*

James M Long (*Chairman*)  
Jim N D Grover  
Lynn C Ruddick  
Ian S M Russell  
Julian Sinclair  
Jimmy G West

*Registered Office:*

7th Floor  
40 Princes Street  
Edinburgh, EH2 2BY

6 March 2017

Dear Shareholders

### RECOMMENDED PROPOSALS FOR THE FUTURE OF THE COMPANY

#### Introduction

On 1 August 2016, the Board announced that it was considering, in detail, the Company's investment objective and policy in the context of the prevailing market conditions and uncertain investment outlook. As part of this review the Board undertook a detailed analysis of the Company's investment performance and carried out a detailed strategic review of the Company's investment objective and policy including their impact on the level and structure of the Company's dividends, capital preservation and gearing. On 28 September 2016, the Board announced that it was undertaking a strategic review of the existing management arrangements and performance including considering a number of proposals from fund management groups as well as consulting with a number of Shareholders.

On 30 November 2016, the Board announced that it had concluded its strategic review with a decision to recommend the appointment of Aberdeen Fund Managers Limited (which took effect on 11 February 2017) as the Company's investment manager and to recommend 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 to enable a sustainable dividend to be paid that recognises the current low yield environment;
3. to enlarge the Company by merging with Aberdeen UK Tracker Trust plc ("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; and

4. to offer 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 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).

On 13 February 2017, the Board also announced following further consultation with 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 purpose of this document is to provide you with further details of the Proposals and to convene a General Meeting to seek approval for the implementation of the Proposals. At the General Meeting you will be asked to consider and, if thought fit, approve (i) the adoption of the new investment objective and policy; (ii) the allotment of New Ordinary Shares to the AUKT Shareholders pursuant to the Scheme; (iii) the disapplication of pre-emption rights in respect of the issue of such New Ordinary Shares to AUKT Shareholders; (iv) the grant of authority to make market purchases of Ordinary Shares pursuant to the Tender Offer; and (v) the adoption of new articles of association to include the proposed continuation vote. All resolutions in relation to (ii) to (v) are subject to Shareholder approval of the change in investment objective and policy.

The General Meeting, notice of which is set out at the end of this document, will be held at 11.30 a.m. (or if later as soon as the AGM has concluded) on 30 March 2017 at Drapers' Hall, Throgmorton Avenue, London EC2N 2DQ. At the AGM, Aberdeen will present to you their intentions and proposed strategy in relation to managing the Company going forward should the Resolutions be passed at the General Meeting (including a presentation from your new Lead Portfolio Managers).

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 experience 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 markets;<sup>1</sup>
- increased assets, a reduction in gearing ratio and increased liquidity in the Ordinary Shares as a result of the enhanced scale from the merger of the two companies;<sup>2</sup> 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.

The Board considers these Proposals to be in the best interests of Shareholders as a whole and recommends that Shareholders vote in favour of all of the Resolutions at the General Meeting.

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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 Shareholders at the General Meeting and AUKT Shareholders at the AUKT General Meetings.

## **Appointment of new Manager**

Aberdeen Fund Managers Limited, a member of the Aberdeen Asset Management Group, 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 General Meeting. 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.

On 4 March 2017 Aberdeen announced a possible all share merger with Standard Life plc. 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 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.

The Aberdeen Diversified Growth Fund is the largest fund managed by the team and has the longest track record. Since its inception more than five years ago, the Aberdeen Diversified Growth Fund has achieved its performance target of LIBOR plus 4.5 per cent. (net of fees) per annum, with less than half the volatility of equities.

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 and 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).

Your Board believes that the appointment of Aberdeen Fund Managers Limited, who have been managing the Company's assets since 11 February 2017, as the Company's alternative investment fund manager is in the best interests of the Company for the following reasons:

- the Aberdeen Diversified Multi-Asset Team, who will be responsible for the portfolio, has extensive breadth and depth of resources and currently manages approximately £567 million of assets;
- Aberdeen Asset Management Group is committed to the success, management, support and promotion of investment trusts. It manages 19 listed, UK closed-ended investment companies representing approximately £6.8 billion of assets under management as at 31 December 2016; and
- the investment management services will be provided to the Company by the Aberdeen Asset Management Group at a competitive cost level.

Further details of the Aberdeen Asset Management Group, the Aberdeen Diversified Multi-Asset Team (including the Lead Portfolio Managers) and their track record are set out in Part 3 of this document.

### **Amended investment objective and policy**

The Company's existing 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. Since the appointment of BlackRock, the Company has targeted a total portfolio return of UK Consumer Price Index plus 4 per cent. per annum (before ongoing charges) over a 5 to 7 year cycle.

The Company currently pursues this objective by investing, pursuant to the current investment policy, in a portfolio typically consisting of UK quoted income equities, overseas equities, quoted alternatives, pooled investment funds and exchange-traded funds.

The Board's strategic review concluded that the Company should not continue to seek to deliver this objective in the prevailing low yield environment as it would have required the Company take on an imprudent level of risk for Shareholders. The Company's existing dividend policy has impacted the Company's capital reserves as well as necessitated exposure to higher risk assets which would be likely to lead to more unstable returns and increased NAV volatility.

The Board is therefore proposing to change the Company's investment objective. The Company's proposed new investment objective will 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.

Alongside this change in investment objective, after consulting with Aberdeen, the Board is also proposing to adopt a new investment policy which targets a flexible multi-asset approach to generating attractive long-term income and capital returns. The Company's portfolio will include (but will not be limited to) equity driven assets (being 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.

If the new investment policy is adopted there will be no set maximum or minimum exposures for any geographical regions or sectors and the Company will achieve an appropriate spread of risk by investing in a diversified portfolio of securities and other assets. Government and investment grade corporate bonds are not currently expected to feature in the Company's portfolio given the low returns and the better opportunities that are available elsewhere.

The Manager envisages having a significant proportion of the Company's portfolio reshaped within approximately three months although some investment commitments in relation to certain unquoted illiquid alternative assets will be drawn down over 12 months or more. Pending these draw downs, the Lead Portfolio Managers will seek to minimise the effect of cash drag (the dampening of portfolio performance through a proportion of a portfolio being uninvested and as such not participating in the market) by investing in quoted alternative closed-end funds. The new portfolio is expected to be approximately 60 per cent. invested in Aberdeen funds or direct investments and approximately 40 per cent. in third party manager funds selected by Aberdeen, but these proportions may vary over time (as investment opportunities become available).

The amended objective and policy is subject to the approval of Shareholders at the General Meeting. Resolution 1 which will be proposed as an ordinary resolution seeks approval for the new objective and policy. If the amended objective and policy does not receive the necessary Shareholder support the Company's assets will continue to be invested in accordance with its current investment policy by Aberdeen while the Board consults with Shareholders regarding the future of the Company. Further details of the proposed amendments to the investment objective

and policy are set out in Part 2 of this document and a summary of the Manager's investment outlook and proposed strategy is set out in Part 3 of this document.

#### *Benefits of and reasons for the amendments to the investment policy and objective*

Your Board believes that the recommended changes to the Company's investment objective and policy are in the best interests of the Company for the following reasons:

- the intended new portfolio will reduce the Company's current reliance on equities, bonds and derivative strategies and should make it less susceptible to public market downturns;
- the revised investment objective, together with the rebasing of the dividend as proposed, should allow the Company to pay a target dividend yield above market yields with lower volatility for the reshaped portfolio than equities, whilst protecting existing capital reserves. In contrast, seeking to continue to deliver the Company's existing investment objective and dividend policy would have required the Company to take an imprudent level of risk for Shareholders given prevailing market conditions<sup>3</sup>; and
- the Company's structure allows the Manager to invest in multi-asset opportunities, particularly illiquid asset classes, which offer generally attractive returns and cannot easily be invested in by open-ended funds.

#### *Dividend policy*

The Board recognises the importance that many investors attach to the Company's dividend; determining the best way forwards with regards to the Company's dividend policy has thus been a critical component of the Board's strategic review.

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.

As part of the Proposals therefore, the Board has announced that it is proposing 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. 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 this still represents an attractive yield for Shareholders in the current environment.

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 at the AGM and on an annual basis thereafter.

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

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<sup>3</sup> 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.

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. There is no guarantee that the Company will be able to pay the dividends referred to above or any dividends.

### *Gearing*

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 at this time would have had a significant adverse effect 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 under the Scheme and in the future the Bonds 2031 will be valued at fair value. Early repayment 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.

## **Proposed merger with Aberdeen UK Tracker Trust plc**

### *The Scheme*

As part of the Proposals, the Board is recommending that the assets of the Company be enlarged by way of a merger with AUKT. The AUKT Board is recommending this merger to the AUKT Shareholders and the necessary resolutions to approve the Scheme will be put to AUKT Shareholders at general meetings to be held on 29 March 2017 and 6 April 2017. 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 can 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. For the purposes of calculating the FAV per ADIGT Share under the Scheme the Bonds 2031 will be valued at fair value. 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 General Meeting. Resolutions 2 and 3 are concerned with the issue of the New Ordinary Shares pursuant to the Scheme on a non pre-emptive basis. Resolution 2, which will be proposed as an ordinary resolution, is subject to the approval of the new investment objective and policy and the Scheme becoming unconditional in all respects, (other than admission of the New Ordinary Shares), including the Transfer Agreement becoming unconditional in all respects. Resolution 3, which will be proposed as a special resolution, is subject to the passing of Resolution 2. Further details of the Scheme and the Issue can be found in Part 4 of this document and the prospectus published by the Company on or around the date of this document, which is be available to view on the Company's website [www.aberdeendiversified.co.uk](http://www.aberdeendiversified.co.uk).

Your Board believes that the recommended merger with AUKT and the increase in the size of the Company's asset base is in the best interests of the Company for the following reasons:

- it will reduce the relative gearing level and spread the fixed costs across a larger asset base;
- it is expected to improve the liquidity of the Ordinary Shares in the secondary market; and
- it is expected to introduce new investors to the Company.

### *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. The costs and expenses of the Issue payable by the Company net of this contribution 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) 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 the AUKT Board 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. I 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 Board from AUKT. Lynn Ruddick and Jimmy West will stand for re-election at the upcoming AGM but they will retire from the Board if the merger is approved by Shareholders and AUKT Shareholders.

### **Tender Offer**

The Board is proposing a tender offer for up to 20 per cent. of the Ordinary Shares currently in issue, excluding any Ordinary 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). The tender price will be 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.

A four per cent. discount to NAV for the Tender Offer compares to a discount to NAV of 6.1 per cent. per Ordinary Share were the Company's current debt to be repaid early and in full per the terms of the Bonds 2031 (including the Spens penalty, being a 'make whole' penalty cost) and the current portfolio, including illiquid assets, liquidated at their current fair value.

The Tender Offer will be available to all existing Shareholders except those in Restricted Territories. Under the terms of the Tender Offer Shareholders (other than Restricted Shareholders) will be entitled to tender up to their Basic Entitlement, being 20 per cent. of the Shares they held as at the Record Date, provided they still hold a sufficient number of Ordinary Shares at the implementation date of the Tender Offer. Shareholders may also tender additional Shares up to a maximum of the number of Shares held at the Record Date, provided a sufficient number of Ordinary Shares are still held at the implementation date of the Tender Offer but any such excess tenders above the Basic Entitlement will only be satisfied, on a *pro rata* basis, to the extent that other Shareholders tender less than their aggregate Basic Entitlements. Tender Offer applications will be rounded down to the nearest whole number of Shares. Tendered Shares will either be cancelled or held in treasury.

**For illustrative purposes only**, had the Calculation Date for the purposes of the proposed Tender Offer been 28 February 2017 (being the latest practicable date prior to the posting of this document) and based on the NAV per Share as at that date (being 123.71 pence per Ordinary Share) it is estimated that the Tender Price would have been 115.8482 pence per tendered Ordinary Share (after taking account of all Tender Offer costs and declared but unpaid dividends) and assuming the Tender Offer was fully subscribed. The above figure is for illustrative purposes

only and the actual Tender Price will be calculated and announced through a Regulatory Information Service on or around 6 April 2017.

The Tender Offer is subject to Shareholder approval at the General Meeting. Resolution 4, which will be proposed as a special resolution, is subject to the approval of the new investment objective and policy and the Scheme becoming unconditional in all respects. The Tender Offer will be available to all existing Shareholders on the register on 7 March 2017 who still hold their Ordinary Shares at the implementation of the Tender Offer except those in Restricted Territories.

Your Board believes that given the recent performance of the Company and the proposed changes to the investment objective, that it is only right to offer those Shareholders who wish to exit an opportunity to sell part of their shareholding pursuant to the Tender Offer.

Further details of the Tender Offer are set out in Parts 5, 6, 7 (for Saving Scheme Participants) and 8 of this document.

**Each Director has confirmed that he or she does not intend to participate in the Tender Offer.**

### **Discount control policy and continuation vote**

#### ***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 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 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.

Your Board believes that discontinuing the existing 'nil discount policy' and replacing it with the above mentioned discount control policy is in the best interests of the Company for the following reasons:

- it reflects the more illiquid nature of the Company's portfolio going forward; and
- it will provide more flexibility to the Company around the constraints of the covenants in relation to the Bonds 2031.

#### ***Continuation vote***

Subject to approval at the 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 votes 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. Resolution 5 (which is proposed as a special resolution at the General Meeting and is subject to approval of the change in the Company's investment policy) seeks Shareholder approval for the amendment of the Articles to include the requirement for the Board to propose this continuation vote.

A copy of the existing Articles and the proposed new Articles marked to show the changes will be available for inspection at the registered office of the Company and at the offices of Aberdeen Asset Management, Bow Bells House, 1 Bread Street, London EC4M 9HH during normal business hours (Saturdays, Sundays and public holidays excepted) up to and including close of business on 30 March 2017 and at the venue of the General Meeting for at least 15 minutes prior to the start of the meeting and up to the close of the meeting.

## **Shareholder support**

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.

## **Next Steps**

### ***What you need to do***

On pages 5 to 7 of this document we have laid out the actions you need to take if you are a Shareholder. We have also laid out the actions you need to take if you are a Savings Scheme Participant. If the Proposals do not receive the necessary Shareholder support, the Company will continue to be invested in accordance with its current investment policy, managed by Aberdeen, while the Board consults with Shareholders regarding the future of the Company.

### ***The General Meeting***

The Proposals are subject to Shareholder approval. Accordingly, a notice convening the General Meeting of the Company to be held at Drapers' Hall, Throgmorton Avenue, London EC2N 2DQ at 11.30 a.m. (or if later as soon as the annual general meeting convened for 10.30 a.m. the same day has concluded) on 30 March 2017 is set out at the end of this document.

Resolution 1, which is concerned with the approval of the amendment to the investment objective and policy, will be proposed as an ordinary resolution. Resolution 2, which is conditional upon the passing of Resolution 1, proposes the approval of the allotment of New Ordinary Shares to AUKT Shareholders under the Scheme and will be proposed as an ordinary resolution. Resolution 3, which is conditional on the passing of Resolution 2, proposes the disapplication of pre-emption rights in respect of the issue of New Ordinary Shares for cash on the basis that it is expected that AUKT will transfer only cash to the Company under the Scheme. Resolution 4, which is concerned with the approval of the Tender Offer will be proposed as a special resolution and is conditional upon the passing of Resolution 1 and the Scheme becoming unconditional in all respects. Resolution 5, which is concerned with the adoption of the new articles of association to include the proposed continuation vote will be proposed as a special resolution and is conditional upon the passing of Resolution 1.

## **Conclusion**

**The Board considers that the Proposals and the Resolutions are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolutions being proposed at the General Meeting. The Directors, who in aggregate have an interest in 366,899 Ordinary Shares (being 0.14 per cent. of the Company's issued share capital), intend to vote their entire beneficial holdings in favour of the Resolutions. Each Director has also confirmed that he or she does not intend to participate in the Tender Offer.**

Yours faithfully,

**James M Long**  
*Chairman*



## PART 2

### AMENDED INVESTMENT OBJECTIVE AND POLICY

In the light of the investment opportunity, market outlook and the proposed investment strategy for the Company, the Board is also proposing, as part of the Proposals, that the Company's investment objective and policy be amended in order that the portfolio can be managed under a genuinely diversified, multi-asset investment strategy by the Aberdeen Diversified Multi-Asset Team with Mike Brooks and Tony Foster as Lead Portfolio Managers.

The full text of the Company's current and proposed new investment objective and policies are set out below. The Manager envisages having the significant majority of the Company's portfolio reshaped within approximately three months although some investment commitments in relation to certain unquoted illiquid alternative assets will be drawn down over 12 months or more. Pending these draw downs, the Lead Portfolio Managers will seek to minimise cash drag (the dampening of portfolio performance through a proportion of a portfolio being uninvested and as such not participating in the market) by 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 5 to 7 year cycle.

##### *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.

##### *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

### *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.

### *Investment policy*

- 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.

### *Investment policy*

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 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.

### *Investment policy*

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.

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.

## PART 3

### ABERDEEN AND THE PROPOSED INVESTMENT APPROACH

#### **The AIFM and the Aberdeen management team**

The Company has appointed Aberdeen Fund Managers Limited as the Company's alternative investment fund manager. 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 4 March 2017 Aberdeen announced a possible all share merger with Standard Life plc. 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 its new lead portfolio investment managers are Mike Brooks and Tony Foster. The investment team, comprising 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 Aberdeen Diversified Multi-Asset 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.

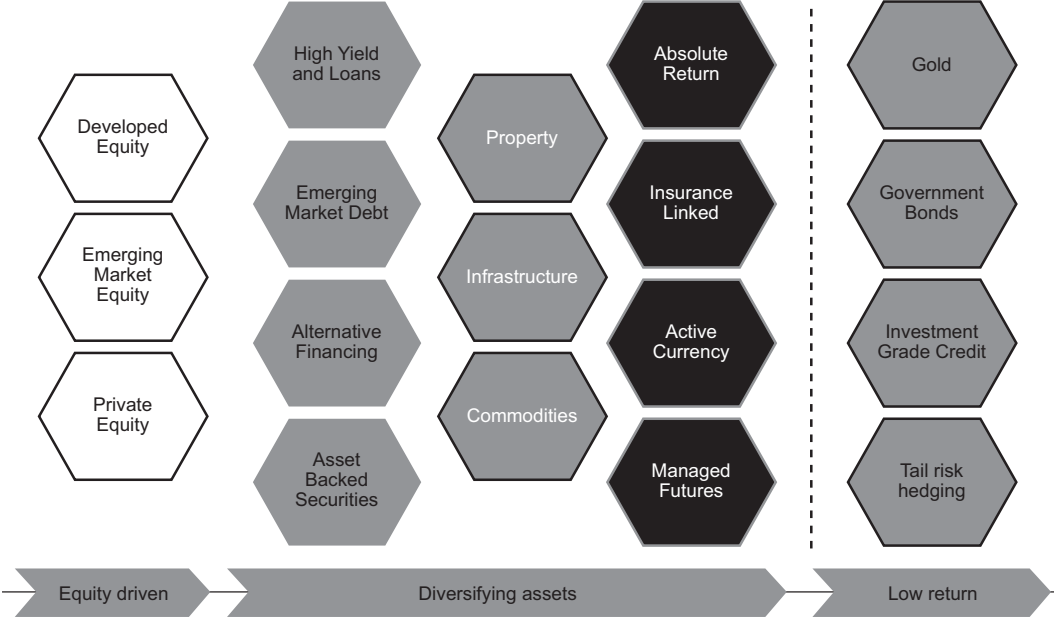
### **Investment approach**

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 proposed 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 Shareholders approve the amended investment objective and policy at the 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 array of investment opportunities.

### **Investment process**

The Managers' 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 Aberdeen Diversified Multi-Asset Team’s 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 the currency exposure is part of the investment rationale for the position e.g. 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 it 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 +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 dividend 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 Managers expect 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 company, 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%
<b>Total</b>	<b>100%</b>

\* 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 in relation to certain unquoted illiquid alternative assets will be drawn down over 12 months or more. 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 offering exposure to these asset classes. It is currently expected that approximately 60 per cent. of the realised portfolio will offer quarterly or better liquidity, with approximately 40 per cent. offering daily liquidity.

**The Management Agreement**

The Company has appointed Aberdeen Fund Managers Limited with effect from 11 February 2017 as its alternative investment fund manager pursuant to the terms of the Management Agreement. In accordance with the terms of the Management Agreement, the AIFM has delegated the day to day management of the Company’s portfolio to Aberdeen Asset Managers Limited. The Manager manages the Company’s investments and portfolio in accordance with the Company’s investment policy, which has been approved by Shareholders, 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 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.

The Management Agreement also provides that Aberdeen Fund Managers Limited will be responsible for the day to day provision of company secretarial services to the Company. It has delegated the provision of these services to Aberdeen Asset Management plc which has been appointed as company secretary.

## PART 4

### THE PROPOSED MERGER WITH AUKT

#### The Scheme and the issue of New Ordinary Shares

The merger of the Company and AUKT will be effected by way of a scheme of reconstruction and voluntary winding up of AUKT under section 110 of the Insolvency Act 1986. The Scheme provides for part of the undertaking, cash, assets and liabilities of AUKT, which is expected to comprise cash, to be transferred to the Company in consideration for the issue of New Ordinary Shares of an equivalent value to AUKT Shareholders. The Company will use the cash transferred from AUKT to acquire investments, subject to Shareholder approval, in accordance with its proposed investment objective and policy. The Scheme is subject to, amongst other conditions, approval by Shareholders and AUKT Shareholders.

Under the Scheme AUKT Shareholders (other than Restricted AUKT Shareholders) 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**”). This Cash Option will be limited to 60 per cent. of the AUKT Cash NAV.

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. AUKT Shareholders can make different Elections in respect of different parts of their holdings. Any eligible AUKT Shareholders who do not make valid Elections under the Scheme will be deemed to have elected for the Rollover Option.

The ADIGT formula asset value will be calculated on the basis of the NAV on the Calculation Date (being 4 April 2017) adjusted for 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 Ordinary Shares in issue on the Calculation Date less the number of Ordinary Shares repurchased under 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 the 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 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:

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

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.

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 if 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 28 February 2017 (being the latest practicable date prior to the publication of this document), AUKT had unaudited net assets of approximately £358.4 million and the Company has 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 28 February 2017 (being the latest practicable date prior to the publication of this document), AUKT had unaudited net assets of approximately £358.4 million and the Company has unaudited net assets (cum income, debt at fair value) of approximately £330.4 million.

On the assumption no AUKT shareholder elected 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 (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 Shareholders 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.**

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.

### **Expected timetable**

The expected timetable in relation to the Scheme and the Issue is as follows:

	<i>2017</i>
First general meeting of AUKT	11.00 a.m. on 29 March
Second general meeting of AUKT	11.00 a.m. on 6 April
Calculation Date for Scheme	5.00 p.m. on 4 April
Results of Scheme announced	6 April
Effective Date for the implementation of the Scheme	6 April
Admission to listing and dealings commence in the New Ordinary Shares	8.00 a.m. on 10 April
New Ordinary Shares issued in uncertificated form credited to CREST accounts of AUKT Shareholders under the Scheme	8.00 a.m. on 10 April
Share certificates in respect of the New Ordinary Shares issued in certificated form pursuant to the Scheme despatched to AUKT Shareholders	week commencing 17 April

### **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 Resolutions 2 and 3 at the General Meeting;

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.

If the Scheme does not become effective the Issue will not proceed.

### **Admission and dealing**

Application will be made to the UKLA for the New Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the Main Market. If the Proposals become effective it is expected that the New Ordinary Shares will be allotted pursuant to the Scheme on 6 April 2017, credited as fully paid and the first day of dealings in such New Ordinary Shares will be 10 April 2017.

The New Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. No temporary documents of title will be issued. AUKT Shareholders who hold their AUKT Shares in uncertificated form and who elect (or are deemed to elect) to receive New Ordinary Shares will receive these in uncertificated form on 10 April 2017. Certificates in respect of New Ordinary Shares issued to AUKT Shareholders who hold their AUKT Shares in certificated form and who elect (or are deemed to 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.

### **Transfer Agreement**

The Liquidators and the Company have each irrevocably undertaken (subject to certain conditions) to enter into the Transfer Agreement in connection with the Scheme. Under the terms of the Transfer Agreement, cash 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 the 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 the 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.

### **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, 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.

### **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 Scheme on them.



## PART 5

### THE TENDER OFFER

This document contains the terms and conditions of the Tender Offer, together with details of how Shareholders can tender Ordinary Shares for purchase, if they wish to do so.

**Shareholders are not obliged to tender any Ordinary Shares. If they do not wish to participate in the Tender Offer NO ACTION IS REQUIRED. None of the Directors will be tendering his or her Ordinary Shares under the Tender Offer, instead choosing to remain fully invested in your Company.**

The Tender Offer enables those Shareholders (other than Restricted Shareholders) who wish to sell some or all of their Ordinary Shares to elect to do so, subject to the overall limits of the Tender Offer. Shareholders who successfully tender Ordinary Shares will receive the Tender Price being an amount equal to a 4 per cent. discount to the NAV (cum income, debt at fair value and adjusted for declared but unpaid dividends) per tendered Ordinary Share on the Calculation Date, less an amount equal to the costs and expenses of the Tender Offer (including stamp duty, commission and portfolio realisation costs) per tendered Ordinary Share.

Under the terms of the Tender Offer, which is being made by Cenkos Securities, Shareholders (other than Restricted Shareholders) will be entitled to tender up to their Basic Entitlement, being 20 per cent. of the Ordinary Shares they held as at the Record Date of 7 March 2017, provided they still hold a sufficient number of Ordinary Shares at the implementation of the Tender Offer. Shareholders may also 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 any such excess tenders above the Basic Entitlement will only be satisfied, on a pro rata basis, to the extent that other Shareholders tender less than their aggregate Basic Entitlements. Tender Offer applications will be rounded down to the nearest whole number of Ordinary Shares.

The Company expects to declare a dividend in respect of the period from 1 January 2017 to the Effective Date. Tendering Shareholders are expected to be entitled to any such dividend should the Company decide to declare one.

Cenkos Securities will, as principal, purchase, at the Tender Price, Ordinary Shares validly tendered under the Tender Offer and, following completion of all these purchases, sell the relevant Ordinary Shares back to the Company pursuant to the Repurchase Agreement at the Tender Price by way of an on-market transaction on the London Stock Exchange. The Ordinary Shares which your Company acquires from Cenkos Securities will be cancelled or held in treasury (subject to a limit of 10 per cent. of the issued share capital). The repurchase of the Ordinary Shares by your Company under the Repurchase Agreement will be funded from the Company's distributable reserves.

The Tender Offer is subject to the terms and conditions set out in Part 8 of this document which, in the case of Ordinary Shares held in certificated form, together with the Tender Form or, in the case of Savings Scheme Participants, together with the Savings Scheme Tender Form, constitute the terms and conditions of the Tender Offer. The Tender Offer may also be terminated in certain circumstances as set out in paragraph 7 of Part 8 of this document. Shareholders' attention is drawn to the letter from Cenkos Securities (set out in Part 6 of this document), Part 7 of this document and to Part 9 of this document which contains a summary of certain risks associated with the Tender Offer. Details of how Shareholders will be able to tender Ordinary Shares can be found in paragraph 3 of Part 8 of this document.

**Shareholders should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

**Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA.**

Your Company's authority to repurchase Ordinary Shares, granted at the annual general meeting of the Company on 22 February 2016 in respect of up to 14.99 per cent. of the Company's issued share capital as at the date of that meeting will expire at the conclusion of the AGM. However, assuming the similar authority is granted at the upcoming AGM, the Company's authority to repurchase Ordinary Shares in respect of 14.99 per cent. of the Company's issued share capital will remain in force and will be unaffected by the Tender Offer.

**This is not a recommendation for Shareholders to tender their Ordinary Shares under the Tender Offer.** Whether or not Shareholders tender their Ordinary Shares will depend on, amongst other things, their view of your Company's prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice.

### **Estimated expenses**

The fixed costs relating to the Tender Offer are expected to be approximately £120,000 including VAT. The foregoing figure excludes portfolio realisation costs, stamp duty (being 0.5 per cent.) and the commission payable to Cenkos Securities. All costs in relation to the Tender Offer will be borne by Shareholders participating in the Tender Offer.

**For illustrative purposes only**, had the calculation date for the purposes of the proposed Tender Offer been 28 February 2017 (being the latest practicable date prior to the posting of this document) and based on the NAV per Share being 123.71 pence per Ordinary Share as at that date it is estimated that the Tender Price would have been 115.8482 pence per tendered Ordinary Share (after taking account of all Tender Offer costs and declared but unpaid dividends). The above figure is for illustrative purposes only and the actual Tender Price will be calculated and announced through a Regulatory Information Service on or around 6 April 2017.

### **Overseas Shareholders**

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands and the Isle of Man may be prohibited or affected by the laws of the relevant overseas jurisdictions. Shareholders with registered or mailing addresses outside the United Kingdom, the Channel Islands or the Isle of Man or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands and the Isle of Man should read carefully paragraph 9 of Part 8 of this document.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Tender Offer.

### **Taxation**

The attention of Shareholders is drawn to Part 10 of this document which sets out a general guide to certain aspects of current UK taxation 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). This information is a general guide and is not exhaustive. **Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.**

## PART 6

### LETTER FROM CENKOS SECURITIES PLC

Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London  
EC2R 7AS

6 March 2017

Dear Shareholder

As explained in the letter from your Chairman in Part 1 of this document, Shareholders (other than Restricted Shareholders and certain Overseas Shareholders as explained in paragraph 9 of Part 8 of this document) are being given the opportunity to sell some or all of their Shares in the Tender Offer, subject to the scaling back of tenders in excess of the Basic Entitlement. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer.

Cenkos Securities hereby invites Shareholders (other than Restricted Shareholders and certain Overseas Shareholders as explained in paragraph 9 in Part 8 of this document) on the Register on the Record Date to tender Ordinary Shares for purchase by Cenkos Securities for cash at the Tender Price. The Tender Price will be equal to the NAV per Share (cum income with debt at fair value and adjusted for declared but unpaid dividends) on the Calculation Date, less a four per cent. discount and less an amount equal to the costs and expenses of the Tender Offer (including stamp duty, commission and portfolio realisation costs) per tendered Ordinary Share. Each Shareholder will be entitled to have accepted in the Tender Offer valid tenders to Cenkos Securities in respect of up to their Basic Entitlement (provided that a sufficient number of Shares are still held at the implementation of the Tender Offer on 6 April 2017). In addition, Shareholders may tender Ordinary Shares for sale in excess of their Basic Entitlement up to a maximum of the number of Ordinary Shares held at the Record Date (provided that sufficient number of Shares are still held at the implementation of the Tender Offer) but such excess tenders will only be satisfied to the extent that other Shareholders have not tendered all or any part of their Basic Entitlement, as the case may be. Tenders in excess of the Basic Entitlement will be satisfied *pro rata* in proportion to the excess over the Basic Entitlement tendered, rounded down to the nearest whole number of Ordinary Shares.

The Tender Offer is made on the terms and subject to the conditions set out in Part 8 of this document and the Tender Form and the Savings Scheme Tender Form (as applicable), the terms of which will be deemed to be incorporated into this document and form part of the Tender Offer.

Cenkos Securities, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Tender Offer and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities or for providing advice in relation to the Tender Offer and the contents of this document or any matter referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Cenkos Securities may have under FSMA or the regulatory regime established thereunder. Cenkos Securities has given and not withdrawn its written consent to the inclusion of the references to its name in the form and context in which it is included in this document.

#### **Procedure for Tendering Shares**

Certificated Shareholders (other than Restricted Shareholders) who wish to tender Ordinary Shares should complete the personalised WHITE Tender Form in accordance with the instructions set out therein and return the completed Tender Form in the enclosed reply-paid envelope or using their own envelope to Computershare at Corporate Actions Projects, Bristol, BS99 6AH or

delivering by hand (during normal business hours) to Computershare at The Pavilions, Bridgewater Road, Bristol BS13 8AE so as to arrive as soon as possible and, in any event, by no later than 11.30 a.m. on 28 March 2017. Such Shareholders who hold their Shares in certificated form should also return the share certificate(s) and/or other document(s) of title in respect of the Shares tendered with their Tender Form.

Shareholders (other than Restricted Shareholders) holding Shares in uncertificated form (i.e. in CREST) who wish to tender Shares for purchase in the Tender Offer should transmit the appropriate TTE Instruction in CREST as set out in paragraph 3.2 of Part 8 of this document so as to be received as soon as possible and, in any event by no later than 11.30 a.m. on 28 March 2017.

Savings Scheme Participants are referred to the section headed "What you need to do if you are a Savings Scheme Participant" on pages 6 to 7 of this document and the information contained in Part 7 of this document.

**Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

Full details of the procedure for tendering Shares are set out in Part 8 of this document and in the case of Shares held in certificated form on the Tender Form or in the case of Savings Scheme Participants on the Savings Scheme Tender Form.

#### **Validity of Tender Forms or TTE Instructions**

Tender Forms or TTE Instructions which are received by the Receiving Agent after 11.30 a.m. on 28 March 2017 or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to relevant Shareholders or their appointed agents, together with any accompanying share certificate(s) and/or other document(s) of title.

Centos Securities reserves the right to treat as valid those Tender Forms or TTE Instructions received by the Receiving Agent by the deadline specified above which are not entirely in order and which are not accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

#### **Restricted Shareholders and Overseas Shareholders**

The Tender Offer is not available to Shareholders with registered or mailing addresses in any Restricted Territory, or who are citizens or nationals of, or resident in, a Restricted Territory and such Shareholders should read paragraph 9 of Part 8 of this document and the relevant provisions of the Tender Form.

Overseas Shareholders (not being Restricted Shareholders) who wish to accept the Tender Offer should also read paragraph 9 of Part 8 of this document and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

#### **Conditions**

The Tender Offer is conditional on the terms specified in paragraph 2 of Part 8 of this document.

#### **Termination of Tender Offer**

The Tender Offer may be terminated in the circumstances described in paragraph 7 of Part 8 of this document.

#### **Settlement**

Subject to the Tender Offer becoming unconditional, payment of the Tender Price due to Shareholders whose tenders under the Tender Offer have been accepted will be made (by a

Sterling cheque or by a CREST payment, as appropriate) on or as soon as practicable after 6 April 2017. Balancing share certificates and cheques are expected to be despatched to certificated Shareholders during the week commencing 17 April 2017.

**Further Information**

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part 8 of this document.

Yours faithfully

**G. W. E. Rogers**

*For and on behalf of  
Cenkos Securities plc*

**S.H. Shah**

*For and on behalf of  
Cenkos Securities plc*

## PART 7

### ACTION TO BE TAKEN BY SAVINGS SCHEME PARTICIPANTS

#### Your entitlement

If you are a UK participant in either of the Savings Schemes, you will have the opportunity to participate in the Tender Offer on the same basis as Shareholders. The purpose of this section is to provide you with information that is specific to Savings Scheme Participants.

You only need to complete the YELLOW Savings Scheme Tender Form (in relation to Shares held through the BlackRock Investment Trust Savings Plan) or the PINK Savings Scheme Tender Form (in relation to Shares held through the BlackRock Investment Trust Stocks and Shares NISA) if you wish to participate in the Tender Offer. The Savings Scheme Tender Form contains instructions as to how to complete and return it by the latest time of 5.00 p.m. on 21 March 2017.

**Savings Scheme Participants should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

#### Options

Where a Savings Scheme Participant tenders Ordinary Shares in the Tender Offer, the proceeds of the Tender Offer due to that participant will be paid to their nominee on their behalf in accordance with the terms and conditions of the applicable Savings Scheme. As a result, the accounts of Savings Scheme Participants may be credited later than 10 April 2017. All payments will be made as soon as practicable thereafter.

The nominee will then follow your instructions as to what you wish to do with the proceeds. Your options, which depend on the terms and conditions of the particular Savings Scheme in which you are a participant, are set out below. You should note that some of these options may involve fees and charges being levied and taxation consequences.

Savings Scheme Participants can either:

- receive a cheque for the tender proceeds; or
- elect to place their tender proceeds in the BlackRock cash holding facility within the NISA pending further instruction (this option is only available for NISA holders) by ticking Box 2B on the applicable Savings Scheme Tender Form. It should be noted that this cash holding facility does not pay interest.

In respect of the Savings Scheme Participants who hold their Ordinary Shares through a NISA, any cash paid out of the NISA would lose its tax efficient wrapper (that is the amount of your NISA allowance used to subscribe for the shares in the Company will not be reduced for the purposes of your current tax year limit and will be effectively remain utilised). If you have already used your full NISA allowance for the current tax year, you will be unable to reinvest your proceeds in other permitted investment options in your BlackRock NISA or another NISA in the same tax year. Please note that the BlackRock cash holding facility allows clients to hold cash proceeds generated from the disposal of shares in the Company within the NISA wrapper and therefore, preserving any annual allowance limit. Any gains arising on disposal of your shares in the Company held in your NISA are not chargeable for UK Capital Gains Tax purposes.

In respect of Savings Scheme Participants who hold their Ordinary Shares through the Savings Plan, the sale of shares in the Company may be regarded as a disposal for UK Capital Gains Tax purposes and could therefore result in a tax charge depending on your personal circumstances.

**Savings Scheme Participants who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the potential tax consequences of selling their Ordinary Shares in the Tender Offer are strongly recommended to consult their own professional advisers before making any such sales.**

### **Overseas Participants**

Savings Scheme Participants who are resident in, or citizens of, a jurisdiction outside the United Kingdom but not a Restricted Territory who wish to accept the Tender Offer should read paragraph 9 of Part 8 of this document and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

### **Other fees**

You should note that, notwithstanding the terms and conditions for each of the Savings Schemes, apart from the charges referred to above and the tender costs, no other fees or charges will be payable by Savings Scheme Participants in respect of the realisation of any of their Ordinary Shares tendered in the Tender Offer.

## PART 8

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1. The Tender Offer

- 1.1. All Shareholders (other than Restricted Shareholders) on the Register on the Record Date may tender Shares for purchase by Cenkos Securities on the terms and subject to the conditions set out in this document, the Tender Form and the Savings Scheme Tender Form, as applicable (which together constitute the Tender Offer). **Shareholders are not obliged to tender any Shares.**
- 1.2. The Tender Offer is made at the Tender Price. The Company will calculate the Tender Price as at the Calculation Date. The calculation approved by the Directors will be conclusive and binding on all Shareholders.
- 1.3. The consideration for each tendered Share acquired by Cenkos Securities pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 4.4 below.
- 1.4. Upon the Tender Offer becoming unconditional and unless the Tender Offer has been terminated or has lapsed in accordance with the provisions of paragraph 7 or paragraph 2.2 below, Cenkos Securities will accept the tenders of Shareholders validly made in accordance with this Part 8, subject as explained below, on the following basis:
  - 1.4.1. each Shareholder (other than a Restricted Shareholder) whose name appeared on the Register at the Record Date will be entitled to sell to Cenkos Securities up to their Basic Entitlement, being such number of Shares rounded down to the nearest whole number, as represents 20 per cent. of such Shareholder's holding of Shares entered on the Register as at the Record Date provided a sufficient number of Ordinary Shares are still held at the implementation of the Tender Offer;
  - 1.4.2. such Shareholder will also be entitled to sell more Shares than their Basic Entitlement up to a maximum of the number of Shares held at the Record Date and provided a sufficient number of Ordinary Shares are still held at the implementation of the Tender Offer (on 6 April 2017) but only to the extent to which other Shareholders tender less than their aggregate Basic Entitlement. In these circumstances, excess tenders will be satisfied *pro rata* and in proportion to the amounts of Shares tendered by each relevant Shareholder in excess of their Basic Entitlement (rounded down to the nearest whole number of Shares); and
  - 1.4.3. the Basic Entitlement will apply to each registered Shareholder. Registered Shareholders who hold for multiple beneficial owners may decide the allocation between such beneficial owners in their own discretion.

#### 2. Conditions

- 2.1. The Tender Offer is conditional on the following (together the "**Conditions**") being satisfied:
  - 2.1.1. Resolution 4 being passed at the General Meeting;
  - 2.1.2. valid tenders being received in respect of at least one per cent. of the Company's current issued share capital (excluding Shares held in treasury) by the Closing Date;
  - 2.1.3. Cenkos Securities being satisfied that the Company has procured payment of an amount equal to the Tender Price multiplied by the number of Shares successfully tendered into a designated bank account in accordance with the Repurchase Agreement;



- 2.1.4. Cenkos Securities being satisfied that the Company has sufficient distributable profits (as defined in section 830 of the Act) to effect the purchase of all Shares successfully tendered pursuant to the Repurchase Agreement;
  - 2.1.5. the Company and Cenkos Securities not having agreed to terminate the Tender Offer for any reason at their sole discretion;
  - 2.1.6. Cenkos Securities being satisfied, acting in good faith, that at all times up to immediately prior to the announcement of the results of the Tender Offer, the Company has complied with its obligations, and is not in breach of any of the representations and warranties given by it, under the Repurchase Agreement; and
  - 2.1.7 the Tender Offer not having been terminated in accordance with paragraph 7 of this Part 8 prior to the fulfilment of the other Conditions.
- 2.2. Cenkos Securities will not purchase (or enter into any commitment or contract to purchase) any Shares pursuant to the Tender Offer unless the Conditions have been satisfied in full or waived. The Conditions, other than that contained in paragraph 2.1.6 above, may not be waived by Cenkos Securities. If the Conditions are not satisfied prior to the close of business on 30 April 2017, the Tender Offer, if not then completed, will lapse.

### **3. Procedure for tendering Shares**

#### **3.1. Overview**

- 3.1.1. There are different procedures for tendering Ordinary Shares depending on whether the Ordinary Shares are held in certificated or uncertificated form (i.e. in CREST).
- 3.1.2. Shareholders (other than Restricted Shareholders) who hold Ordinary Shares in certificated form must complete, sign and return the Tender Form in accordance with sub-paragraph 3.2.1 below and the instructions printed on the Tender Form. Shareholders (other than Restricted Shareholders) should complete separate Tender Forms for Ordinary Shares held in certificated form but under different designations. The share certificate(s) should be returned with the relevant Tender Form.
- 3.1.3. Additional Tender Forms are available from Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH, telephone number 0330 303 1184 and if telephoning from outside the UK +44 330 303 1184. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice.
- 3.1.4. If the Ordinary Shares are held in uncertificated form (i.e. in CREST), they may be tendered only by sending a TTE Instruction in accordance with the procedure set out in sub-paragraph 3.2.2 below. Shareholders should send separate TTE Instructions for Ordinary Shares held under different member account IDs.

#### **3.2. Return of Tender Forms or TTE Instructions (as applicable)**

##### **3.2.1. Shares held in certificated form (that is, not in CREST)**

The completed and signed personalised Tender Form should be sent either by post, using the reply-paid envelope enclosed or by using your own envelope to Computershare Investor Services PLC, Corporate Action Projects, Bristol BS99 6AH, or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to arrive by no later than 11.30 a.m. on 28 March 2017.

Subject to paragraph 8.5 below, no Tender Forms received after this time will be accepted. Reply paid envelopes are enclosed with the Tender Forms. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from a Restricted Territory or otherwise appearing to Cenkos Securities or its agents to have been sent from any Restricted Territory may be rejected as an invalid tender. Further provisions relating to Restricted Shareholders are contained in paragraph 9 of this Part 8.

The completed and signed personalised Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent), the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent by no later than 11.30 a.m. on 28 March 2017 together with any share certificate(s) and/or other document(s) of title you may have available, accompanied by a letter stating that the (remaining) share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, by no later than 11.30 a.m. on 28 March 2017.

The Receiving Agent, acting as your agent, will effect such procedures as are required to transfer your Shares to Cenkos Securities under the Tender Offer.

If you have lost your share certificate(s) and/or other document(s) of title, you should either call the Registrars using the telephone numbers provided in paragraph 3.1.3 above or write to the Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, for a letter of indemnity in respect of the lost share certificate(s) and/or any other document(s) of title which, when completed in accordance with the instructions given, should be returned to the Registrar at the address referred to at the beginning of paragraph 3.2.1 so as to be received by no later than 11.30 a.m. on 28 March 2017.

### 3.2.2. *Shares held in uncertificated form (that is, in CREST)*

If the Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender in the Tender Offer to an escrow balance, specifying the Receiving Agent in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles by no later than 11.30 a.m. on 28 March 2017.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender.

You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Shares. This is GB0001297562;
- the number of Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;

- the participant ID of the escrow agent, Computershare, in its capacity as a CREST receiving agent, this is: 8RA29;
- the member account ID of the escrow agent, Computershare, this is: ABERDEEN;
- the Corporate Action Number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event by no later than 11.30 a.m. on 28 March 2017; and
- input with standard delivery instruction priority of 80.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as your agent until completion, termination or lapse of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase by Cenkos Securities to itself as your agent for onward sale to Cenkos Securities.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 11.30 a.m. on 28 March 2017. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

### 3.2.3. *Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfer to an escrow balance as described above) prior to 11.30 a.m. on 28 March 2017. Deposits into or withdrawn from CREST following the Record Date will only be permissible provided there is no change in beneficial ownership and in undertaking such movements Shareholders will be asked to warrant to this effect.

### 3.3 **Shares held through the Savings Schemes**

Savings Scheme Participants who wish to participate in the Tender Offer should complete the relevant Savings Scheme Tender Form in accordance with the instructions set out therein and return it by post to the manager of the Savings Scheme, BlackRock Investment Management (UK) Limited, or by hand (during normal business hours) so as to arrive by no later than 5.00 p.m. on 21 March 2017. Savings Scheme Tender Forms received after that time may not be accepted. A reply-paid envelope for use in the UK only is enclosed with this document.

If any Savings Scheme Participants are in any doubt as to how to complete the Savings Scheme Tender Form or as to the procedure for tendering Shares, they should contact the manager of the Savings Scheme, BlackRock Investment Management (UK) Limited, by telephone on 0800 44 55 22. Please note that the manager of the Savings Scheme can only provide information concerning completion of the Savings Scheme Tender Form and cannot provide legal, financial, investment or tax advice or answer any queries in relation to your shareholding(s) in the Savings Schemes.

### **3.4 Validity of Tender Forms and TTE Instructions**

Notwithstanding the powers in paragraph 8 below, Cenkos Securities reserves the right to treat as valid only Tender Forms and TTE Instructions which are received entirely in order by 11.30 a.m. on 28 March 2017, which are accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof. Notwithstanding the powers in paragraph 8 below, Cenkos Securities reserves the right to treat as valid only Savings Scheme Tender Forms which are received entirely in order by 5.00 p.m. on 21 March 2017.

Notwithstanding the completion of a valid Tender Form, TTE Instruction or Savings Scheme Tender Form, the Tender Offer may terminate or lapse in accordance with the terms and conditions set out in this Part 8.

The decision of Cenkos Securities as to which Shares have been validly tendered shall be conclusive and binding on Shareholders who participate in the Tender Offer.

If you are in any doubt as to how to complete the Tender Form or the Savings Scheme Tender Form, or how to submit a TTE Instruction or as to the procedures for tendering Shares, please call the Receiving Agent on 0330 303 1184 (or if telephoning from outside the UK +44 330 303 1184) or in the case of Savings Scheme Participants, BlackRock Investment Management (UK) Limited on 0800 44 55 22. You are reminded that, if you are a CREST sponsored member, you should contact your CREST Sponsor before taking any action.

## **4. Announcement of the Tender Price and Settlement**

- 4.1. Unless terminated in accordance with the provisions of this Part 8, the Tender Offer will close for Shareholders at 11.30 a.m. on 28 March 2017 and for Savings Scheme Participants at 5.00 p.m. on 21 March 2017. Subject to the Conditions being satisfied, it is expected that on 6 April 2017 the Company will make a public announcement of the Tender Price, the total number of Shares tendered and, if applicable, the extent to which tenders will be scaled back, and the number of tendered Shares in excess of the Basic Entitlement which will be purchased by Cenkos Securities from Shareholders who have tendered Shares in excess of their Basic Entitlement.
- 4.2. Delivery of cash to Shareholders for the Shares to be purchased pursuant to the Tender Offer will be made by the Receiving Agent. The Receiving Agent will act as agent for tendering Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company, Cenkos Securities or the Receiving Agent regardless of any delay in making such payment.
- 4.3. If any tendered Shares are not purchased because of an invalid tender, the termination of the Tender Offer or otherwise, relevant share certificate(s) and/or other document(s) of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the relevant tendering Shareholder, or in the case of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow balances by TFE Instruction to the original available balances to which those Shares relate.

- 4.4. Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Cenkos Securities is expected to be made on or as soon as practicable after 6 April 2017 as follows:

4.4.1. *Shares held in certificated form (that is, not in CREST)*

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched at the Shareholder's own risk by the Receiving Agent by first class post to the person or agent whose name and address is set out in Box 2 or Box 3 (as applicable) of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder shown above Box 1 on the Tender Form or, in the case of joint holders, the address of the Shareholder first named in the Register. All cash payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

4.4.2. *Shares held in uncertificated form (that is, in CREST)*

Where an accepted tender relates to Shares held in uncertificated form, the consideration due will be paid by means of CREST by Cenkos Securities procuring the creation of a CREST payment in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

4.4.3. *Timing of settlement*

The payment of any consideration to Shareholders for Shares tendered in the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of share certificate(s) and/or other requisite document(s) of title evidencing such Shares and any other documents required by the Tender Offer.

4.4.4. *Shares held in the Savings Schemes*

Where an accepted tender relates to Shares held through any of the Savings Schemes, the consideration due will be despatched at the Savings Scheme Participant's own risk by first class post to the registered address of the tendering Savings Scheme Participant shown above Box 1 on the Savings Scheme Tender Form save for NISA holders who have elected to place their tender proceeds in the BlackRock cash holding facility. All cash payments will be made in Sterling by (i) cheque drawn on a branch of a UK clearing bank or (ii) in the case of NISA holders who have elected to place their tender proceeds in the BlackRock cash holding facility, by deposit therein. Payments are expected to be despatched during the week commencing 10 April 2017.

- 4.5. If only part of a holding of Shares is sold pursuant to the Tender Offer or if, because of scaling back, any tendered Shares in excess of a Shareholder's Basic Entitlement are not purchased pursuant to the terms of the Tender Offer, then:

4.5.1. where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a balance certificate in respect of the remaining Shares; or

4.5.2. where the Shares are held in uncertificated form (that is, in CREST) the unsold Shares will be transferred by the Receiving Agent by means of a TFE Instruction to the original available balance from which those Shares came; or

4.5.3. where the Shares are beneficially held by a Savings Scheme Participant, the unsold beneficial holding of Shares will be recorded in the relevant Savings Scheme Participant's account.

## 5. Representations and Warranties

Each Shareholder by whom, or on whose behalf, a Tender Form or TTE Instruction (as applicable) is executed or input, irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind himself, and his, her or its respective personal representatives, heirs, successors and assigns) that:

- 5.1. the execution of the Tender Form or the input TTE Instruction shall constitute an offer to sell to Cenkos Securities such Shareholder's Basic Entitlement or, if relevant, the number of Shares inserted in Box 1B or 1C of the Tender Form or submitted in the TTE Instruction (as applicable), on and subject to the terms and conditions set out or referred to in this document and, once a Tender Form and/or TTE Instruction is submitted, such offer shall be irrevocable;
- 5.2. such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Cenkos Securities, Cenkos Securities will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date (save as in respect of the dividend in respect of the period from 1 January 2017 to the Effective Date);
- 5.3. the execution of the Tender Form or the input of a TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Cenkos Securities as such Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in paragraph 5.1 above in favour of Cenkos Securities or such other person or persons as Cenkos Securities may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest such Shares in Cenkos Securities or its nominee(s) or such other person(s) as Cenkos Securities may direct;
- 5.4. each Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Cenkos Securities or any of its directors or any person nominated by Cenkos Securities in the proper exercise of its or his or her powers and/or authorities hereunder;
- 5.5. if such Shareholder holds Shares in certificated form, he, she or it will deliver to the Receiving Agent his, her or its share certificate(s) and/or other document(s) of title in respect of the Shares, or an indemnity acceptable to Cenkos Securities in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, by no later than 11.30 a.m. on 28 March 2017;
- 5.6. such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Cenkos Securities to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 5.7. such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under the Tender Offer may be made to and accepted by him, her or it under the laws of the relevant jurisdiction;
- 5.8. such Shareholder has not received or sent copies or originals of this document or the Tender Form or any related documents to a Restricted Territory and has not otherwise utilised in

connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Territory and that such Shareholder is not accepting the Tender Offer from any Restricted Territory;

- 5.9. in the case of Shares held in certificated form the provisions of the Tender Form or, in the case of Savings Scheme Participants, the Savings Scheme Tender Form, as applicable, shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- 5.10. in the case of Shares held in certificated form, the despatch of a cheque in respect of the Tender Price to a Shareholder at his, her or its respective registered addresses or such other address as is specified in the Tender Form or the Savings Scheme Tender Form, as applicable, will constitute a complete discharge by Cenkos Securities of its obligations to make such payment to such Shareholders;
- 5.11. in the case of Shares held in uncertificated form (that is, in CREST) the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4.4.2 above will, to the extent of the obligations so created, discharge fully any obligation of Cenkos Securities to pay to such Shareholder the cash consideration to which he, she or it is entitled in the Tender Offer;
- 5.12. on execution, the Tender Form takes effect as a deed;
- 5.13. the execution of the Tender Form or the input of a TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer; and
- 5.14. if the appointment of the attorney and/or agent under paragraph 5.3 above shall be unenforceable or invalid or shall not operate so as to afford to Cenkos Securities the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Cenkos Securities to secure the full benefits of paragraph 5.3 above.

A reference in this paragraph 5 to a Shareholder who holds Shares in certificated form includes a reference to the person or persons executing the Tender Form and, in the event of more than one person executing the Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

## **6. Additional provisions**

- 6.1. Shareholders (other than a Restricted Shareholder) will be entitled to have accepted in the Tender Offer valid tenders to Cenkos Securities up to his, her or its Basic Entitlement. In addition, Shareholders may tender Shares in excess of their Basic Entitlement where other Shareholders tender less than their Basic Entitlement and subject to the scaling back of tenders, as set out in paragraph 1.4.2 above. If in Cenkos Securities' determination (in its absolute discretion) Box 1 of any Tender Form has not been validly completed in respect of the number of Shares to be tendered, provided that that Tender Form is otherwise in order and accompanied by all other relevant documents, the relevant Shareholders may be deemed to have tendered such amounts of Shares as that equal to their respective Basic Entitlements.
- 6.2. Shares acquired by Cenkos Securities in the Tender Offer and by the Company from Cenkos Securities pursuant to the Repurchase Agreement will be market purchases in accordance with the rules of the London Stock Exchange and the UK Listing Authority.
- 6.3. Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-

emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date.

- 6.4. Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Cenkos Securities agreeing to process his, her or its tender, such Shareholder will not revoke his, her or its tender or withdraw his, her or its Shares. Shareholders should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 6.5. Any omission to despatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 6.6. No acknowledgement of receipt of any Tender Form, TTE Instruction, Savings Scheme Tender Form, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) and Savings Scheme Participants (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) and Savings Scheme Participants (or their designated agents) at their own risk.
- 6.7. All powers of attorney and authorities on the terms conferred by or referred to in this Part 8 or in the Tender Form or Savings Scheme Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 6.8. Subject to paragraphs 8 and 10 below all tenders in relation to certificated holders must be made on the relevant prescribed Tender Form or Savings Scheme Tender Form, fully completed in accordance with the instructions set out thereon which constitute part of the terms and conditions of the Tender Offer and, for uncertificated holders, a TTE Instruction must be submitted in accordance with the instructions provided in paragraph 3.2 above. A Tender Form, Savings Scheme Tender Form, as applicable, or TTE Instruction will only be valid when the procedures contained in the terms and conditions of the Tender Offer and in the Tender Form or Savings Scheme Tender Form, as applicable, are complied with. The Tender Offer will be governed by and construed in accordance with English law.
- 6.9. If the Tender Offer does not become unconditional, is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 2 or Box 3 (as applicable) of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder shown above Box 1 on the Tender Form or, in the case of joint holders, the address of the Shareholder first named in the Register. In the case of Shares held in uncertificated form, Computershare Investor Services PLC in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer terminating or lapsing, give instructions to Euroclear to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Shares came. In any of these circumstances, Tender Forms, Savings Scheme Tender Forms and TTE Instructions will cease to have any effect.
- 6.10. The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form or Savings Scheme Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out in this document apply to the terms and conditions of the Tender Offer, including the Tender Form and the Savings Scheme Tender Form.



- 6.11. Subject to paragraph 9 below, the Tender Offer is open to those Shareholders whose name appeared on the Register on the Record Date. The Tender Offer will close at 11.30 a.m. on 28 March 2017. Subject to paragraph 8.5 below, no Tender Form, share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after that time will be accepted. Subject to paragraph 8.5 below, no Savings Scheme Tender Form will be accepted after 5.00 p.m. on 21 March 2017.
- 6.12. Further copies of this document and copies of the Tender Form or Savings Scheme Tender Form may be obtained on request from the Receiving Agent at the addresses set out in the Tender Form and Savings Scheme Tender Form respectively.

## **7. Termination of the Tender Offer**

If the Company (acting through the Directors) shall, at any time prior to Cenkos Securities effecting the purchase as principal of the successfully tendered Shares pursuant to the Tender Offer, notify Cenkos Securities in writing that in the Directors' reasonable opinion:

- 7.1. as a result of any change in national or international financial, economic, political or market conditions, the cost of realisation of assets to fund the Tender Offer has become significantly more expensive since the date of this document; or
- 7.2. in its reasonable opinion, 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,

the Tender Offer will be terminated, unless with the prior consent of the Company, Cenkos Securities decides to proceed with the Tender Offer. If the Tender Offer is terminated, the Company will make an announcement through a Regulatory Information Service that such is the case and the Tender Offer shall cease and determine absolutely, without any liability on the part of the Company or Cenkos Securities.

## **8. Miscellaneous**

- 8.1. Any changes to the terms, or any extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof by no later than 1.00 p.m. on the Business Day following the date of such changes. In this case, the definitions, times and dates mentioned throughout this document shall be deemed to be adjusted accordingly. Such an announcement will be released to a Regulatory Information Service of the London Stock Exchange. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by Cenkos Securities to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to a Regulatory Information Service of the London Stock Exchange.
- 8.2. Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from Cenkos Securities by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and such Shares will subsequently be cancelled or held in treasury.
- 8.3. The expenses of the Tender Offer (including stamp duty, commission and portfolio realisation costs) together with the applicable VAT will be borne by the tendering Shareholders and will be reflected in the Tender Price.
- 8.4. Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Cenkos Securities or the Company. Under no circumstances

should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.

- 8.5. Cenkos Securities reserves the absolute right to inspect (either itself or through its agents) all Tender Forms, Savings Scheme Tender Forms and TTE Instructions and may consider void and reject any tender that does not in Cenkos Securities' sole judgement meet the requirements of the Tender Offer. Cenkos Securities also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form or Savings Scheme Tender Form (in whole or in part) which is not entirely in order, the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to Cenkos Securities in lieu thereof. However, in that event, the consideration in respect of the Tender Offer for successfully tendered Shares held in certificated form will only be despatched when the relevant Tender Form is entirely in order and the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Cenkos Securities has/have been received. None of Cenkos Securities, the Company, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 8.6 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

## **9. Restricted Shareholders and Overseas Shareholders**

- 9.1. The provisions of this paragraph 9 and any other terms of the Tender Offer relating to Restricted Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Cenkos Securities in consultation with the Company but only if Cenkos Securities and the Company are satisfied that such a waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other laws.
- 9.2. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Shares to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholders will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Cenkos Securities and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Forms in any territory outside the United Kingdom, the Channel Islands or the Isle of Man.
- 9.3. The Tender Offer is not being made to Restricted Shareholders. Restricted Shareholders are being excluded from the Tender Offer in order to avoid breaching applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of this document, the Tender Form and any related circulars are not being and must not be mailed or otherwise distributed into a Restricted Territory, including to Shareholders with registered addresses in Restricted Territories, or to persons whom the Company or Cenkos Securities knows to be custodians, nominees or trustees holding Shares for persons in Restricted Territories. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, as so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer.

Envelopes containing Tender Forms should not be postmarked from a Restricted Territory or otherwise despatched to a Restricted Territory and accepting Shareholders must not provide Restricted Territory addresses for the remittance of cash or return of Tender Forms.

- 9.4. A Shareholder will be deemed not to have made a valid tender if:
- 9.4.1. such Shareholder is unable to make the representations and warranties set out in paragraphs 5.7 and 5.8 of this Part 8; or
  - 9.4.2. such Shareholder inserts in Box 3 of the Tender Form the name and address of a person or agent in a Restricted Territory to whom they wish the consideration to which such Shareholder is entitled in the Tender Offer to be sent; or
  - 9.4.3. the Tender Form received from him, her or it is in an envelope postmarked in, or which otherwise appears to Cenkos Securities or its agents to have been sent from, a Restricted Territory. Cenkos Securities reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraphs 5.7 and 5.8 above given by any Shareholder are correct and, if such investigation is undertaken and as a result Cenkos Securities determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.
- 9.5. If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related offering documents in or into a Restricted Territory or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Territory in connection with such forwarding, such person should:
- 9.5.1. inform the recipient of such fact;
  - 9.5.2. explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - 9.5.3. draw the attention of the recipient to this paragraph 9.
- 9.6. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.
- 9.7. The provisions of this paragraph 9 supersede any terms of the Tender Offer inconsistent herewith.
- 9.8 **Overseas Shareholders (who are not Restricted Shareholders) should inform themselves about and observe any applicable legal or regulatory requirements. The comments set out in this document are intended as a general guide only and Shareholders who are in any doubt about their position should consult their professional adviser in the relevant territory.**

## 10. Modifications

The terms of the Tender Offer shall have effect subject to such non-material modifications or additions as the Company and Cenkos Securities may from time to time approve in writing. The times and dates referred to in this document may be amended by agreement between the Company and Cenkos Securities.

## PART 9

### RISK FACTORS

**Shareholders should consider carefully all of the information set out in this document including, in particular, the risks associated with the Proposals described below, as well as their own personal circumstances, prior to making any decision as to how to vote on the Proposals and whether or not to tender any Shares in the Tender Offer. Shareholders should read this document as a whole carefully.**

#### **Risks relating to the Proposals**

Implementation of the Proposals is subject to a number of conditions (including ADIGT Shareholder and AUKT Shareholder approval for the Scheme) and there is no certainty that the Proposals will become effective.

If the amended investment objective and policy is not implemented 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 reduced as it is currently unsustainable (for the reasons described on page 12).

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 AUKT's cash balance (less the Liquidation Fund and the Cash Pool) is 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.

The FAV per AUKT Share, the FAV per ADIGT Share and the AUKT Shareholders' entitlements under the Proposals may be lower or higher than the illustrative figures used in this document.

On the Proposals becoming effective, each Shareholder's proportion of the total voting rights in the capital of the Company will be diluted.

#### **Risks relating to an investment in the Ordinary Shares**

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.

As with all investment trust shares, the market price of the Shares may not reflect their underlying Net Asset Value per Share and the discount (or premium) to Net Asset Value at which Shares trade may fluctuate from day-to-day, depending on factors such as supply and demand, market conditions and general sentiment. The Net Asset Value and/or price of the Shares and the dividend payable on the Shares may go down as well as up.

The assets of the Company are subject to normal stock market fluctuations. There can be no guarantee that any appreciation in the value of these assets will occur. In particular, the Company's investee companies or assets could be adversely affected by changes in the general economic or political climate, changes in the economic factors affecting a particular industry, changes in tax law or specific developments within such companies.

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 a general meeting conferring authority on the Board to buyback 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 use of derivatives may expose the Company to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Company trades, the risk of settlement default, lack of liquidity of the derivative, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Company is seeking to track and greater transaction costs than investing in the underlying assets directly.

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 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. The Company must comply with the Listing Rules for premium listed equity securities, the Disclosure Guidance and Transparency Rules and MAR and so far as the Company is aware, as at the date of this document, the Company complies with the Listing Rules, the Disclosure Guidance and Transparency Rules and MAR. 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 change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

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 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 in relation to the proposed new investment policy**

Shareholders should be aware that past performance of the Manager and the Aberdeen Diversified Multi-Asset Team is not necessarily indicative of likely future performance. There can be no guarantee that the Company's proposed new investment objective will be achieved. If the objectives are not met, Shareholders may not receive an attractive level of income or any income or capital growth in the underlying value of their Ordinary Shares. Shareholders could lose all or part of their investment in the Company.

### ***Risks relating to 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 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.

### ***Risks in relation to investments 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.

### ***Risks relating to the concentration of the Company's portfolio***

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. 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 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 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.

### ***Currency risk***

A proportion of the Company's assets are and will 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.

### ***Risks in relation to investments 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.

### ***Risks relating to leverage***

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 conflicts of interest***

The services of Aberdeen and the Aberdeen Diversified Multi-Asset Team, its respective officers and employees are not exclusive to the Company. Although the AIFM has in place a conflicts of interest and asset allocation policy, in fulfilling its responsibilities to the Company, it may be subject to certain conflicts of interests arising from its relations with third parties to whom it also owes duties or to whom it has an interest. In particular, the AIFM may provide investment management,

investment advice or other services in relation to a number of funds, including the Aberdeen Diversified Growth Fund that may have similar investment policies to that of the Company.

### **Risks relating to the Tender Offer**

Shareholders tendering Shares for sale under the Tender Offer will receive the Tender Price per Share, which may be less than the price at which they bought their Shares or the price or value at which they might ultimately realise their Shares should they continue to hold them. The Tender Offer is not conditional on Shares trading at a market price below the NAV per Share as at the Calculation Date. In the event that Shares are trading at a market price higher than or marginally below the Net Asset Value per Share as at the Calculation Date, Shareholders who tender Shares may receive less than they may otherwise be able to realise by selling their Shares in the market.

Tender Forms, Savings Scheme Tender Forms and TTE Instructions, once submitted, are irrevocable. Shareholders should note that all Shares tendered will be held in escrow by the Receiving Agent and may not be switched, sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer. The price of the Shares and the Company's Net Asset Value may rise or fall following submission of a Tender Form, Savings Scheme Tender Form and/or TTE Instruction. If the Tender Offer lapses or is terminated in accordance with the terms and conditions set out in this document, all tendered Shares will be returned to the relevant Shareholders.

The Tender Price will depend on the number of Shares tendered. The greater the number of Shares tendered the lower the fixed costs of the Tender Offer will be as a proportion of the value received by those Shareholders who successfully tender Shares. Shareholders should note that if the Board and Cenkos Securities reasonably consider the fixed costs of the Tender Offer to be excessive relative to the number of Shares tendered the Tender Offer may not proceed.



## PART 10

### TAXATION

**The following comments are intended only as a general guide to certain aspects of current UK law and HMRC published practice, and do not constitute tax advice. They are of a general nature and apply only to Shareholders who are resident in the UK (except where otherwise indicated) and who hold their Shares beneficially as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities or Shareholders who have acquired their Shares by virtue of an office or employment.**

A Shareholder who sells Shares in the Tender Offer should be treated, for the purposes of UK taxation, as though the Shareholder has sold them in the normal way to a third party. Accordingly, and subject to the comments in the next paragraph, any such Shareholder who is UK resident for tax purposes may, depending on that Shareholder's particular circumstances, be subject to UK capital gains tax (or, in the case of a corporate Shareholder, UK corporation tax on chargeable gains) in respect of any gain arising on such sale.

Individual Shareholders may have gains reduced by the annual exemption which is £11,100 for the 2016-17 tax year and allowable losses, whereas corporate Shareholders subject to UK corporation tax may have their gains reduced by indexation allowance but this allowance will not create or increase an allowable loss.

The rate of UK capital gains tax will be 10 per cent. for individual Shareholders who are chargeable to UK income tax at the basic rate and will be 20 per cent. for individual Shareholders taxable at rates other than the basic rate. Corporate Shareholders may be subject to UK corporation tax at the current rate of 20 per cent.

Shareholders who are not resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from the sale of their Shares although they may be subject to taxation in a jurisdiction other than the UK depending on their particular circumstances. Individual Shareholders who are temporarily not resident in the UK for tax purposes may be liable to capital gains tax under tax anti-avoidance legislation.

**Shareholders who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the potential tax consequences of selling their Shares are strongly recommended to consult their own professional advisers before making any such sales.**

Application has not been made to HMRC for clearance under section 748 of the CTA 2010 or section 701 of the ITA 2007 that the anti-avoidance provisions of Part 15 of the CTA 2010 or Part 13 of the ITA 2007 should not apply to the Tender Offer. Part 15 of the CTA 2010 and Part 13 of the ITA 2007 permit HMRC to counteract tax advantages arising from certain transactions in securities by for example treating some or all of the proceeds of capital disposals as distributions of income. However, these sections do not apply where it can be shown, in the case of any corporation tax advantage, that the transactions in question were entered into for genuine commercial reasons and did not involve as one of their main objects the obtaining of any corporation tax advantage and, in the case of any income tax advantage, that the transactions in question did not involve the receipt of consideration in connection with a distribution by or assets of a close company (as set out in section 685 of the ITA 2007) or did not involve as one of their main purposes the obtaining of any income tax advantage.

Stamp duty or stamp duty reserve tax at the rate of 0.5 per cent. of the Tender Price (rounded up to the nearest £5 in the case of stamp duty only) will be payable by the Company on Shares repurchased by it pursuant to the Tender Offer.

**If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay.**

The information relating to taxation set out above is a general guide and is not exhaustive. It is based on law and practice currently in force in the UK and is subject to changes therein possibly with retrospective effect.

## PART 11

### ADDITIONAL INFORMATION

#### 1. 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:

- 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
- 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.

#### 2. General

- 2.1 Cenkos Securities has given and not withdrawn its written consent to the issue of this document with its letter and with the references to its name in the form and context in which they are included.
- 2.2 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.

#### 3. Documents available for inspection

Copies of 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 offices of the AIFM, Bow Bells House, 1 Bread Street, London, EC4M 9HH until the date of Admission:

- 3.1 this document;
- 3.2 the New Articles;
- 3.3 the Repurchase Agreement; and
- 3.4 the Articles.

**6 March 2017**

## DEFINITIONS

Unless the context otherwise requires, the following words and expressions have the following meanings in this document:

<b>Aberdeen</b>	Aberdeen Asset Management PLC
<b>Aberdeen Asset Management Group or Aberdeen Group</b>	the group of Companies of which Aberdeen is the ultimate holding company
<b>Aberdeen Contribution</b>	the contribution of £849,211 from the AIFM has agreed to make to the Company in relation to the costs of implementing the Scheme
<b>Aberdeen Diversified Growth Fund</b>	the Non-UCITS Retail Scheme named the Aberdeen Diversified Growth Fund which was launched on 1 November 2011
<b>Aberdeen Global</b>	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
<b>Aberdeen Savings Scheme</b>	the Aberdeen Investment Trust ISA and Savings Plan
<b>Act</b>	the Companies Act 2006, as amended from time to time
<b>Admission</b>	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
<b>AGM</b>	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
<b>AIFM</b>	Aberdeen Fund Managers Limited
<b>Articles</b>	the articles of association of the Company
<b>AUKT</b>	Aberdeen UK Tracker Trust plc
<b>AUKT Board</b>	the board of directors of AUKT or any duly constituted committee thereof
<b>AUKT Cash NAV</b>	the prevailing AUKT NAV, before the costs of the Scheme but after the <i>pro rata</i> share of any costs of the portfolio reorganisation, the costs of the Liquidator (estimated to be £57,000) and a Liquidators' retention of £100,000 and less the AUKT Discount
<b>AUKT Cash Pool Cap</b>	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
<b>AUKT Cash NAV per Share</b>	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 four decimal places with 0.00005 pence being rounded down

<b>AUKT Circular</b>	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
<b>AUKT Discount</b>	a discount of 2.75 per cent.
<b>AUKT General Meetings</b>	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
<b>AUKT NAV</b>	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
<b>AUKT Shareholders</b>	holders of AUKT Shares
<b>AUKT Shares</b>	ordinary shares of 10 pence each in the capital of AUKT
<b>Basic Entitlement</b>	the entitlement of a 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
<b>BlackRock</b>	any company in the group of companies of which BlackRock, Inc. is the holding company as the context may require
<b>Board or Directors</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>Bonds 2031</b>	the £60 million 6.25 per cent. bonds due 2031
<b>Business Day</b>	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
<b>Calculation Date</b>	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
<b>Cash Option</b>	the option for the AUKT Shareholders to receive cash in respect of their holdings of AUKT Shares under the Scheme
<b>Cash Pool</b>	the pool of assets attributable to the AUKT Shares which have elected for the Cash Option
<b>Cenkos Securities</b>	Cenkos Securities plc
<b>certificated form</b>	not in uncertificated form
<b>Closing Date</b>	6 April 2017
<b>Company or ADIGT</b>	Aberdeen Diversified Income and Growth Trust plc, a company incorporated in Scotland with registered number SC003721
<b>Conditions</b>	the conditions of the Tender Offer set out in paragraph 2 of Part 8 of this document
<b>Court</b>	the High Court of Justice in England and Wales

<b>CREST</b>	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
<b>CREST Manual</b>	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) (as amended)
<b>CREST Sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations)
<b>CTA 2010</b>	the Corporation Tax Act 2010, as amended
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules contained within the FCA Handbook
<b>Effective Date</b>	the date on which the Scheme becomes effective, which is expected to be 6 April 2017
<b>Elections</b>	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”
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>FAV per ADIGT Share</b>	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 cumulative 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
<b>FAV per AUKT Share</b>	the value of the Rollover Pool at the Calculation Date divided by the total number of Reclassified Shares with “A” rights attached to them
<b>FCA</b>	the UK Financial Conduct Authority
<b>FCA Handbook</b>	the handbook of rules and guidance published by the FCA, as amended from time to time

<b>Form of Direction</b>	the form of direction, a version of the Form of Proxy, for use by Savings Scheme Participants in connection with the General Meeting
<b>Form of Proxy</b>	the form of proxy accompanying this document, for use by Shareholders in connection with the General Meeting
<b>FSMA</b>	Financial Services and Markets Act 2000, as amended
<b>General Meeting</b>	the general meeting of the Company convened for 11.30 a.m. (or as soon as the Annual General Meeting has concluded) on 30 March 2017 or any adjournment thereof, notice of which is set out at the end of this document
<b>HMRC</b>	HM Revenue & Customs
<b>ISA</b>	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998, as amended from time to time
<b>Issue</b>	the issue of New Ordinary Shares to AUKT Shareholders who elect (or are deemed to elect) for the Rollover Option pursuant to the Scheme
<b>ITA 2007</b>	the Income Tax Act 2007, as amended
<b>Latest Practicable Date</b>	close of business on 28 February 2017, being the latest practicable date prior to the date of this document
<b>Lead Portfolio Managers</b>	Mike Brooks and Tony Foster
<b>LIBOR</b>	one month London Interbank Offered Rate
<b>Liquidation Fund</b>	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
<b>Liquidators</b>	the liquidators of AUKT appointed in connection with the implementation of the AUKT Scheme
<b>Listing Rules</b>	the rules and regulations made by the FCA under Part VI of FSMA
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Main Market</b>	the main market for listed securities operated by the London Stock Exchange
<b>Management Agreement</b>	the management agreement entered into between the AIFM and the Company dated 10 February 2017
<b>Manager</b>	Aberdeen Asset Managers Limited
<b>NAV or Net Asset Value</b>	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
<b>Net Asset Value per Share or NAV per Share</b>	the net asset value of an Ordinary Share being the Net Asset Value divided by the number of Ordinary Shares in issue (excluding Shares held in Treasury)



<b>New Ordinary Shares</b>	new Ordinary Shares to be issued pursuant to the Issue
<b>NISA</b>	the BlackRock Investment Trust Stocks and Shares NISA
<b>Official List</b>	the official list maintained by the FCA
<b>Ordinary Share or Share</b>	an ordinary share of 25 pence in the capital of the Company
<b>Overseas Shareholders</b>	Shareholders who are resident in, or citizens of, territories outside the United Kingdom and not resident in, or citizens of, any of the Restricted Territories
<b>Proposals</b>	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 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
<b>Receiving Agents or Registrar or Computershare</b>	Computershare Investor Services PLC, a company incorporated in England and Wales with registered number 03498808
<b>Reclassified Shares</b>	AUKT Shares with "A" or "B" rights arising as a result of the Scheme
<b>Record Date</b>	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
<b>Register</b>	the register of members of the Company
<b>Regulatory Information Service or RIS</b>	any of the regulatory information services set out in Appendix 3 of the listing rules of the FCA
<b>Repurchase Agreement</b>	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 as summarised in paragraph 1 of Part 11 of this document
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting to (i) adopt the new investment objective and policy; (ii) approve the allotment of New Ordinary Shares pursuant to the Scheme; (iii) disapply pre-emption rights in respect of the issue of New Ordinary Shares for cash; (iv) grant the Company authority to make market purchases of its own Ordinary Shares pursuant to the Tender Offer; and (v) adopt new articles of association to include the proposed continuation vote
<b>Resolution 1</b>	the ordinary resolution to be proposed at the General Meeting to adopt the new investment objective and policy
<b>Resolution 2</b>	the ordinary resolution to be proposed at the General Meeting to approve the allotment of New Ordinary Shares pursuant to the Scheme

<b>Resolution 3</b>	the special resolution to disapply pre-emption rights in respect of the issue of New Ordinary Shares for cash pursuant to the Scheme
<b>Resolution 4</b>	the special resolution to be proposed at the General Meeting to grant the Company authority to make market purchases of its own Ordinary Shares pursuant to the Tender Offer
<b>Resolution 5</b>	the special resolution to be proposed at the General Meeting to adopt new articles of association to include the proposed continuation vote
<b>Restricted AUKT Shareholder</b>	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
<b>Restricted Shareholders</b>	Shareholders who are resident in, or citizens of, a Restricted Territory
<b>Restricted Territories</b> or each being a <b>Restricted Territory</b>	any of the following territories: Australia, Canada, Japan, South Africa and the United States
<b>Rollover Option</b>	the option for AUKT Shareholders to receive New Ordinary Shares in respect of their holdings of AUKT Shares under the Scheme
<b>Rollover Pool</b>	the pool of AUKT's assets that will be transferred to the Company pursuant to the Scheme
<b>Savings Plan</b>	the BlackRock Investment Trust Savings Plan
<b>Savings Scheme Participants</b>	beneficial owners of Shares held through one or more of the Savings Schemes
<b>Savings Schemes</b>	the Savings Plan or the NISA as appropriate
<b>Savings Scheme Tender Form</b>	the tender form accompanying this document for use by Savings Scheme Participants
<b>Scheme</b>	the proposed scheme of reconstruction and voluntary winding up of AUKT under section 110 of the Insolvency Act 1986
<b>Settlement Date</b>	the date by which the consideration for Shares purchased in the Tender Offer will be settled by a CREST payment or despatched by cheque to the Shareholders entitled thereto, which is expected to be on or as soon as practicable after 10 April 2017
<b>Shareholders</b>	holders of Ordinary Shares
<b>South Africa</b>	the Republic of South Africa
<b>Sponsor Agreement</b>	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
<b>Sterling or £</b>	pounds sterling, the lawful currency of the United Kingdom

<b>Tender Form</b>	the tender form enclosed with this document for use by Shareholders in connection with the Tender Offer
<b>Tender Offer</b>	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
<b>Tender Price</b>	the NAV per Share (cum income with debt at fair value, adjusted for declared but unpaid dividends) 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
<b>TFE Instruction</b>	a transfer from escrow instruction, as defined by the CREST Manual
<b>Transfer Date</b>	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
<b>Transfer Agreement</b>	the agreement for the transfer of assets from AUKT to the Company between AUKT, the Company and the Liquidators in connection with the Scheme
<b>TTE Instruction</b>	a transfer to escrow instruction, as defined by the CREST Manual
<b>UK Listing Authority</b>	the Financial Conduct Authority acting in its capacity as the competent authority for listing pursuant to Part VI of FSMA
<b>uncertificated or in uncertificated form</b>	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
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction

# 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)*

## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Aberdeen Diversified Income and Growth Trust plc (the “**Company**”) will be held at Drapers’ Hall, Throgmorton Avenue, London EC2N 2DQ at 11.30 a.m. on 30 March 2017 (or, if later, as soon as the annual general meeting convened for 10.30 a.m. the same day has concluded) to consider and, if thought fit, pass the following resolutions:

### ORDINARY RESOLUTIONS

1. THAT the proposed investment objective and policy set out in the circular to the shareholders of the Company dated 6 March 2017, a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification (the “**Circular**”), be and is hereby adopted as the investment objective and policy of the Company to the exclusion of all previous investment policies of the Company.
2. THAT, subject to the passing of resolution 1 and conditional upon the scheme of reconstruction and winding up of Aberdeen UK Tracker Trust plc (“**AUKT**”) as described in the Circular becoming unconditional in all respects (other than as regards any condition relating to the passing of this resolution), the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”), in addition to any previously granted authority which has not yet expired, to exercise all powers of the Company to allot up to 320 million ordinary shares of 25 pence each in the capital of the Company (the “**Ordinary Shares**”) having an aggregate nominal value of £80,000,000 to shareholders of AUKT in connection with the scheme of reconstruction of AUKT, provided that this authority shall (unless previously revoked) expire on 30 April 2017.

### SPECIAL RESOLUTIONS

3. THAT, subject to the passing of resolution 2 and conditional upon the scheme of reconstruction and winding up of AUKT as described in the Circular becoming unconditional in all respects (other than as regards any conditions relating to the passing of this resolution), the Directors of the Company be and are hereby generally and unconditionally authorised to allot equity securities (as defined in section 550 of the Act) for cash under the authority conferred by resolution 2 provided that this authority shall (unless previously revoked) expire on 30 April 2017.
4. THAT, subject to the passing of resolution 1 and conditional upon the scheme of reconstruction and winding up of AUKT as described in the Circular becoming unconditional in all respects, without prejudice to and in addition to any existing authorities the Company be and is hereby authorised for the purpose of section 701 of the Act to make market purchases (within the meaning of section 693 of the Act) of its issued Ordinary Shares pursuant to the tender offer to shareholders in the Company made by Cenkos Securities plc on the terms set out in the Circular provided that:
  - (i) the maximum number of Ordinary Shares hereby authorised to be purchased pursuant to the Tender Offer is 53,407,456 Ordinary Shares (being 20 per cent of the issued share capital as at 28 February 2017) or, if less, that number of Ordinary Shares which is equal to 20 per cent. of the Ordinary Shares in issue at 5.00 p.m. on 7 March 2017 (excluding any Ordinary Shares held in treasury);

- (ii) the price which shall be paid for an Ordinary Share shall be the Tender Price (as defined in the Circular) (which shall be both the maximum and the minimum price for the purposes of section 701 of the Act);
  - (iii) unless renewed, the authority hereby conferred shall expire at the first to occur of: (i) the completion of the Tender Offer; and (ii) the termination of the Tender Offer, or the Tender Offer lapsing, in accordance with the terms and conditions set out in the Circular (being no later than 30 April 2017); and
  - (iv) any Ordinary Shares so purchased will be cancelled or held in treasury.
5. THAT, subject to the passing of resolution 1, the draft articles produced to the meeting and, for the purposes of identification, initialled by the Chairman of the meeting be adopted as the articles of association of the Company in substitution for, and to the entire exclusion of, the existing articles of association of the Company.

*By order of the Board*  
Aberdeen Asset Management plc  
Company Secretary

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

6 March 2017

Notes:

- (i) A member entitled to attend, speak and vote at the Meeting is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy, the member should follow the instructions in the form of proxy accompanying this notice. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.
- (ii) A form of proxy is provided with this notice for members. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such authority) must be completed and returned in accordance with the instructions printed thereon to the Company's Registrars, Computershare Investor Services PLC, Corporate Action Projects, Bristol BS99 6AH or delivered by hand during office hours to the same address as soon as possible and in any event by not less than 48 hours (excluding non-working days) before the time of the holding of the Meeting or any adjournment thereof. Completion and submission of the form of proxy will not preclude shareholders from attending and voting at the Meeting should they wish to do so.
- (iii) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes (i) to (ii) above concerning the appointment of a proxy or proxies to attend the Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the Meeting.
- (iv) Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (v) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered on the register of members of the Company by not later than 6.00 p.m. on 28 March 2017 or, if the Meeting is adjourned, at 6.00 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at such time. Changes to the

register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

- (vi) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual and/or by logging on to [www.euroclear.com](http://www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in note (ii) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (vii) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

Any person holding 3 per cent. of the total voting right in the Company who appoints a person other than the Chairman as his or her proxy(ies) will need to ensure that both he or she and such proxy(ies) comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.

- (viii) If you wish to attend the Meeting in person, there will be a Member's register for you to sign on arrival.
- (ix) Information regarding the Meeting, including information required by section 311A of the Companies Act 2006, is available from [www.aberdeendiversified.co.uk](http://www.aberdeendiversified.co.uk).
- (x) Members have the right to ask questions at the Meeting in accordance with section 319A of the Companies Act 2006.
- (xi) As at 3 March 2017, being the last business day prior to the printing of this Notice, the Company's issued capital consisted of 267,037,282 Ordinary Shares (excluding 24,075,000 shares held in treasury) carrying one vote for every share held. Therefore, the total voting rights in the Company as at 3 March 2017 are 267,037,282 Ordinary Shares carrying one vote for every share held.
- (xii) Shareholders are advised that, unless otherwise stated, any telephone number, website or email address which may be set out in this notice of Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.



