

## Investment objective

To achieve long term capital growth by investment in UK quoted smaller companies.

## Reference Index

The Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index

## Cumulative total returns (%)

	as at 31/05/25	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	516.0p	7.6	5.5	3.0	4.7	3.5	13.4
NAV	565.1p	6.2	4.8	0.7	1.2	0.3	15.6
Reference Index		7.3	6.4	3.4	1.1	1.1	38.9

## Discrete performance (%)

	31/05/25	31/05/24	31/05/23	31/05/22	31/05/21
Share Price	4.7	12.4	(23.1)	(12.5)	37.4
NAV	1.2	17.0	(15.4)	(16.3)	37.7
Reference Index	1.1	12.5	(11.1)	(11.7)	55.6

Source: Workspace Datastream, total returns. The percentage growth figures above are calculated over periods on a mid to mid basis. NAV total returns are on a cum-income basis.

Past performance is not a guide to future results.

## Ten largest positions relative to the reference index (%)

Overweight Stocks	Portfolio	Reference Index	Relative
Cranswick	3.5	-	3.5
XPS Pensions	3.6	0.4	3.2
Jet2	3.0	-	3.0
Morgan Sindall	3.7	0.8	2.9
Cairn Homes	2.8	-	2.8
Paragon Banking	3.6	0.9	2.7
ME Group	3.0	0.4	2.6
Volution	3.1	0.6	2.5
Games Workshop	2.5	-	2.5
Mortgage Advice Bureau	2.7	0.3	2.4

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## Morningstar Analyst Rating™



<sup>A</sup> Morningstar Analyst Rating™

Morningstar analysts assign the ratings globally on a five-tier scale with three positive ratings of Gold, Silver and Bronze.

## Morningstar Rating™



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

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



## Twenty largest equity holdings (%)

Morgan Sindall	3.7
XPS Pensions	3.6
Paragon Banking	3.6
Cranswick	3.5
Volution	3.1
ME Group	3.0
Jet2	3.0
Premier Foods	2.9
Alpha	2.8
Cairn Homes	2.8
Mortgage Advice Bureau	2.7
Avon Technologies Plc	2.6
Games Workshop	2.5
Telecom Plus Plc	2.4
Hilton Food	2.3
Sirius Real Estate	2.3
Gamma	2.3
JTC	2.2
Johnson Service Group Plc	2.2
Diploma	2.1
<b>Total</b>	<b>55.6</b>

**Total number of investments** **51**

All sources (unless indicated):  
Aberdeen: 31 May 2025.



# abrdn UK Smaller Companies Growth Trust plc

## Sector allocation (%)

Industrials	24.5
Consumer Discretionary	21.0
Financials	19.0
Consumer Staples	9.9
Technology	6.6
Telecommunications	4.7
Real Estate	3.5
Energy	3.5
Basic Materials	1.8
Health Care	1.6
Cash	3.9
<b>Total</b>	<b>100.0</b>

## Key information Calendar

Accounts Published	September
Annual General Meeting	November
Launch Date	1993
Dividends Paid	April/November

## Trust information

Fund Manager	Abby Glennie / Amanda Yeaman
Gross Assets	£396.7 million
Borrowing	£40.0 million
Market Capitalisation	£325.7 million
Share Price	516.0p
Net Asset Value <sup>c</sup>	565.1p
(Discount)/Premium	(8.7)%
12 Month High	(8.4)%
12 Month Low	(13.5)%
Net yield	2.3%
Net cash/(gearing) <sup>d</sup>	(6.9)%
Trust Annual Management Fee	0.60% on Net Assets up to £200m and 0.55% thereafter
Ongoing Charges <sup>e</sup>	0.92%
Active Share percentage <sup>f</sup>	80.8%

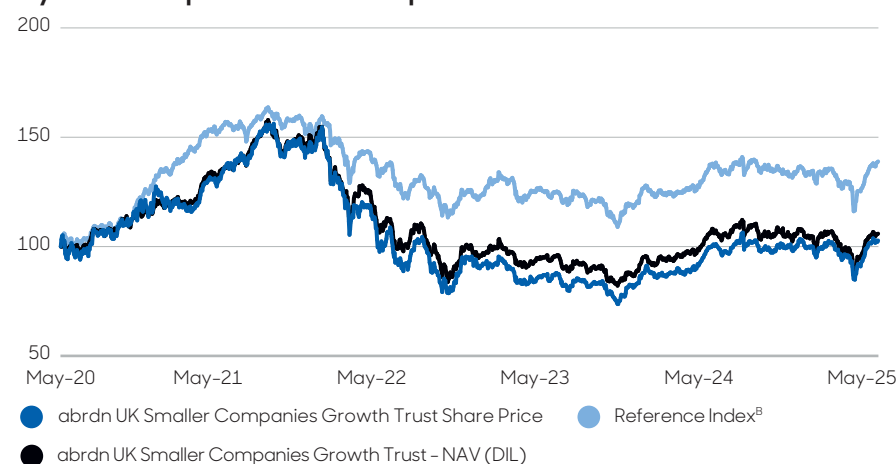
## AIFMD Leverage Limits

Gross Notional	3x
Commitment	2x

## 1 Year Premium/Discount Chart (%)



## 5 year trust performance - price indexed



## Fund managers' report

### Market review

UK equities performed positively in May as investors welcomed the news that the British government had agreed a trade deal with the US. It was hoped this would soften the impact of President Trump's tariffs. Mid- and small-cap stocks in the UK once again outperformed their large-cap counterparts, in part as a result of positive GDP data and a further reduction in interest rates. While the FTSE 100 Index delivered a total return of 3.8% over the month, the FTSE 250 Index returned 6.1% and the FTSE SmallCap Index returned 6.4%. In economic news, the Consumer Prices Index rose to 3.5% in April, a larger-than-expected increase on March's 2.6% figure. The Bank of England (BoE) cut the base rate again at its May meeting, despite forecasts suggesting that rising energy costs could lead to persistently above-target inflation in the months ahead. UK GDP figures for the first three months of 2025 were stronger than expected, with the British economy shown to have expanded 0.7% over the quarter. However, BoE officials warned that growth over 2025 as a whole was likely to be lacklustre, in part due to US tariffs.

### Fund managers' report continues overleaf

<sup>a</sup> Reference Index is the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index.

<sup>c</sup> Net Asset Value including income.

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

<sup>e</sup> Expressed as a percentage of average daily net assets for the year ended 30 June 2024. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

<sup>f</sup> The 'Active Share' percentage is a measure used to describe what portion of the portfolio's holdings differ from the reference index holdings.

# abrdn UK Smaller Companies Growth Trust plc

## Fund managers' report – continued

### Performance

The Trust's net asset value total return over the month was positive but it underperformed its reference index. The main detractor from relative performance was the holding in Ashtead Technology. Investors were concerned about the macroeconomic outlook and the possibility of further declines in the price of oil. Gamma Communications also weighed on returns. The firm issued a positive trading update but management's comments regarding a weaker demand outlook in the UK created unease among investors. Shares in Hollywood Bowl Group declined as unexpectedly warm and dry spring weather led to weaker-than-expected trading. Conversely, the holding in Avon Technologies advanced after the firm issued strong first-half results that showed solid growth and meaningful progression in profit margins, driving analyst upgrades. Jet2 shares rose after the firm issued a trading update that was in line with analyst expectations and announced a substantial share buyback programme to capitalise on its strong balance-sheet position. Finally, Diploma added to relative performance as investors welcomed an upbeat trading statement that highlighted resilient organic growth based on a diversified portfolio and high-value-add service.

### Activity

In May, we added to the Trust's holdings in Bellway, ME Group International and Alfa Financial Software. Meanwhile, we trimmed the positions in Hill & Smith, Hilton Food Group, Premier Foods, AJ Bell and XPS Pensions Group.

### ESG engagement

We met with senior management at construction firm Bellway to discuss its employment and training policies in light of the skills shortage in the UK. The company's Better with Bellway initiative aims to address this issue by building the required skillsets for existing employees while also helping to attract new workers. Meanwhile, the Bellway academy has an ongoing programme of structured apprenticeships and graduate training, and is set to double the number of such roles in September 2025. Finally, Bellway is an accredited Living Wage Employer, which covers both directly employed and subcontracted staff.

### Outlook

May's UK and European market performance reflected a shift in investor sentiment after April's tariff-induced volatility. Yet significant uncertainties remain at the global macroeconomic level, and investors may look for diversification benefits outside of the US. Recent data suggests UK economic momentum has picked up, with GDP growth and retail sales beating forecasts while markets are expecting further interest rate cuts over the coming months. In the housing sector, regulation is easing and mortgage rates are falling, while the UK consumer is in good shape, with elevated savings rates versus long-term norms.

In terms of the direct impact of US tariffs, the UK is relatively well insulated given its small goods trading deficit, while recent trade deals with the US, India and Europe are further reasons for optimism. We have seen signs of capital flowing out of the US and into Europe and, with UK valuations looking relatively attractive in comparison to other markets, we believe the UK could be a significant beneficiary of this trend. For all these reasons we are confident that the prospects for, and sentiment towards, UK small- and mid-cap stocks are improving. Recent updates from a number of domestic companies highlight improving trading conditions, and we have seen a recent divergence in performance between large- and mid-cap stocks. When considering new investment ideas, we are looking to ensure the portfolio has balance within our quality/growth/momentum analysis process. Valuation is a key aspect of that, as is diversification and the use of our risk tools – in particular the Matrix analysis tool, which we continue to use to support our decision making.

<sup>†</sup>FTSE 250 are mid cap holdings that are above market cap to qualify to be included in the Deutsche Numis Smaller Companies Index.

<sup>‡</sup>AIM holdings that are not included in the Deutsche Numis Smaller Companies plus AIM (ex Investment Companies) Index.

### Important information overleaf

## Composition of the portfolio by market capitalisation (Ex Cash) (%)

Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index	83.6
FTSE 250 <sup>†</sup>	5.7
FTSE 100	4.7
FTSE AIM <sup>‡</sup>	3.1
Other	2.9
<b>Total</b>	<b>100.0</b>

## Capital structure

Ordinary shares	63,121,091
Treasury shares	41,043,331

## Allocation of management fees and finance costs

Capital	75%
Revenue	25%

## Trading details

Reuters/Epic/Bloomberg code	AUSC
ISIN code	GB0002959582
Sedol code	0295958
Stockbrokers	WINS Investment Trusts
Market makers	INV, JEFF, JPMS, NUMS, PEEL, SING, SCAP, WINS



## Factsheet

Receive the factsheet by email as soon as it is available by registering at [www.aberdeeninvestments.com/trustupdates](http://www.aberdeeninvestments.com/trustupdates) or [www.aberdeeninvestments.com/ausc](http://www.aberdeeninvestments.com/ausc)



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# abrdn UK Smaller Companies Growth Trust plc

## Statement of Operating Expenses

Publication date: 8 October 2024

	Year ended 30 Jun 2024	% of Average NAV	Year ended 30 Jun 2023	% of Average NAV	% Change (YOY)
<b>Recurring Operating Expenses (£000s)</b>					
Management Fee (inc AIFM)	2,817	0.70%	3,390	0.72%	-16.9%
Custody fees and bank charges	29	0.01%	28	0.01%	3.6%
Promotional activities	249	0.06%	362	0.08%	-31.2%
Directors remuneration	169	0.04%	154	0.03%	9.7%
Depositary fees	49	0.01%	56	0.01%	0.0%
Auditors' remuneration	71	0.02%	60	0.01%	18.3%
Other administrative expenses	304	0.08%	415	0.09%	-26.7%
Ongoing Operating Expenses (ex indirect fund management expenses)	3,688	0.92%	4,465	0.95%	-17.4%
Expenses relating to investments in other collective investments		0.00%		0.00%	
Ongoing Operating Expenses (inc indirect fund management expenses)	3,688	0.92%	4,465	0.95%	-17.4%
Average Net Asset Value	402,438		471,984		-14.7%
<b>Operating Expense Ratio (ex indirect fund management expenses)</b>	<b>0.92%</b>		<b>0.95%</b>		
<b>Operating Expense Ratio (inc indirect fund management expenses)</b>	<b>0.92%</b>		<b>0.95%</b>		
<b>Transaction costs and other one-off expenses (£000s)</b>					
Transaction costs	358	0.09%	329	0.07%	8.8%
Performance fees		0.00%		0.00%	
Other non-recurring expenses	5	0.00%	40	0.01%	-87.5%
<b>Total</b>	<b>363</b>	<b>0.09%</b>	<b>369</b>	<b>0.08%</b>	<b>-1.6%</b>

## Current Service Providers

AIFM	abrdn Fund Managers Limited
Investment Manager	abrdn Investment Management Limited
Company Secretary	abrdn Holdings Limited
Fund Accounting Services	BNP Paribas Fund Services UK Limited
Auditor	KPMG LLP
Depositary & Custodian	BNP Paribas S.A. London Branch
Registrar	Computershare Investor Services PLC
Corporate Broker	Winterflood Securities Limited

## Summary of Current Key Commercial Arrangements

The Company has appointed abrdn Fund Managers Limited (aFML), a wholly owned subsidiary of Aberdeen plc, as its Alternative Investment Fund Manager. aFML has been appointed to provide investment management, risk management, administration and company secretarial services, and promotional activities to the Company.

The Company's portfolio is managed by abrdn Investment Management Limited by way of a group delegation agreement in place between it and aFML. aFML has sub-delegated administrative and secretarial services to abrdn Holdings Limited, promotional activities to abrdn Investments Limited, and fund accounting services to BNP Paribas Fund Services UK Limited.

Further details of the fees payable to the Manager are shown in notes 4 and 5 to the financial statements in the Annual Report.

The management agreement is terminable on not less than six months' notice. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period. risk management, administration and company secretarial services, and promotional activities to the Company.

No performance fee.

Fee scale	% of NAV
£0-£175m	0.75%
£175m-£550m	0.65%
>£550m	0.55%

Directors fee rates (£)	Year ended 30 Jun 2024	Year ended 30 Jun 2023	% Change YoY
Chair	40,700	38,500	5.7%
Chair of Audit & Risk Committee	32,800	31,000	5.8%
Senior Independent Director	29,400	27,750	5.9%
Director	27,500	26,000	5.8%
Number of Directors	5	6	

## Important Information

The Statement of Operating Expenses is designed to help investors understand the impact of operating expenses on financial performance.

Operating expenses are NOT deducted from the value of an investor's shareholding, which is derived from the share price.

The market value (share price) of all publicly traded companies reflects a wide range of factors, including the estimated impact of operating expenses on future financial performance.

The market value of an investment trust may diverge materially, both positively and negatively, from the reported net asset value.

## Important information

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

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Trust shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- The Alternative Investment Market (AIM) is a flexible, international market that offers small and growing companies the benefits of trading on a world-class public market within a regulatory environment designed specifically for them. AIM is owned and operated by the London Stock Exchange. Companies that trade on AIM may be harder to buy and sell than larger companies and their share prices may move up and down very sharply because they have lower trading volumes and also because of the nature of the companies themselves. In times of economic difficulty, companies listed on AIM could fail altogether and you could lose all your money.
- The Company invests in smaller companies which are likely to carry a higher degree of risk than larger companies.
- Specialist funds which invest in small markets or sectors of industry are likely to be more volatile than more diversified trusts.

### Other important information:

An investment trust should be considered only as part of a balanced portfolio. The information contained in this document should not be considered as an offer, solicitation or investment recommendation to deal in the shares of any securities or financial instruments. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned. This is not an invitation to subscribe for shares and is by way of information only. Investment should only be following a review of the current Key Information Document (KID) and pre-investment disclosure document (PIDD) both of which are available on [www.invtrusts.co.uk](http://www.invtrusts.co.uk). Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by Aberdeen\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, Aberdeen\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

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