

abrdn Diversified Income and Growth plc

LEI-2138008QINEGCHYGW702

Half Yearly Report 31 March 2025

abrdndiversified.co.uk

Investment Objective

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

Financial Highlights

Financial Highlights

	31 March 2025	30 September 2024	% change
Total shareholders' funds (Net Assets)	£206,138,000	£203,306,000	+1.4
Ordinary share price (mid market)	48.10p	44.50p	+8.1
Net asset value per Ordinary share	68.42p	67.48p	+1.4
Discount to net asset value on Ordinary shares ^A	29.7%	34.1%	

^A Considered to be an Alternative Performance Measure.

Chairman's Statement

Performance

Over the six months ended 31 March 2025, the Company's net asset value ("NAV") per share total return (including dividends) was 4.4%.

Dividends and distributions

During the six months ended 31 March 2025, shareholders received 1.95 pence per share on 24 October 2024 (with an ex dividend date of 26 September 2024 and a record date of 27 September 2024) while the Company's share price rose to 48.10p (30 September 2024 - 44.50p).

It is important for shareholders to note that the Company's capacity for revenue generation substantially decreased following the sale of the public markets assets and will reduce further as the private markets' assets are realised and capital is returned to shareholders. It is expected that, as a minimum, the Company will declare a dividend each September, normally payable in October, to maintain investment trust status.

The Board and its advisers will continue to explore options for returning cash to shareholders in a timely and tax-efficient manner, in line with the Managed Wind-Down strategy approved by shareholders in February 2024, as investments are realised and the value of the Company's undrawn commitments to existing investments reduces.

Market update

Over the past six months, the global economic landscape has been marked by significant geopolitical and economic shifts. This has been dominated by policy change in the United States where President Trump is seeking to challenge long-established trading agreements and introduce higher tariffs for some key trading partners as was proposed in March 2025 before a full scale tariff announcement on "Liberation Day" at the start of April.

These moves have introduced significant uncertainty into the global economy and raised the prospect of slowing economic growth and increased trade friction, most notably between China and the U.S. The U.S. Federal Reserve held interest rates steady at 4.50% for a third consecutive meeting in May 2025 in line with expectations as officials adopted a wait-and-see approach amid concerns that President Trump's tariffs could drive up inflation and slow economic growth. Policymakers noted that uncertainty about the economic outlook had increased further and that the risks of higher unemployment and higher inflation had risen.

China announced an aggressive fiscal expansion in 2025, including record debt issuance and strategic investments to maintain a 5% GDP growth target. Inflationary pressures persisted globally, with headline inflation rising in many countries, posing challenges for central banks trying to balance growth and inflation.

In the UK, the new Labour government focused on resetting relations with the EU, aiming to reduce trade barriers and enhance security cooperation. The Spring Statement in March 2025 announced fiscal measures, including increased public spending and tax reforms, seeking to support economic growth. In May the outline of a new trade agreement with the US and consequential reduced tariffs was announced following quickly on from an historic free trade agreement between the UK and India. Meanwhile, the Bank of England reduced UK interest rates by a quarter point to 4.25% and the European Central Bank

continued its gradual easing of monetary policy, reducing interest rates to support economic recovery and manage inflation.

The private markets space is navigating a complex landscape due to the recent U.S. tariff announcements, which have introduced significant uncertainty and affected valuations and exit strategies. The already-fragile European economy is facing a significant negative demand shock from US tariffs, specifically Germany is heavily exposed. European and German fiscal policy is set to ease significantly. EU defence spending will increase up to €800bn (5% GDP), and Germany has announced a plan to spend €500bn on infrastructure (12% of GDP). Some retaliation is possible, but the overall impact is likely to be disinflationary.

Private equity firms are extending due diligence periods and incorporating more flexible deal structures to mitigate risks from the US tariffs. Despite these challenges, there is cautious optimism within the industry with expectations that private equity activity in 2025 may sustain its recent activity level and exceed that of 2024. Private debt continues to expand globally, and infrastructure investments, particularly in AI-related data centres and power, are accelerating. Real estate valuations appear to be nearing the bottom, presenting opportunities for recovery. Overall, private markets are poised for growth, with higher investment activity and greater demand for long-term capital, underscoring the sector's resilience amid geopolitical and economic shifts.

Portfolio update

As at 31 March 2025, the Company reported a NAV of £206.1 million, comprising the investment portfolio of £171.4 million and net current assets of £34.8 million. Unfunded commitments stood at £21.4m.

During the six months ended 31 March 2025, the portfolio benefited from three full redemptions and two partial redemptions. Mount Row II, Markel CATCo Reinsurance Opportunities Fund, and HarbourVest International Private Equity V were fully redeemed and liquidated for a total of £10.3 million. Partial redemptions included £4.9 million from the Aberdeen Global Private Markets Fund and £5.2m (58% redemption) from the PIMCO Private Income Fund.

The portfolio performance over the period was characterised by notable gains in several asset classes, with Private Equity leading the way.

Private Equity - Private Equity contributed significantly to performance, adding +1.8%. Key positive drivers included:

- Truenoord: +0.9%
- Patria Secondary Opportunities IV: +0.6%
- Bonaccord: +0.3%

Diversifying Opportunities - Diversifying Opportunities added +0.9%, supported by positive movements in:

- Aberdeen Global Private Markets fund: +0.5%
- Private Litigation Finance investment in Burford: +0.3%
- Healthcare Royalties: +0.1%

Defensive Assets - Defensive Assets added +0.2%, reflecting returns from cash holdings invested in money market short-term instruments.

Private Credit - Private Credit added +0.4% within the Higher Yielding Fixed Income allocation, driven by:

- Return of capital from Mount Row II and PIMCO Private Income
- Hark III remained flat over the period.

Real Assets - Real Assets detracted -0.1%, as gains in:

- Private Infrastructure: +1.3%

were offset by a fall in:

- Private Real Estate: -1.4%

Foreign Exchange

Foreign Exchange was a notable contributor, adding +2.0% to overall returns, reflecting favourable currency movements over the period.

Managed Wind-Down update

Further to the Company's announcement on 16 April 2025, the Board has appointed Campbell Lutyens as an independent broker to market the Company's remaining portfolio of private market assets pursuant to a secondary sales process.

Following careful consideration of the various strategic options available to the Company in respect of its Managed Wind-Down, the Board concluded that a secondary sales process offers the best opportunity to optimise the value of the Company's investments whilst progressively returning cash to shareholders in a timely manner. In reaching this conclusion, the Board was particularly mindful of the expected timeline for the natural maturity of the Company's private markets portfolio (which is expected to occur between 2025 and 2033).

In addition to generating opportunities for timely liquidity from the Company's portfolio, the appointment of Campbell Lutyens and commencement of the secondary sales process will enable the Company to market-test demand for its assets. Given the diversified nature of the Company's remaining portfolio, it is unlikely that any one buyer will be found for the entire portfolio and therefore the process is expected to involve sales to multiple interested parties. The Company is liaising with the underlying general partners of its investments with a view to commencing the marketing in the coming weeks.

Once indicative pricing has been obtained (which, for the avoidance of doubt, the Board and its advisers still expect to be at a material discount to the underlying net asset values), the ultimate decision whether to proceed with any given secondary sale will remain with the Board, which (together with its advisers) will assess the pricing against the quantum and likelihood of near-term returns expected from the relevant assets. Returns to shareholders will also be optimised through the Company continuing to exercise near-term redemption mechanics within the underlying fund documentation where available.

As announced on 26 February 2025 (the day of the AGM), the Company was previously in exclusive and confidential discussions with a third party regarding a potential transaction in relation to all or substantially all of the remaining portfolio. The consideration was principally payable in listed shares plus a cash element. The Board initially considered the third party offer to be credible and worthwhile for the Company to explore given the relative certainty and deliverability that a sale of the entire portfolio would provide for shareholders (avoiding the risks and costs of a protracted managed wind-down process) and the indicative pricing range in the initial offer letter. However, after careful consideration of the final terms of the offer, and the alternative options available to the Company, the Board resolved not to proceed with the third party offer as it did not consider the terms to be sufficiently attractive to merit a Board recommendation. In particular, both elements of the consideration would have been at a discount which the Board believed would be lower than the price that could be achieved through a secondary market sale, whilst the share element would also leave shareholders exposed to current market volatility and potential liquidity issues.

Since shareholders approved the Managed Wind-Down in February 2024, the Board has continued to assess all options on the basis of, among other things, the quantum expected to be delivered to shareholders (on a net present value basis), timing,

relative certainty of execution and the nature of the consideration. Whilst it was not able to recommend the third party offer, the Board believes that proceeding with the open-market sales process should provide shareholders with more certainty than a managed wind-down process over a longer time period.

Whilst secondary sales are still being transacted at discounts to carrying value, the Board also notes recent improvements in secondary market conditions (notwithstanding the current macroeconomic volatility), with secondary fundraising momentum supporting demand. By way of background, Campbell Lutyens has strong market knowledge and experience (including in respect of private equity, private credit and infrastructure) and has shown enthusiasm to support the Company during its Managed Wind-Down. At 31 March 2025, Campbell Lutyens had over 60 professionals dedicated to the secondaries market and had advised on more than 135 billion in transaction volume across over 350 secondary portfolio sales and advisory mandates.

While the Board and Campbell Lutyens intend to obtain indicative pricing from potential purchasers over the coming months, there can be no certainty as to the precise quantum or timing for the completion of any realisations or returns of capital arising out of the secondary sales process at this time. In particular, the process is not guaranteed to result in a complete solution in respect of the Company's entire portfolio (with there being a risk that the Company may not be able to find buyers for all of its investments at sufficiently attractive prices).

The Company remains committed to returning the net proceeds of any realisations to shareholders progressively in an efficient and fair manner (which accounts for, among other things, the UK tax consequences for shareholders and the composition of the Company's shareholder register). In particular, following Court approval confirming the cancellation of the amount standing to the credit of its capital redemption reserve on 28 March 2025, the Company is well-placed to continue returning cash to shareholders progressively, by way of its B share scheme, during the secondary sales process (subject to consideration of the Company's liabilities, any remaining undrawn fund commitments and general working capital requirements) and will look to do so in a cost-effective manner.

Davina Walter
Chairman
5 June 2025

Interim Management Report and Directors' Responsibility Statement

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

Principal Risks and Uncertainties

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

- Performance risk;
- Regulatory risk;
- Operational risk;
- Market risk; and
- Financial risks.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 30 September 2024 (the "Annual Report"); a detailed explanation can be found in the Strategic Report on pages 9 and 10 of the Annual Report which is available on the Company's website: abrdndiversified.co.uk

The Board is monitoring the heightened geopolitical risks in the form of the Russian invasion of Ukraine, conflict in the Middle East, recent and rising tension between China and Taiwan as well as more recent hostilities between Pakistan and India over Kashmir.

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

In the view of the Board, there have not been any other changes to the fundamental nature of the principal risks and uncertainties facing the Company since the previous Annual Report, which are considered to be equally applicable to the remaining six months of the financial year to 30 September 2025.

Going Concern

The Financial Statements of the Company have been prepared on a going concern basis. The Directors have assessed the financial position of the Company as outlined above and in the Chairman's Statement and on the basis more fully set out in the accounting policies in Note 1 to the Financial Statements.

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

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

abrdn Fund Managers Limited ("AFML") has been appointed as the Company's alternative investment fund manager.

AFML has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to abrdn Investments Limited and abrdn Holdings Limited, which are regarded as related parties under the UK Listing Rules issued by the Financial Conduct Authority ("FCA"). Details of the fees payable to AFML are set out in note 3 to the condensed financial statements.

Directors' Responsibility Statement

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

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with applicable UK Accounting Standard FRS 104 'Interim Financial Reporting' and give a true and fair view of the assets, liabilities, financial position and return of the Company for the period ended 31 March 2025; and
- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

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

For and on behalf of the Board
Davina Walter
Chairman
5 June 2025

Ten Largest Investments

As at 31 March 2025

	At 31 March 2025 % of Total investments	At 30 September 2024 % of Total investments
SL Capital Infrastructure II ^{AB}	16.6	15.2
European economic infrastructure		
Andean Social Infrastructure Fund I ^{AB}	12.7	8.7
Infrastructure project investments in the Andean region of South America		
Bonaccord Capital Partners I-A ^B	10.9	10.0
Investments in alternative asset management companies		
Patria Secondaries Opportunities Fund IV ^B	10.7	8.8
Diversified Private Equity portfolio which invests through secondary transactions		
Burford Opportunity Fund ^B	9.8	8.9
Litigation finance investments initiated by Burford Capital		
Aberdeen Standard Global Private Markets Fund ^{AB}	9.8	11.4
Multi-strategy private markets exposure		
Healthcare Royalty Partners IV ^B	6.8	6.8
Healthcare royalty streams primarily in the US		
TrueNoord Co-Investment ^B	5.5	3.9
Aircraft leasing company which specialised in regional aircraft		
BlackRock Renewable Income - UK ^B	3.7	3.7
Invests in renewable power infrastructure projects in the United Kingdom		
Aberdeen Property Secondaries Partners II ^{AB}	3.5	4.3
Real estate portfolio of properties across United Kingdom and Europe		

^A Denotes Aberdeen Group plc managed products.

^B Unlisted holdings.

Investment Portfolio - Private Markets

As at 31 March 2025

Company	Valuation 31 March 2025 £'000	Valuation 31 March 2025 %	Valuation 30 September 2024 £'000
Private Equity			
Bonaccord Capital Partners I-A ^B	18,711	10.9	18,130
Patria Secondaries Opportunities Fund IV ^B	18,370	10.7	16,057
TrueNoord Co-Investment ^B	9,324	5.5	7,136
Maj Invest Equity V ^B	2,121	1.3	2,095
HarbourVest International Private Equity VI ^B	888	0.5	1,240

Mesirow Financial Private Equity IV ^B	383	0.2	400
HarbourVest VIII Venture Fund ^B	98	0.1	104
Mesirow Financial Private Equity III ^B	63	-	80
Maj Invest Equity IV ^B	23	-	24
HarbourVest VIII Buyout Fund ^B	14	-	23
Top ten holdings	49,995	29.2	
Other holdings	4	-	
Total Private Equity	49,999	29.2	
Real Estate			
Aberdeen Property Secondaries Partners II ^{AB}	5,976	3.5	7,840
Cheyne Social Property Impact Fund ^B	3,363	1.9	3,299
Aberdeen European Residential Opportunities Fund ^{AB}	-	-	2,556
Total Real Estate	9,339	5.4	
Infrastructure			
SL Capital Infrastructure II ^{AB}	28,441	16.6	27,792
Andean Social Infrastructure Fund I ^{AB}	21,816	12.7	15,821
BlackRock Renewable Income - UK ^B	6,358	3.7	6,657
Aberdeen Global Infrastructure Partners II (AUD) ^{AB}	2,081	1.2	2,250
Pan European Infrastructure Fund ^B	761	0.5	768
Total Infrastructure	59,457	34.7	
Private Credit			
ASI Hark III ^B	4,053	2.4	4,109
PIMCO Private Income Fund Offshore Feeder I LP ^B	2,947	1.7	6,736
Mount Row Credit Fund II ^B	309	0.2	9,393
Total Private Credit	7,309	4.3	
Other			
Burford Opportunity Fund ^B	16,794	9.8	16,120
Aberdeen Standard Global Private Markets Fund ^{AB}	16,749	9.8	20,730
Healthcare Royalty Partners IV ^B	11,759	6.8	12,263
Total Other	45,302	26.4	
Total Private Markets	171,406	100.0	

^A Denotes Aberdeen Group plc managed products.

^B Unlisted holdings.

Investment Portfolio - Equities

As at 31 March 2025

Company	Valuation 31 March 2025 £'000	Valuation 31 March 2025 %	Valuation 30 September 2024 £'000
Reinsurance Sub-Fund			
CATCo Reinsurance Opportunities Fund	5	-	79
Total Reinsurance Sub-Fund	5	-	
Total Equities	5	-	

Investment Portfolio - Net Assets Summary

As at 31 March 2025

	Valuation 31 March 2025 £'000	Net assets 31 March 2025 %	Valuation 30 September 2024 £'000	Net assets 30 September 2024 %
Total investments	171,411	83.1	182,525	89.8

Cash and cash equivalents	34,828	16.9	22,300	11.0
Other net liabilities	(101)	(0.0)	(1,519)	(0.8)
Net assets	206,138	100.0	203,306	100.0

Condensed Statement of Comprehensive Income (unaudited)

		Six months ended 31 March 2025			Six months ended 31 March 2024		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		-	6,787	6,787	-	(7,184)	(7,184)
Foreign exchange gains		-	196	196	-	5,720	5,720
Income	2	2,659	-	2,659	7,399	-	7,399
Investment management fees	3	(27)	(243)	(270)	(267)	(267)	(534)
Administrative expenses		(355)	(41)	(396)	(572)	(159)	(731)
Net return/(loss) before finance costs and taxation		2,277	6,699	8,976	6,560	(1,890)	4,670
Finance costs		-	(1)	(1)	(262)	(3,021)	(3,283)
Net return/(loss) before taxation		2,277	6,698	8,975	6,298	(4,911)	1,387
Taxation	4	(268)	-	(268)	(1,097)	(37)	(1,134)
Return/(loss) attributable to equity shareholders		2,009	6,698	8,707	5,201	(4,948)	253
Return/(loss) per Ordinary share (pence)	5	0.67	2.22	2.89	1.73	(1.65)	0.08

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

All revenue and capital items in the above statement derive from continuing operations.

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

Condensed Statement of Financial Position (unaudited)

	Notes	As at 31 March 2025 (unaudited) £'000	As at 30 September 2024 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss		171,411	182,525
		171,411	182,525
Current assets			
Other debtors and receivables		636	633
Cash and cash equivalents		34,828	22,300
		35,464	22,933
Creditors: amounts falling due within one year			
Other payables		(737)	(2,152)
		(737)	(2,152)
Net current assets		34,727	20,781
Total assets less current liabilities		206,138	203,306
Net assets		206,138	203,306
Capital and reserves			
Called up share capital	9	3,238	3,238

Capital redemption reserve	-	114,768
Special distributable reserve	116,531	1,763
Capital reserve	61,847	55,149
Revenue reserve	24,522	28,388
Total shareholders' funds	206,138	203,306
Net asset value per Ordinary share (pence)	10	68.42
		67.48

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

Condensed Statement of Changes in Equity (unaudited)

Six months ended 31 March 2025

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 October 2024		3,238	-	114,768	1,763	55,149	28,388	203,306
Return after taxation		-	-	-	-	6,698	2,009	8,707
Cancellation of Capital Redemption Reserve		-	-	(114,768)	114,768	-	-	-
Dividends paid	6	-	-	-	-	-	(5,875)	(5,875)
At 31 March 2025		3,238	-	-	116,531	61,847	24,522	206,138

Six months ended 31 March 2024

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 October 2023		80,938	116,556	37,043	-	69,717	35,280	339,534
(Loss)/return after taxation		-	-	-	-	(4,948)	5,201	253
Dividends paid	6	-	-	-	-	-	(17,805)	(17,805)
At 31 March 2024		80,938	116,556	37,043	-	64,769	22,676	321,982

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

Condensed Statement of Cash Flows (unaudited)

	Note	Six months ended 31 March 2025 £'000	Six months ended 31 March 2024 £'000
Operating activities			
Net return before finance costs and taxation		8,976	4,670
<i>Adjustments for:</i>			
Dividend income		-	(2,869)
Distribution income		(2,179)	(3,092)
Fixed interest income		-	(1,035)
Interest income		(477)	(259)
Other income		(3)	(6)
Dividends received		-	2,959
Distributions received		2,179	3,092
Fixed interest income received		-	1,514
Interest received		451	207
Other income received		3	6
Gains on forward contracts		-	(6,462)
Foreign exchange losses		33	71
(Gains)/losses on investments		(6,804)	7,184
Decrease/(increase) in other debtors		40	(2)
Decrease in accruals		(113)	(236)
Corporation tax paid		(1,800)	(873)
Taxation released		230	17

Net cash flow from operating activities	536	4,886
Investing activities		
Purchases of investments and capital calls	(7,783)	(77,128)
Realised gains on investee distributions	22,874	3,653
Sales of investments and return of capital	2,810	126,043
Net cash flow from investing activities	17,901	52,568
Financing activities		
Interest paid	(1)	(507)
Equity dividends paid	6	(17,805)
Net cash flow used in financing activities	(5,876)	(18,312)
Increase in cash and cash equivalents	12,561	39,142
Analysis of changes in cash and cash equivalents during the period		
Opening balance	22,300	21,025
Foreign exchange	(33)	(71)
Increase in cash and cash equivalents as above	12,561	39,142
Closing balance	34,828	60,096
Represented by:		
Money market funds	30,893	11,826
Cash at bank and in hand	3,935	48,270
Closing balance	34,828	60,096

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

Notes to the Financial Statements

For the year ended 31 March 2025

1. Accounting policies - Basis of accounting

The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in July 2022 and with the Disclosure Guidance Transparency Rules issued by the Financial Conduct Authority.

Taking into account the Company's debt-free position, working capital requirements and level of retained cash necessary to meet future capital and dividend commitments, the Directors are satisfied that the Company is able to meet all of its liabilities from its assets, including ongoing charges, possesses sufficient resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of this Report. The condensed financial statements have also been prepared on the assumption that approval as an investment trust will continue to be granted by HMRC. Annual financial statements are prepared under Financial Reporting Standard 102.

In accordance with the SORP guidance, the Directors note that the timing of the realisation of the Company's investments remains uncertain and indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern, such as a liquidation provision or potential adjustments to carrying values of investments relating to their realisation in due course.

In the context of the Managed Wind Down the Directors further announced on 16 April 2025 their intention to appoint Campbell Lutyens as an independent broker to market the Company's remaining Private Market investment portfolio by way of a secondary sales process, in order to generate opportunities for timely liquidity of the portfolio and market-test demand for its assets. There is no certainty as to the timing or level of realisation that this process may yield but based on current expectations, whilst recognising that there is a material uncertainty over whether the Company will be in existence in its current form 12 months from the date of signing these financial statements, the Directors believe that adopting a going concern basis of accounting remains appropriate and continue to hold the investment portfolio at fair value, consistent with the accounting policy used in the preceding audited annual financial statements.

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

Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires Directors to exercise their judgement in the process of applying the accounting policies. The area where judgements, estimates and assumptions have the most significant effect on the amounts recognised in the financial statements are the determination of the fair value of unlisted investments (Level 3 assets in the Fair Value Hierarchy table in note 12).

2. Income

	Six months ended 31 March 2025 £'000	Six months ended 31 March 2024 £'000
Income from investments		
UK listed dividends	-	474
Overseas listed dividends		2,205

Overseas listed dividends	-	2,393
Unquoted Limited Partnership income	2,179	3,092
Treasury bill income	-	138
Fixed interest income	-	1,035
	2,179	7,134
Other income		
Deposit interest	4	71
Interest from money market funds	473	188
Other income	3	6
Total income	2,659	7,399

3. Investment management fees

	Six months ended 31 March 2025			Six months ended 31 March 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	27	243	270	267	267	534

The investment management fee has been levied by abrdn Fund Managers Limited ("AFML") at the following tiered levels:

- 0.50% per annum in respect of the first £300 million of the net asset value (with the 6.25% Bonds 2031 at fair value in the prior year); and
- 0.45% per annum in respect of the balance of the net asset value (with the 6.25% Bonds 2031 at fair value in the prior year).

With effect from 1 October 2024, management fees are allocated 90% to capital and 10% to revenue, reflecting the anticipated split of investment returns during the Managed Wind-Down of the Company (previously allocated 50% capital and 50% revenue).

The Company also receives rebates in respect of underlying investments in other funds managed by Aberdeen (the Group) (where an investment management fee is charged by the Group on that fund) in the normal course of business to ensure that no double counting occurs. Any investments made in funds managed by the Manager which themselves invest directly into alternative investments including, but not limited to, infrastructure and property are charged at the Manager's lowest institutional fee rate. To avoid double charging, such investments are excluded from the overall management fee calculation. For further information see note 13 to the consolidated financial statements.

At the period end, an amount of £92,000 (31 March 2024 - £174,000) was outstanding in respect of management fees due by the Company.

4. Taxation

The taxation charge for the period represents withholding tax refunded and corporation tax paid.

The Company has not recognised a deferred tax asset (2024 - £nil) as it is considered unlikely that sufficient taxable profits will be generated in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

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

5. Return per Ordinary share

	Six months ended 31 March 2025 p	Six months ended 31 March 2024 p
Revenue return	0.67	1.73
Capital return/(loss)	2.22	(1.65)
Total return	2.89	0.08

The figures above are based on the following:

	Six months ended 31 March 2025 £'000	Six months ended 31 March 2024 £'000
Revenue return	2,009	5,201
Capital return/(loss)	6,698	(4,948)
Total return	8,707	253

Total return	2024	2023
Weighted average number of shares in issue ^A	301,265,952	301,265,952

^A Calculated excluding shares held in treasury.

6. Dividends

	Six months ended 31 March 2025 £'000	Six months ended 31 March 2024 £'000
Second interim dividend for 2024 - 1.95p	5,875	-
Third interim dividend for 2024 - nil (2023 - 1.42p)	-	4,278
Special dividend for 2024 - nil (2023 - 1.65p)	-	4,971
Fourth interim dividend for 2024 - nil (2023 - 1.42p)	-	4,278
First interim dividend for 2025 - nil (2024 - 1.42p)	-	4,278
	5,875	17,805

On 16 September 2024, the Board declared a second interim dividend of 1.95 pence per share which was paid on 24 October 2024 to shareholders on the register on 26 September 2024.

From the adoption of the Managed Wind-Down investment policy, dividends will be paid only to ensure that the Company continues to maintain its investment trust status.

7. 6.25% Bonds 2031

	Six months ended 31 March 2025 £'000	Year ended 30 September 2024 £'000
Balance at beginning of period	-	15,730
Amortisation of discount and issue expenses	-	19
Loss on early repayment	-	2,759
Repayment	-	(18,508)
Balance at end of period	-	-

On 9 April 2024, the 6.25% Bonds were repaid early at a price of 114.983%, resulting in a total cost of £18,587,000, including accrued interest of £79,000 thereon.

8. Analysis of changes in net cash/(debt)

	At 1 October 2024 £000	Cash flows £000	Non-cash movements £000	At 31 March 2025 £000
Cash and cash equivalents	22,300	12,528	-	34,828
Total	22,300	12,528	-	34,828

	At 1 October 2023 £000	Cash flows £000	Non-cash movements £000	At 30 September 2024 £000
Cash and cash equivalents	21,025	1,275	-	22,300
Debt due after one year	(15,730)	18,508	(2,778)	-
Total	5,295	19,783	(2,778)	22,300

Cash equivalents are held in a money market fund.

9. Called up share capital

At the end of the period there were 301,265,952 (30 September 2024 - 301,265,952) Ordinary shares in issue and 22,485,854 (30 September 2024 - 22,485,854) shares held in treasury. During the period no Ordinary shares of 25p each were purchased (year ended 30 September 2024 - nil).

10. Net asset value per Ordinary share

	As at 31 March 2025	As at 30 September 2024
Debt at par		

Net asset value attributable (£'000)	206,138	203,306
Number of Ordinary shares in issue excluding treasury	301,265,952	301,265,952
Net asset value per share (p)	68.42	67.48

11. Transaction costs

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

	Six months ended 31 March 2025 £'000	Six months ended 31 March 2024 £'000
Purchases	-	6
Sales	-	66
	-	72

12. Fair value hierarchy

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

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

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

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

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

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

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

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

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

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 March 2025				
Financial assets at fair value through profit or loss				
Equity investments	5	-	171,406	171,411
Net fair value	5	-	171,406	171,411

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 September 2024				
Financial assets at fair value through profit or loss				
Equity investments	79	-	182,446	182,525
Net fair value	79	-	182,446	182,525

	As at 31 March 2025 £'000	As at 30 September 2024 £'000
Level 3 Financial assets at fair value through profit or loss		
Opening fair value	182,446	198,450
Purchases including calls (at cost)	7,783	11,210
Disposals and returns of securities	(25,549)	(10,291)

Disposals and return on capital	(23,348)	(9,281)
Total gains or losses included in losses on investments in the Statement of Comprehensive Income:		
- assets disposed of during the period	2,674	1,233
- assets held at the end of the period	4,051	(19,166)
Closing balance	171,406	182,446

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

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

13. Related party disclosures

Transactions with the Manager. The investment management fee is levied by AFML at the following tiered levels, payable monthly in arrears:

- 0.50% per annum in respect of the first £300 million of the net asset value (with debt at fair value in prior year); and
- 0.45% per annum in respect of the balance of the net asset value (with debt at fair value in prior year).

The Company also receives rebates with regards to underlying investments in other funds managed by the Group (where an investment management fee is charged by the Group on that fund) in the normal course of business to ensure that no double counting occurs. Any investments made in funds managed by the Group which themselves invest directly into alternative investments including, but not limited to, infrastructure and property are charged at the Group's lowest institutional fee rate. To avoid double charging, such investments are excluded from the overall management fee calculation.

The table below details all investments held at 31 March 2025 that were managed by the Group.

	31 March 2025 £'000
SL Capital Infrastructure II ^A	28,441
Andean Social Infrastructure Fund I ^A	21,816
Aberdeen Standard Global Private Markets Fund ^A	16,749
Aberdeen Property Secondaries Partners II ^B	5,976
Aberdeen Global Infrastructure Partners II (AUD) ^A	2,081
Aberdeen European Residential Opportunities Fund ^C	-
	75,063

^A The value of this holding is removed from the management fee calculation to ensure that no double counting occurs.

^B An amount equivalent to the management fee received by the Manager on the underlying is offset against the management fee payable by the Company to ensure that no double counting occurs.

^C Value of holding written down to nil on 31 January 2025.

14. Segmental information

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

15. Subsequent events

Consistent with the significant market disruption outlined in the Chairman's Statement and the Directors' Responsibilities Statement, the Board continues to evaluate any impact on the Company in the assessment of its realisation strategy.

16. Half-Yearly Report

The financial information in this Half-Yearly Report does not comprise statutory accounts within the meaning of sections 434 - 436 of the Companies Act 2006. The financial information for the year ended 30 September 2024 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified and contained no statement under section 498 (2), (3) or (4) of the Companies Act 2006. The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

Alternative Performance Measures

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

Net asset value per Ordinary share

The net asset value per Ordinary share is calculated as follows:

	As at 31 March 2025 £'000	As at 30 September 2024 £'000
Net asset value attributable	206,138	203,306
Number of Ordinary shares in issue excluding treasury shares	301,265,952	301,265,952
Net asset value per share (p)	68.42	67.48

Discount to net asset value per Ordinary share

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

		31 March 2025	30 September 2024
Net asset value per Ordinary share (p)	a	68.42	67.48
Share price (p)	b	48.10	44.50
Discount	(a-b)/a	29.7%	34.1%

Ongoing charges

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average daily net asset values with debt at fair value published throughout the year. The ratio for 31 March 2025 is based on forecast ongoing charges for the year ending 30 September 2025.

	31 March 2025 £	30 September 2024 £
Investment management fees	548,000	948,000
Administrative expenses	769,000	1,509,000
Less: non-recurring charges ^A	(39,000)	(525,000)
Ongoing charges	1,278,000	1,932,000
Average net assets ^B	205,221,000	298,853,000
Ongoing charges ratio (excluding look-through costs)	0.62%	0.65%
Look-through costs ^B	1.50%	1.71%
Ongoing charges ratio (including look-through costs)	2.12%	2.36%

^A Comprises legal and professional fees unlikely to recur including those associated with the cancellation of the capital redemption reserve and the return of capital to shareholders.

^B Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

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

END



This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR KZGGVKKZGKZM