

## **Aberdeen UK Smaller Companies Growth Trust plc**

(formerly abrdn UK Smaller Companies Growth Trust plc)

Half Yearly Report 31 December 2025

Capturing the growth potential of UK smaller companies

**[aberdeenuksmallercompaniesgrowthtrust.co.uk](https://aberdeenuksmallercompaniesgrowthtrust.co.uk)**

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## Investment Objective

The Company's objective is to achieve long-term capital growth by investment in UK-quoted smaller companies.

## Reference Index

The Company's reference index is the Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index.

Scan the QR Code below to register for email alerts relating to the Company:



# Performance Highlights

## Net asset value total return<sup>A</sup>

Six months ended 31 December 2025

**-3.5%**

Year ended 30 June 2025

+6.8%

## Share price total return<sup>A</sup>

Six months ended 31 December 2025

**-3.0%**

Year ended 30 June 2025

+11.4%

## Reference Index total return

Six months ended 31 December 2025

**+4.6%**

Year ended 30 June 2025

+7.8%

## Discount to net asset value<sup>A</sup>

As at 31 December 2025

**8.6%**

As at 30 June 2025

9.0%

## Revenue return per share

Six months ended 31 December 2025

**6.84p**

Six months ended 31 December 2024

5.93p

## Ongoing charges ratio<sup>A</sup>

Forecast year ending 30 June 2026

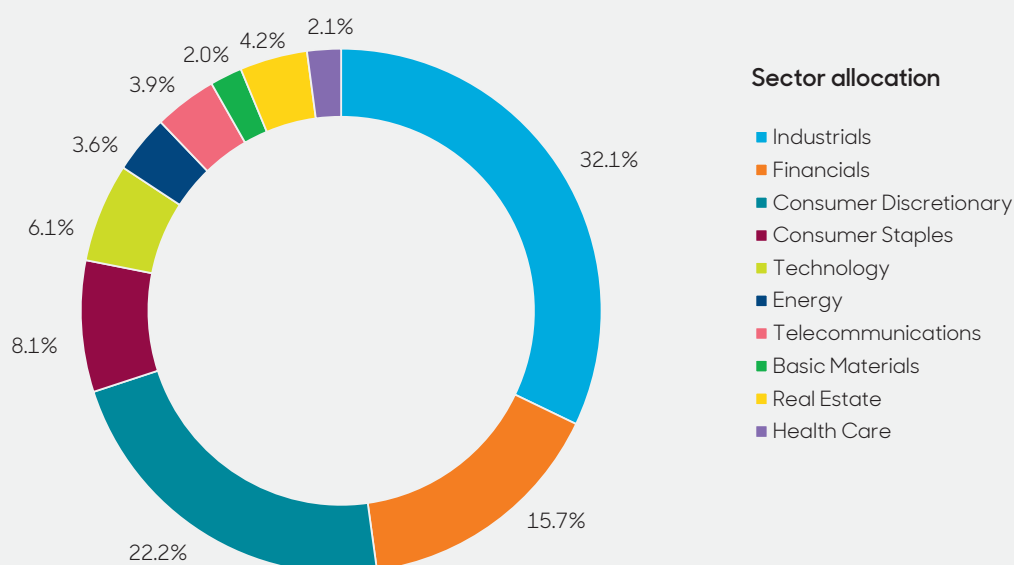
**0.81%**

Year ended 30 June 2025

0.85%

<sup>A</sup> Considered to be an Alternative Performance Measure as defined on pages 26 and 27.

## Investment Portfolio by Sector



# Financial Calendar, Dividends and Highlights

## Financial Calendar

Payment of interim dividend for the year ending 30 June 2026	<b>17 April 2026</b>
Financial year end	<b>30 June 2026</b>
Expected announcement of results for year ending 30 June 2026	<b>September 2026</b>
Annual General Meeting (Edinburgh)	<b>November 2026</b>
Expected payment of final dividend for the year ending 30 June 2026	<b>27 November 2026</b>

## Financial Highlights

	31 December 2025	30 June 2025	% change
<b>Capital return</b>			
Total assets <sup>A</sup>	£325.2m	£399.2m	-18.5%
Equity shareholders' funds	£285.2m	£359.2m	-20.6%
Market capitalisation	£260.6m	£326.8m	-20.3%
Net asset value per share <sup>B</sup>	551.55p	581.37p	-5.1%
Share price	504.00p	529.00p	-4.7%
Discount to net asset value <sup>C</sup>	8.6%	9.0%	
Net gearing <sup>C</sup>	10.8%	6.6%	
Reference index	5,963.52	5,780.00	+3.2%
<b>Dividends and earnings</b>			
Revenue return per Ordinary share <sup>D</sup>	6.84p	5.93p	+15.3%
Interim dividend per share	4.50p	3.70p	+21.6%
<b>Operating costs</b>			
Ongoing charges ratio <sup>CEFF</sup>	0.81%	0.85%	

<sup>A</sup> Defined as total assets per the Statement of Financial Position less current liabilities (before deduction of bank loans).

<sup>B</sup> With debt at par value.

<sup>C</sup> Considered to be an Alternative Performance Measure as defined on pages 26 and 27.

<sup>D</sup> Figure for 31 December 2025 is for the six months to that date. Figure for 30 June 2025 is for the six months to 31 December 2024.

<sup>E</sup> The ongoing charges ratio for the current year includes a forecast of costs, charges and assumes no change in net assets for the year to 30 June 2026.

<sup>F</sup> 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 Investment Manager’s approach has been and remains focused on identifying companies that display Quality, Growth and Momentum characteristics, and the portfolio is positioned such that, when these characteristics come to the fore, it should deliver significant returns for shareholders.”

# Chair's Statement

## Performance

The Board is disappointed to report a falling net asset value ("NAV") total return of 3.5% for the six-month period ended 31 December 2025, underperforming the positive total return of 4.6% from the reference index, the Deutsche Numis Smaller Companies plus AIM (ex-Investment Companies) Index.

The market backdrop in the second half of 2025 was much more focused on large cap, often multi-national and more defensive sectors, resulting in smaller companies underperforming their larger counterparts by some margin. The Company's underperformance of the reference index was driven principally by style factors and sector exposures. Growth and Quality, which are important features of the Investment Manager's process were out of favour during the period.

The Investment Manager's approach has been and remains focused on identifying companies that display Quality, Growth and Momentum characteristics, and the portfolio is positioned such that, when these characteristics come to the fore, it should deliver significant returns for shareholders.

It is always disappointing to report negative numbers and Shareholders can be assured that the Board is engaging closely with the Investment Manager to ensure that every effort is undertaken to improve the position.

The Investment Manager's Review provides further information on performance and portfolio activity during the period, as well as the Investment Manager's outlook for the portfolio and the wider smaller companies sector.

## Earnings and Dividend

The headline numbers on the Statement of Comprehensive Income continue to be significantly affected by the share buy back programme, which has reduced the earnings capacity of the portfolio. While the net revenue after tax was down 10.3% to £3.9 million, revenue earnings per share ("EPS") for the six months to 31 December 2025 increased by 15.3% to 6.84p (2024: 5.93p).

The analysis of the income forecast continues to indicate that the Revenue Account for the year is on track to deliver an increase in the EPS for the full year, even if the aggregate level numbers are lower than 12 months ago. The Board's declared dividend policy is that it aims to pay around one-third of the expected total dividend for the year at the interim stage, with the balance being paid out once the annual results are known. Consequently, the Board is declaring an interim dividend of 4.50p per share (2025: 3.70p per share) which will be paid on 17 April 2026 to shareholders on the register on 20 March 2026 with an associated ex-dividend date of 19 March 2026.

## Gearing

During the period, the Company negotiated a £40 million revolving credit facility ("RCF") with The Bank of America. This replaced the previous loan with Royal Bank of Scotland International which expired in November 2025. The new facility is 'evergreen' and is at a lower margin than was previously the case. At 31 December 2025, the facility was fully drawn and net gearing was 10.8% (30 June 2025: 6.6%).

Total returns to 31 December 2025	6 months %	1 year %	3 years %	5 years %	10 years %
NAV <sup>A</sup>	-3.5	+1.1	+15.2	-5.0	+71.9
Share price <sup>A</sup>	-3.0	+3.0	+18.0	-11.2	+58.6
Reference Index <sup>B</sup>	+4.6	+11.8	+21.2	+13.6	+62.7
Peer Group weighted average (NAV)	+1.0	+5.4	+19.7	+18.5	+79.9
Peer Group weighted average (share price)	+1.8	+7.7	+19.6	+10.2	+72.6

<sup>A</sup> Considered to be an Alternative Performance Measure.

<sup>B</sup> Deutsche Numis Smaller Companies including AIM (ex investment companies) Index, prior to 1 January 2018 Deutsche Numis Smaller Companies (ex investment companies) Index.

Source: Morningstar

## Discount Control and Share Buy Backs

At close of business on 31 December 2025, the Company's share price was trading at a discount of 8.6% to its NAV per share. This was marginally narrower than the 9.0% discount at which the shares were trading at the end of June 2025. For the majority of the period, the share price traded at a discount of between 8% and 10%. However, throughout the period, with investor sentiment against the asset class, there were significantly more sellers than buyers of the Company's shares and, in order to address this imbalance, the Board considered that it was in the best interests of Shareholders as a whole to continue to buy back shares. Consequently, the Company was active in the market on most days and bought back 10.1 million shares (16.3% of the opening issued share capital) at a weighted average price of 513.23p per share, which equated to an average discount of 9.3%.

The buy backs acted to enhance the NAV per share by 1.6%.

The Board remains committed to the buy back programme and will continue to buy back shares if the share price is trading at a discount to the cum-income NAV of more than 8% in normal market conditions. The Board is acutely aware that the high level of share buy backs has resulted in a reduction in the size of the Company, but the general feedback from Shareholders is that they appreciate the efforts that the Board is making to protect the discount level.

## General Meeting

At the Annual General Meeting in November 2025, Shareholders granted the Board authority to buy back up to 8.1 million shares, which represented 14.99% of the issued share capital at the date of the meeting. Between then and the date of this report, the Company has bought back 5.9 million shares and the Board has concluded that, in order to continue to help address any imbalance of supply and demand in the Company's shares and to try to maintain the discount within the stated target range, the Company will need to seek fresh Shareholder approval to renew the share buy back authority before the next Annual General Meeting in November.

Consequently, the Board has issued a Circular to convene a General Meeting with the express purpose of seeking Shareholders' approval for a further renewal of the authority. The General Meeting will be held on 31 March 2026, and the Board would very much encourage Shareholders to vote their shares.

## Board

Tim Scholefield will have been on the Board of the Company for more than nine years when the Directors stand for re-election at the Annual General Meeting in November. Consequently, in line with good corporate governance, Tim has indicated that he will not be standing for re-election. As a result, the Board has initiated a search for a replacement for Tim and it hopes to have identified the successful candidate in the next couple of months, so that he / she will be able to join the Board by May and be able to shadow Tim until he retires in November. Tim has been, and continues to be, a huge asset to the Board and we have all appreciated his wise counsel and we will be very sad to see him go.

## Outlook

There is a broad consensus that the UK equity market is undervalued by comparison to other equity markets and furthermore that UK small caps are trading on lower multiples relative to UK large caps than they have for some time. This should be a positive backdrop for companies such as ours as it implies that we are due a correction, with UK multiples reverting towards long-term averages and small caps rebasing against large caps. The conundrum is that this outlook has persisted for at least 12 months and, while everyone seems to agree, we are not yet seeing much evidence of investors backing this analysis with the much needed investment flows.

# Chair's Statement

## Continued

Quality is a key attribute that your Investment Managers target in their process of selecting companies for the portfolio. This characteristic has been very much out of favour with investors for a long period during which they have tended to prefer the Value characteristic and this has continually detracted from the performance of your portfolio. However, during times of heightened tensions and geo-political uncertainty such as we are experiencing, the UK is normally seen as more defensive in nature than other markets as a result of its specific sector biases. In this environment investors may well put more emphasis on the quality of companies in which they invest, so we might expect to see some positive flows into companies such as those in your portfolio. Your Board believes this is long overdue.



**Liz Airey**  
Chair  
4 March 2026

# Interim Management Report

## Directors' Responsibility Statement

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with Financial Reporting Standard 104 'Interim Financial Reporting';
- The Interim Board Report (constituting the interim management report) includes a fair review of the information required by DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- The financial statements include a fair review of the information required by DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

## Principal and Emerging Risks and Uncertainties

The Board regularly reviews the principal and emerging risks and uncertainties faced by the Company together with the mitigating actions it has established to manage the risks. These are set out within the Strategic Report contained within the Annual Report for the year ended 30 June 2025 and comprise the following risk categories:

- Strategy
- Investment performance
- Staff turnover
- Share price
- Financial instruments
- Financial obligations
- Regulatory
- Operational
- Geopolitical

The Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the remaining six months of the Company's financial year.

## Going Concern

The Company's assets consist mainly of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants. The Board has also reviewed stress testing and liquidity analysis of the portfolio.

As at 31 December 2025, the Company had a secured £40 million 'evergreen' loan facility with Bank of America. The facility was fully drawn down at the end of the period.

The Directors are mindful of the Principal Risks and Uncertainties summarised above and they believe that the Company has adequate financial resources to continue in operational existence for a period of not less than 12 months from the date of approval of this Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise, as well as share buy back commitments. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year and considered the Company's Condensed Statement of Financial Position as at 31 December 2025 which shows net current liabilities of £32.0 million at that date, and do not consider this to be a concern due to the liquidity of the portfolio which would enable the Company to meet any short term liabilities if required.

Taking all of this into account, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

### On behalf of the Board

**Liz Airey**

Chair

4 March 2026

# Investment Manager's Review

*The net asset value ("NAV") of the Company for the six months to 31 December 2025 fell by 3.5% on a total return basis while the share price recorded a negative total return of 3.0%. By comparison, the UK smaller companies sector as represented by the Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index (the "reference index") delivered a positive total return of 4.6%.*

## Overview

During the six month period to 31 December 2025, the asset class of UK smaller companies delivered a positive total return of 4.6%, although this lagged the strong performance of large-cap equities. The environment remained challenging for the small-cap asset class, with investors continuing to favour traditional "old economy" sectors such as Banks, Defence, and Mining.

Smaller companies faced persistent headwinds. Uncertainty surrounding the timing and content of the November Budget weighed particularly heavily on domestically exposed businesses. Although the eventual policy outcome was relatively modest, the extended period of speculation reduced risk appetite and contributed to subdued demand for small-cap equities.

Despite these pressures, valuations in the small-cap universe remain well below historical averages. This provides a supportive backdrop for long term investors, particularly given the presence of companies demonstrating earnings resilience and growth from attractive starting valuations.

## Performance

The period under review was a challenging one for the performance of the Company. The Company's NAV fell by 3.5% over the period on a total return basis, compared with a positive 4.6% return from the reference index. This underperformance was driven principally by style factors and sector exposures. Value remained firmly in favour, while Growth struggled and Quality – an important feature of our investment process – was deeply out of favour in the UK market.

The performance of the reference index during the period was also quite concentrated, in particular the Precious Metals Miners did particularly well, with the gold price strength being the key driver.

UK markets were challenging for us as portfolio managers last year. Whilst we identified companies that met and, in many cases, beat their earnings expectations, even those businesses often suffered a derating. The awareness of what the market is willing to pay in respect of earnings execution, resilience of revenue and profit streams has been a learning in this period. Despite the high levels of uncertainty, valuations of companies with quality and earnings delivery did not hold up.

While earnings momentum was rewarded in parts of the market, the strongest performers within that theme were often outside the portfolio. Mining strength was driven by commodity price moves in 2025, which management teams have no control over, however prospects have improved given the elongated period of commodity price strength, so we are considering the suitability of companies in that sector. Whilst some businesses have seen end markets improving, we have been cautious about how sustained this might be. For example, Cyclical Industrials, Housebuilding and Recruitment all continued to exhibit false starts, reinforcing our cautious stance to some recovery areas.

*"The environment remained challenging for the small-cap asset class and for the performance of the Company."*

Positive performance came from a varied blend of holdings, including domestically focused companies such as **Balfour Beatty** in infrastructure. We were pleased to see **Applied Nutrition** (which we bought at IPO) contribute well, and the Company also benefitted from two bids; **JTC** and **Alpha Group**.

In addition to the holdings mentioned below, detractors included **XPS Pensions**, **Cranswick**, **Avon Technologies**, **Gamma Communications** and **Premier Foods**. We also saw slower than expected recoveries in some end markets, which impacted companies such as **Ashtead Technology** in the Oil & Gas sector, and **Auction Technology** in Global Auction Markets.

We are enthused by the new ideas we are considering for investment, as well as the return opportunities in many existing holdings, particularly given current valuations.

The five top positive contributors to relative performance during the period were as follows:

**Applied Nutrition** (relative contribution +113bps, closing weight 2.7%) has had an excellent period following the IPO of late 2024. Strong trading has driven upgrades, with its consumer relevance and new product development being key drivers. The company has continued to deepen its global presence, creating listings with key retailers and distribution partners globally. Execution from the founder led management team has been flawless to date.

**Alpha Group** (relative contribution +79bps) was bid for by US listed company Corpay, producing a strong share price return. We have subsequently exited the holding.

**JTC** (relative contribution +59bps, closing weight 1.5%) is currently in a recommended bid situation from private equity firm Permira. We have been reducing the exposure to the company following the announcement.

**Balfour Beatty** (relative contribution +42bps, closing weight 2.8%) has been a strongly performing newer addition to the portfolio. Infrastructure end markets are providing growth environments, with committed and visible investment levels, and secure order books providing high levels of revenue coverage. The company is well positioned particularly in the areas of Energy, Defence and Transport.

**Baltic Classified** (relative contribution +40bps) was not held in the portfolio, which was a benefit to performance as its shares fell by 44% during the period. The business was challenged this year, with a variety of factors including tax changes in Estonia, investment spend, and margin compression.

The five biggest detractors to relative performance during the period were as follows:

**ME** (relative contribution -119bps, closing weight 2.3%) announced in late June that the Board was considering strategic options and there has been a dearth of information since that time, which has frustrated the market. This continued for the entire period, with no research available from brokers. In December, we finally heard that the review had concluded, with no bids for the company being completed. During the period, ME traded satisfactorily, however the good weather acted as a headwind for the laundry business. It has continued to make progress in the rollout of laundry machines across the UK in particular.

**Jet2** (relative contribution -87bps, closing weight 2.5%) has suffered from a period of consumer caution on spending, with later booking patterns being seen across the industry, which challenges the company's ability to maximise its inventory. Its market position remains strong, brand loyalty apparent, the "Jet2 holiday meme" having increased awareness globally, and it secured a strong new entry into Gatwick Airport. The UK Budget headlines have been a key driver of consumers' spending mentality and with that behind us and pricing for summer 2026 having reduced across the industry and some capacity come out, the environment looks more constructive.

**Hilton Food Group** (relative contribution -75bps) was weak on disappointing earnings results, with downgrades to forecasts. The company has been challenged by the higher pricing of both beef and fish proteins which, given it is unable to fully pass on that cost to consumers without a negative impact on volume consumption, means an impact on margins. The company also had a listeria outbreak in one of its fish facilities. We remain concerned about the outlook for the company and exited the position during the period.

**Mortgage Advice Bureau** (relative contribution -75bps, closing weight 2.5%) has had a tough trading period, with the optimism on housing activity improving not coming to pass through 2025. The company does, however, have strong exposure to remortgaging activity, where we expect to see a pickup in due course. The business continues to have a strong market position and a well invested technology platform, and we are confident it will be well placed when end markets improve.

**Telecom Plus** (relative contribution -75bps, closing weight 2.0%) was weak during the period despite resilient reporting. One new growth angle is the acquisition of customer bases from other providers. However, some investors are concerned this highlights that the company's core opportunities to grow revenue are less attractive. We have been long term investors in Telecom Plus and remain comfortable with the outlook and the ability of the management team to execute these types of bolt-on customer acquisitions which can create additional value through cross selling more services.

# Investment Manager's Review

## Continued

### Portfolio Activity

Seven new holdings were added to the portfolio during the period.

**Balfour Beatty** is a construction company that provides the portfolio with exposure to quality visible revenue streams, with high order book coverage of forecast revenue, from a company priced at an attractive valuation. The business is benefitting from structural growth in power, defence and transport infrastructure across the UK, US, and Hong Kong.

**International Personal Finance** operates a differentiated, agent-led lending model across Europe, Mexico and digital markets, with growth driven by credit cards and mobile wallets. Its deepening customer relationships improve the quality of earnings and its exposures were also considered to provide diversification in the portfolio. The company was bid for shortly after we initiated a position, unfortunately before we could build a full position size in the portfolio.

**TBC Bank** is a Georgia-based financials company that demonstrates high quality and growth characteristics, but which is valued on a cheap multiple compared to its UK banking peers. Georgian GDP growth is very strong, supporting growth in the business. TBC continues to deliver strong double-digit earnings growth and attractive net interest margins. Its entry into Uzbekistan enhances the growth potential of the business.

**Dunelm** is a well-positioned cash-generative retailer with disciplined margins and a clear growth path. Market share has risen, supported by furniture expansion, digital sales, and new store formats. The valuation of the shares looks attractive compared to history, with a 4% dividend yield and low leverage. Recent updates evidence that Dunelm is outperforming a sluggish sector, while improving UK consumer conditions – lower inflation, rising real wages, and stable interest rates – should support demand.

**Mitie** is the UK's leading Facilities Management provider with a 14% market share, double its nearest competitor, and a strong blue chip client base. Its revenue is supported by long-term contracts and technology-driven platforms. The company is well positioned for growth through organic expansion, cross-selling higher-margin compliance services (the acquisition of Marlowe created a broader service offering), and further strategic acquisitions. Its three-year plan targets high single-digit revenue growth, expanding operating margins underpinned by AI automation and a robust balance sheet with low leverage.

**GB** provides technology services exposed to the global growth areas of digital identity, location intelligence and fraud prevention. We believe self-help initiatives aimed at accelerating organic growth and improving profitability will improve the business outlook. The platform consolidation, sales realignment and subscription conversion are already showing early traction. The new CEO is driving a clear strategy focused on turning around its Americas Identity business and scaling its GBG Go platform as a single global solution, whilst internally streamlining operations for better efficiency. The company has strong financial foundations, with high cash conversion and a low net debt/EBITDA, providing flexibility for investment and shareholder returns.

**Big Yellow**, the self-storage business with a strong London asset base, has undergone a lacklustre few years, and was added to the portfolio at the end of the period. There has been a normalisation of trading in the self-storage sector since the Covid pandemic, during a period when the macro environment has been of limited help, and cost pressures have dampened profitability. With the shares trading on a 25% discount to book value, and trading in 2025 looking to have taken a more positive turn, we felt that building a new position was an attractive investment opportunity. Shareholder returns are supported by a 4% dividend yield and, whilst Blackstone stepped away from a bid prior to our entry, we wouldn't be surprised to see other bidders for Big Yellow in the future.

***"Seven new holdings were added to the portfolio during the period and three holdings were exited."***

Three holdings were exited over the period. **Hilton Food Group** and **Alpha Group** are both explained above. **Bytes Technology**, the UK provider of software and services, was also exited. Decisions internally around sales restructuring looked to be poorly timed, given the Microsoft commission changes also ongoing. Bytes looks to have lacked the execution that other providers have demonstrated in driving resilient growth in their businesses.

Positions which were topped up during the period include **Craneware**, **Volex**, **Bloomsbury Publishing**, **Rotork**, **Alfa**, **Galliford Try**, **Wickes**, and **Applied Nutrition**.

Positions were reduced in **discoverIE**, **Next 15**, **Hill & Smith**, **Auction Technology**, **Hollywood Bowl**, and **GlobalData**. We controlled position sizes by taking profits in companies such as **Cranswick**, **Cairn Homes**, **Paragon Banking**, **Tatton Asset Management**, and **Morgan Sindall**. We also reduced exposure to **Diploma** and **Games Workshop**, whose successes have led to their promotion into the FTSE 100 Index. We continue to optimise positions to identify opportunities in markets and deploy capital into new ideas. Lastly, as explained above, **JTC** is under a recommended bid situation, from Permira private equity, and we have therefore been selling down that position to reinvest in other companies.

## Revenue Account

Revenue earnings per share for the six-month period were 6.84p, compared to 5.93p for the comparable period last year. The level of investment income generated from the portfolio was 8.8% lower, due to the impact of share buy backs conducted during the period which reduce the Company's capital base. However, the Company benefited from strong dividend growth from a number of investee companies.

## Outlook

Following a difficult period for the Company, we remain confident in the strength of our established investment process, which has delivered long-term outperformance through multiple market cycles. Our focus on Quality, Growth and Momentum – applied through disciplined stock selection – remains central to our approach.

Quality, having been deeply out of favour in 2025, has showed signs of improvement. We will remain highly aware of the market environment, and whilst our investment approach will continue to have tilts to Quality, Growth and Momentum, we believe our focus on stock selection is critical in delivering long term returns to shareholders.

Although smaller companies have lagged larger companies, there is compelling value in this asset class, and the long term growth potential remains a reason to be confident in the outlook. For the first time in 23 years, the small cap reference index has a higher dividend yield than the large cap index, 3.4% at the end of 2025, compared to 3.1% for the FTSE 100 Index. In addition, the reference index is trading on a 25% P/E discount, at 13.8x P/E vs large cap which is now on 18.5x.

Interest rates have fallen in line with market expectations, which should be supportive for smaller companies. Consensus expectations are for another two interest rate reductions in the UK during 2026. Although media headlines often read very negatively, the consumer is not in general in an unfavourable position – with high savings rates, and unemployment rates remaining at relatively low levels. The outlook is not without question marks, but GDP globally is slowly improving.

***"Within the market we see significant opportunities and we are excited about the ideas coming to fore for the portfolio."***

Within the market we see significant opportunities and we are excited about the ideas coming to fore for the portfolio. The UK continues to be an attractive market for listed companies, and we see attractive return investment cases in both overseas and domestically exposed companies. The portfolio currently sits with around 55% of revenue generated within the UK, and 45% overseas. As always, we will continue to look for opportunities to invest in both markets. Within UK domestic companies, in many cases valuations and forecasts are both at low levels, and improvements in end markets can result in strong share price reactions.

UK markets might be forgotten, but they are not dead. Let's not forget the strength in returns in UK large cap indices last year, which does at least evidence there is capital to be deployed into UK markets. We believe the characteristics of UK smaller companies demonstrate that opportunity. The outlook for 2026 is not without uncertainties, but the experience from 2025 – particularly around market behaviour and style dynamics – prepares us as portfolio managers to navigate them, and with current P/E levels sitting near multi-year lows, we believe this provides a supportive backdrop for the portfolio.



**Abby Glennie and Amanda Yeaman**  
Aberdeen  
4 March 2026

# Investment Process

**Aberdeen UK Smaller Companies Growth Trust plc offers an actively managed portfolio of equity shares of smaller and mid-sized companies listed in the UK. Over the longer term, smaller company returns have outstripped those of their large-cap peers.**

## **Management**

The Company's Manager is abrdn Fund Managers Limited, a wholly-owned subsidiary of Aberdeen Group plc. Abby Glennie joined Aberdeen in 2013 as a member of the UK Equities Team before moving to the Smaller Companies Team in 2016. She was appointed as Co-Manager of the Company in 2020 and Lead Manager in January 2023. Amanda Yeaman joined the team in 2019 and was appointed as Deputy Manager in January 2023. They are both part of a team focusing on investing in smaller and mid-sized companies.

## **Investment Philosophy and Process**

The Board has identified that Aberdeen has a proven and repeatable investment process, which has delivered strong returns to shareholders over the last 20 years. The investment process adheres to the Aberdeen Smaller Companies' Quality, Growth and Momentum led philosophy. The Investment Manager aims to select high quality smaller companies in growing markets where business momentum is positive, predictable and improving. The Investment Manager has a long-term investment horizon, aiming to maximise returns by running winners in the long term and moving on from holdings when the investment case no longer stacks up. The investment process takes into account Aberdeen's Environmental, Social and Governance ("ESG") principles.

## **The Matrix**

In managing the Company's investment portfolio, the Quality, Growth and Momentum philosophy is enhanced by using Aberdeen's proprietary screening tool, 'the Matrix', to focus research efforts and the stock selection process. The Matrix is a quantitative screening tool assessing potential and current investments on 12 separate proven indicators of financial performance. It is a powerful tool in helping the Investment Manager identify a shortlist of investable stocks for further analysis and monitoring the performance and prospects of the portfolio. Stocks that are identified in this way are then subjected to further analysis and may be selected for the portfolio following discussions with company management.

**When building a portfolio of smaller companies, the Investment Manager screens stocks using the Matrix and also considers a number of qualitative factors to help identify the best investment opportunities.**

### **1. Sustainable growth**

Consistency of growth provides opportunities for companies to compound growth at attractive rates, aligning with strong earnings and dividend growth. This also helps reduce potential volatility.

### **2. Quality**

The strength of each company's relationships with its customers or clients, the existence and importance of long-term contracts, and the degree to which the company has any element of pricing power is important as it allows the company to pass on any cost increases and thereby maintain margins. The Investment Manager will typically avoid companies with high or unsustainable levels of debt.

### **3. Buy for the long term**

Identify the great companies of tomorrow and then hold them for the long term. This reduces the financial drag of high trading volumes.

### **4. Concentrate the effort**

The Matrix helps identify the likely candidates for inclusion in the portfolio and reduces the risk that effort is spent on stocks that will not fulfil the criteria for inclusion within the portfolio.

### **5. Management longevity**

Founders retaining positions of authority within the companies after flotation, along with longevity of tenure by CEOs, are a positive signal.

### **6. Valuation**

Whilst not the primary basis of investment recommendations, valuation is considered in all investments and is embedded within the Matrix.

# Ten Largest Investments

As at 31 December 2025



## Morgan Sindall

A UK based construction and regeneration company.



## Avon Technologies

A UK based company that manufactures respiratory and ballistic protection equipment.



## Cranswick

A high-quality, vertically integrated pork and chicken products company operating in the UK.



## Volution

A leading supplier of ventilation products with primary markets in the UK, Continental Europe and Australasia.



## Paragon Banking

A UK based company that provides specialist banking services.



## Cairn Homes

An Ireland-based homebuilder, which is engaged in constructing new homes with an emphasis on design and customer service.



## Balfour Beatty

An international infrastructure group that operates across 3 divisions – construction services, support services, and infrastructure investments with exposure to the UK, US and Hong Kong.



## Applied Nutrition

A leading UK based sports nutrition, health and wellness company.



## Mortgage Advice Bureau

A UK based operator of consumer intermediary brands and specialist networks for mortgage advisers.



## Sirius Real Estate

An owner of and operator of branded business parks, industrial complexes and out of town offices in Germany and the UK.

# Investment Portfolio

At 31 December 2025

Company	Industry	Market value £'000	Total assets %
Morgan Sindall	Construction and Materials	11,521	3.5
Avon Technologies	Aerospace and Defence	11,042	3.4
Cranswick	Food Producers	10,006	3.1
Volution	Construction and Materials	9,918	3.0
Paragon Banking	Finance and Credit Services	9,167	2.8
Cairn Homes	Household Goods and Home Construction	9,055	2.8
Balfour Beatty	Construction and Materials	8,991	2.8
Applied Nutrition	Food Producers	8,743	2.7
Mortgage Advice Bureau	Finance and Credit Services	8,173	2.5
Sirius Real Estate	Real Estate Investment Trusts	8,168	2.5
<b>Top ten investments</b>		<b>94,784</b>	<b>29.1</b>
Jet2	Travel and Leisure	7,981	2.5
XPS Pensions	Investment Banking and Brokerage Services	7,802	2.4
AJ Bell	Investment Banking and Brokerage Services	7,674	2.4
ME	Leisure Goods	7,559	2.3
Tatton Asset Management	Investment Banking and Brokerage Services	7,487	2.3
Coats	General Industrials	7,294	2.2
Galliford Try	Construction and Materials	7,176	2.2
Alfa	Software and Computer Services	6,980	2.2
Premier Foods	Food Producers	6,828	2.1
Bellway	Household Goods and Home Construction	6,827	2.1
<b>Top twenty investments</b>		<b>168,392</b>	<b>51.8</b>
CVS	Consumer Services	6,806	2.1
Telecom Plus	Telecommunications Service Providers	6,672	2.0
Hunting	Oil, Gas and Coal	6,632	2.0
Craneware	Health Care Providers	6,587	2.0
Hill & Smith	Industrial Metals and Mining	6,377	2.0
Johnson Service	Industrial Support Services	6,304	1.9
Volex	Electronic and Electrical Equipment	6,248	1.9
Trustpilot	Software and Computer Services	6,104	1.9
Games Workshop	Leisure Goods	5,748	1.8
Diploma	Industrial Support Services	5,741	1.8
<b>Top thirty investments</b>		<b>231,611</b>	<b>71.2</b>

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# Investment Portfolio

Continued

At 31 December 2025

Company	Industry	Market value £'000	Total assets %
Gamma Communications	Telecommunications Service Providers	5,580	1.7
Breedon	Construction and Materials	5,136	1.6
Boku	Industrial Support Services	5,070	1.6
Bloomsbury Publishing	Media	4,970	1.5
Ashtead Technology	Oil, Gas and Coal	4,907	1.5
JTC	Investment Banking and Brokerage Services	4,889	1.5
Rotork	Electronic and Electrical Equipment	4,849	1.5
Chemring	Aerospace and Defence	4,707	1.4
Savills	Real Estate Investment and Services	4,573	1.4
Wickes	Retailers	4,051	1.3
<b>Top forty investments</b>		<b>280,343</b>	<b>86.2</b>
TBC Bank	Banks	3,867	1.2
Renew Holdings	Construction and Materials	3,631	1.1
Mitie	Industrial Support Services	3,558	1.1
Hollywood Bowl	Travel and Leisure	3,541	1.1
Dunelm	Retailers	3,461	1.0
On the Beach	Travel and Leisure	3,241	1.0
GlobalData	Media	2,520	0.8
Next 15	Media	2,508	0.8
GB	Software and Computer Services	2,345	0.7
LBG Media	Media	2,276	0.7
<b>Top fifty investments</b>		<b>311,291</b>	<b>95.7</b>
Auction Technology	Software and Computer Services	2,222	0.7
Raspberry Pi	Technology Hardware and Equipment	1,860	0.6
International Personal Finance	Finance and Credit Services	700	0.2
Big Yellow	Real Estate Investment Trusts	566	0.2
discoverIE	Electronic and Electrical Equipment	537	0.2
<b>Total portfolio</b>		<b>317,176</b>	<b>97.6</b>
<b>Net current assets<sup>A</sup></b>		<b>8,011</b>	<b>2.4</b>
<b>Total assets</b>		<b>325,187</b>	<b>100.0</b>

<sup>A</sup> Current assets less current liabilities. Excludes bank loans of £40,000,000.

# Investment Case Study

## Balfour Beatty

Balfour Beatty offers a robust and diversified platform for long-term growth and shareholder returns. As a leading international infrastructure group, it operates across construction services, support services, and infrastructure investments, with exposure to the UK, US, and Hong Kong. The Investment Manager considers that the company is positioned to benefit from structural growth in power, defence, and transport markets, underpinned by a record £19.5 billion order book and disciplined risk management. Its strong balance sheet, averaging over £1.1 billion of net cash, supports ongoing share buybacks and a distribution yield exceeding 7% per annum. With margin recovery potential in UK construction, a doubling of power revenues, and US commercial market recovery, Balfour Beatty combines quality, growth, and valuation upside. Trading at an undemanding P/E of ~10x and supported by a £1.3 billion infrastructure investment portfolio, the Investment Manager considers that the company remains a defensive compounder in essential infrastructure with compelling visibility and resilience.



# Condensed Statement of Comprehensive Income (unaudited)

	Notes	Six months ended 31 December 2025			Six months ended 31 December 2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net (losses)/gains on investments held at fair value		-	(19,115)	(19,115)	-	3,044	3,044
Income	2	4,769	-	4,769	5,378	-	5,378
Investment management fee		(224)	(670)	(894)	(347)	(1,042)	(1,389)
Administrative expenses		(419)	-	(419)	(398)	-	(398)
<b>Net return before finance costs and taxation</b>		<b>4,126</b>	<b>(19,785)</b>	<b>(15,659)</b>	<b>4,633</b>	<b>2,002</b>	<b>6,635</b>
Finance costs		(259)	(776)	(1,035)	(321)	(963)	(1,284)
<b>Return before taxation</b>		<b>3,867</b>	<b>(20,561)</b>	<b>(16,694)</b>	<b>4,312</b>	<b>1,039</b>	<b>5,351</b>
Taxation	3	-	-	-	-	-	-
<b>Return after taxation</b>		<b>3,867</b>	<b>(20,561)</b>	<b>(16,694)</b>	<b>4,312</b>	<b>1,039</b>	<b>5,351</b>
<b>Return per Ordinary share (pence)</b>	5	<b>6.84</b>	<b>(36.36)</b>	<b>(29.52)</b>	5.93	1.43	7.36

The total column of the condensed Statement of Comprehensive Income represents the profit and loss account of the Company.

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

The accompanying notes are an integral part of the financial statements.

# Condensed Statement of Financial Position (unaudited)

	Notes	As at 31 December 2025 £'000	As at 30 June 2025 £'000
<b>Non-current assets</b>			
Investments held at fair value through profit or loss		317,176	383,829
<b>Current assets</b>			
Debtors		1,761	951
Cash and cash equivalents		8,500	16,218
		<b>10,261</b>	<b>17,169</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year		(2,250)	(1,812)
Bank loan	8	(40,000)	(39,991)
		<b>(42,250)</b>	<b>(41,803)</b>
<b>Net current liabilities</b>		<b>(31,989)</b>	<b>(24,634)</b>
<b>Net assets</b>		<b>285,187</b>	<b>359,195</b>
<b>Capital and reserves</b>			
Called-up share capital		26,041	26,041
Share premium account		-	170,146
Special distributable reserve		134,365	-
Capital reserve		111,776	148,574
Revenue reserve		13,005	14,434
<b>Equity shareholders' funds</b>		<b>285,187</b>	<b>359,195</b>
<b>Net asset value per Ordinary share (pence)</b>	7	<b>551.55</b>	581.37

The accompanying notes are an integral part of the financial statements.

# Condensed Statement of Changes in Equity (unaudited)

## Six months ended 31 December 2025

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2025	26,041	170,146	-	148,574	14,434	359,195
Return after taxation	-	-	-	(20,561)	3,867	(16,694)
Cancellation of share premium account	-	(170,146)	170,146	-	-	-
Buyback of shares into treasury	-	-	(35,781)	(16,237)	-	(52,018)
Dividends paid (see note 4)	-	-	-	-	(5,296)	(5,296)
<b>Balance at 31 December 2025</b>	<b>26,041</b>	<b>-</b>	<b>134,365</b>	<b>111,776</b>	<b>13,005</b>	<b>285,187</b>

## Six months ended 31 December 2024

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2024	26,041	170,146	-	203,375	13,527	413,089
Return after taxation	-	-	-	1,039	4,312	5,351
Buyback of shares into treasury	-	-	-	(23,509)	-	(23,509)
Dividends paid (see note 4)	-	-	-	-	(6,003)	(6,003)
<b>Balance at 31 December 2024</b>	<b>26,041</b>	<b>170,146</b>	<b>-</b>	<b>180,905</b>	<b>11,836</b>	<b>388,928</b>

The capital reserve at 31 December 2025 is split between realised of £79,746,000 and unrealised of £32,030,000 (31 December 2024 – realised £97,624,000 and unrealised of £83,281,000).

The accompanying notes are an integral part of the financial statements.

# Condensed Statement of Cash Flows (unaudited)

	Six months ended 31 December 2025 £'000	Six months ended 31 December 2024 Restated* £'000
<b>Operating activities</b>		
Net return before taxation	(16,694)	5,351
Adjustment for:		
Losses/(gains) on investments	19,115	(3,044)
Decrease in accrued income	337	439
Finance costs	1,035	1,284
Increase in other debtors	(6)	(4)
Decrease in other creditors	(295)	(56)
<b>Net cash inflow from operating activities</b>	<b>3,492</b>	<b>3,970</b>
<b>Investing activities</b>		
Purchases of investments	(42,968)	(64,626)
Sales of investments	89,848	89,915
<b>Net cash inflow from investing activities</b>	<b>46,880</b>	<b>25,289</b>
<b>Financing activities</b>		
Bank and loan interest paid	(1,106)	(1,308)
Repurchase of Ordinary shares into Treasury	(51,688)	(23,435)
Drawdown of loan	40,000	-
Repayment of loan	(40,000)	-
Equity dividends paid	(5,296)	(6,003)
<b>Net cash outflow from financing activities</b>	<b>(58,090)</b>	<b>(30,746)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(7,718)</b>	<b>(1,487)</b>
<b>Analysis of changes in cash during the period</b>		
Opening balance	16,218	15,920
Decrease in cash and cash equivalents as above	(7,718)	(1,487)
<b>Closing balance</b>	<b>8,500</b>	<b>14,433</b>
<b>Represented by:</b>		
Cash at bank and in hand	5	1
Investments in AAA-rated money market funds	8,495	14,432
	<b>8,500</b>	<b>14,433</b>

\* Further details of the restatement can be found in note 13 on page 25.

The accompanying notes are an integral part of the financial statements.

# Notes to the Financial Statements

For the period ended 31 December 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 2023. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The Company received court approval, by way of a court order dated 15 August 2025, for cancellation of the entire amount standing to the credit of the Share Premium Account. The court order was registered at Companies House on 20 August 2025 at which point cancellation of the entire amount standing to the credit of the Share Premium Account became effective. That amount has been credited to a special distributable reserve which is available to fund the cost of share buy backs and future dividend payments, if required. The Board believes that it is in the Company's interest to have this flexibility in its reserves, although the Board has no current intention of using the new reserve for dividend payments which it expects will continue to be resourced through annual net revenues and revenue reserves.

The half-yearly financial statements have been prepared using the same accounting policies as the preceding annual accounts.

## 2. Income

	Six months ended 31 December 2025 £'000	Six months ended 31 December 2024 £'000
<b>Income from investments</b>		
UK dividend income	3,761	4,237
Property income distributions	231	286
Overseas dividend income	276	278
Special dividends	250	155
	<b>4,518</b>	<b>4,956</b>
<b>Interest income</b>		
Interest from AAA-rated money-market funds	251	422
	<b>251</b>	<b>422</b>
<b>Total income</b>	<b>4,769</b>	<b>5,378</b>

## 3. Taxation

The taxation expense reflected in the Condensed Statement of Comprehensive Income is based on management's best estimate of the weighted annual corporation tax rate expected for the full financial year. The estimated annual tax rate used for the year to 30 June 2026 is 25%.

#### 4. Ordinary dividend on equity shares

	Six months ended 31 December 2025 £'000	Six months ended 31 December 2024 £'000
2025 final dividend of 9.50p per share (2024 - 8.30p)	5,296	6,003

#### 5. Return per share

	Six months ended 31 December 2025 p	Six months ended 31 December 2024 p
Revenue return	6.84	5.93
Capital return	(36.36)	1.43
<b>Total return</b>	<b>(29.52)</b>	<b>7.36</b>
<b>Weighted average number of Ordinary shares</b>	<b>56,547,791</b>	<b>72,666,094</b>

The figures above are based on the following:

	Six months ended 31 December 2025 £'000	Six months ended 31 December 2024 £'000
Revenue return	3,867	4,312
Capital return	(20,561)	1,039
<b>Total return</b>	<b>(16,694)</b>	<b>5,351</b>

#### 6. 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 gains on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 31 December 2025 £'000	Six months ended 31 December 2024 £'000
Purchases	263	315
Sales	49	61
	<b>312</b>	<b>376</b>

# Notes to the Financial Statements

## Continued

### 7. Net asset value per share

Total shareholders' funds have been calculated in accordance with the provisions of applicable accounting standards. The analysis of total shareholders' funds on the face of the Condensed Statement of Financial Position reflects the rights, under the Articles of Association, of the Ordinary shareholders on a return of assets.

These rights are reflected in the net asset value and the net asset value per share attributable to Ordinary shareholders at the period end.

	As at 31 December 2025	As at 30 June 2025
Total shareholders' funds (£'000)	285,187	359,195
Number of Ordinary shares in issue at the period end <sup>A</sup>	51,706,484	61,783,713
Net asset value per share (pence)	551.55	581.37

<sup>A</sup> Excluding shares held in treasury.

During the six months ended 31 December 2025 the Company repurchased 10,077,229 Ordinary shares to be held in treasury (31 December 2024 - 4,657,521) at a cost of £52,018,000 (31 December 2024 - £23,509,000).

As at 31 December 2025 there were 51,706,484 Ordinary shares in issue (30 June 2025 - 61,783,713). There were also 52,457,938 Ordinary shares (30 June 2025 - 42,380,709) held in treasury.

### 8. Loans

On 13 August 2025, the Company entered into a new secured credit facility of £40 million with Bank of America. The new facility is an 'evergreen' facility which will continue until such time as the Company or the lender provide notice of termination in accordance with the agreement. At 31 December 2025 £40 million was drawn down at an interest rate of 4.97%. This facility replaced the previous three year revolving credit facility of £40 million (the "RCF") held with The Royal Bank of Scotland International Limited which was repaid in full on 13 August 2025.

There were no loan arrangement expenses associated with the new 'evergreen' secured credit facility. At 30 June 2025 the RCF was shown in the Condensed Statement of Financial Position net of unamortised expenses of £9,000.

The terms of the 'evergreen' facility contains covenants that the Consolidated Net Tangible Assets as defined in the agreement must not be less than £200 million and that the percentage of borrowings against the Adjusted Portfolio Value as defined in the agreement shall not exceed 30%. The Company complied with all covenants throughout the year.

## 9. Analysis of changes in net debt

	At 30 June 2025 £'000	Cash flows £'000	Non-cash movements £'000	At 31 December 2025 £'000
Cash and cash equivalents	16,218	(7,718)	-	8,500
Debt due in less than one year	(39,991)	-	(9)	(40,000)
<b>Total net debt</b>	<b>(23,773)</b>	<b>(7,718)</b>	<b>(9)</b>	<b>(31,500)</b>

	At 30 June 2024 Restated* £'000	Cash flows Restated* £'000	Non-cash movements £'000	At 31 December 2024 Restated* £'000
Cash and cash equivalents	15,920	(1,487)	-	14,433
Debt due in less than one year	(39,964)	-	(14)	(39,978)
<b>Total net debt</b>	<b>(24,044)</b>	<b>(1,487)</b>	<b>(14)</b>	<b>(25,545)</b>

## 10. 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 shall have the following classifications:

- Level 1:** unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2:** inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3:** inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

All of the Company's investments are in quoted equities (30 June 2025 – same) that are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments (31 December 2025 – £317,176,000; 30 June 2025 – £383,829,000) have therefore been deemed as Level 1.

The fair value of the £40 million 'evergreen' loan facility as at 31 December 2025 is £40,000,000, due to it being short-term in nature, with a par value per Statement of Financial Position of £40,000,000. Under the fair value hierarchy in accordance with FRS 102, these borrowings can be classified at Level 2.

# Notes to the Financial Statements

## Continued

### 11. Transactions with the Manager

The Company has an agreement with abrdn Fund Managers Limited ("aFML") for the provision of investment management, secretarial, accounting and administration and promotional activity services. During the six months ended 31 December 2025 the management fee paid to aFML was charged by applying a tiered rate of 0.60% to the first £200 million of net assets and 0.55% of net assets above £200 million. Prior to 1 April 2025, the management fee was charged at 0.75% per annum on the first £175 million of net assets, 0.65% per annum on net assets between £175 million and £550 million and 0.55% on net assets above £550 million. The contract is terminable by either party on six months' notice.

During the period £894,000 (31 December 2024 – £1,389,000) of investment management fees were earned by aFML, with a balance of £417,000 (31 December 2024 – £676,000) due at the period end.

The Manager also receives a separate promotional activities fee which during the period was based on an annual amount of £206,000 exclusive of VAT payable quarterly in arrears. During the period, a fee of £103,000 (31 December 2024 – £103,000) exclusive of VAT was payable to the Manager, with a balance of £156,000 (31 December 2024 – £51,500) exclusive of VAT being due at the period end.

### 12. Subsequent events

Subsequent to the period end, up to the date of approval of this Report, the Company repurchased a further 3,287,676 Ordinary shares to be held in treasury at a cost of £17,074,000.

### 13. Prior period restatement

The Condensed Statement of Financial Position, the Condensed Statement of Cash Flows and note 9 for the period ended 31 December 2024 have been restated to classify investments in AAA-rated money market funds as a cash and cash equivalent. This treatment was changed to align to the presentation in accordance with guidance provided in FRS 102.

Consequently, within the Condensed Statement of Cash Flows for the period ended 31 December 2024, the opening and closing balances of cash and cash equivalents now include investments in AAA-rated money market funds as well as cash at bank and in hand, and purchases and sales of investments in AAA-rated money market funds have been excluded as they do not meet the definition of a long-term asset. As a result, "Net cash inflow from investing activities" and "Decrease in cash and cash equivalents" have been increased by £1,195,000, being the movement in AAA-rated money market funds during the prior period. In the table for 'Analysis of changes in net debt' in note 9 for 2024 cash at bank and in hand of £1,000 and investments in AAA-rated money market funds of £14,432,000, which had previously been separately presented are now shown in aggregate as cash and cash equivalents in the amount of £14,433,000.

### 14. Half-Yearly Financial Report

The financial information in this Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the year ended 30 June 2025 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006. The half-yearly financial statements have been prepared using the same accounting policies as the preceding annual accounts.

### 15. This Half-Yearly Financial Report was approved by the Board on 4 March 2026.

# 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. Where the calculation of an APM is not detailed within the financial statements, an explanation of the methodology employed is provided below:

## Discount

A discount is the percentage by which the market price is lower than the Net Asset Value ("NAV") per share.

		31 December 2025	30 June 2025
Share price	a	504.00p	529.00p
Net Asset Value per share	b	551.55p	581.37p
Discount	(a/b)-1	8.6%	9.0%

## Net gearing

Net gearing measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due from and to brokers at the period end as well as cash and short-term deposits.

		31 December 2025 £'000	30 June 2025 £'000
<b>Total borrowings</b>	a	<b>(40,000)</b>	<b>(39,991)</b>
Cash and short-term deposits		5	5
Investments in AAA-rated money-market funds		8,495	16,213
Amounts due from brokers		1,160	18
Amounts payable to brokers		(519)	(35)
<b>Total cash and cash equivalents</b>	b	<b>9,141</b>	<b>16,201</b>
<b>Net gearing (borrowings less cash &amp; cash equivalents)</b>	c=a+b	<b>(30,859)</b>	<b>(23,790)</b>
<b>Shareholders' funds</b>	d	<b>285,187</b>	<b>359,195</b>
<b>Net gearing (borrowings less cash &amp; cash equivalents)</b>	e=c/d	<b>10.8%</b>	<b>6.6%</b>

# Alternative Performance Measures

## Continued

### Ongoing charges ratio

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC, which is defined as the total of investment management fees and recurring administrative expenses and expressed as a percentage of the average daily net asset values published throughout the year. The ratio reported at 31 December 2025 includes actual costs and charges for the six months and includes a forecast for costs, charges and the asset base for the remaining six months of the financial year ending 30 June 2026.

		31 December 2025 <sup>A</sup>	30 June 2025 <sup>B</sup>
		£'000	£'000
Investment management fee	a	1,746	2,489
Administrative expenses	b	797	781
Less: non-recurring charges <sup>C</sup>	c	(48)	(11)
<b>Ongoing charges</b>	d=a+b+c	<b>2,495</b>	<b>3,259</b>
<b>Average net assets</b>	e	<b>306,991</b>	<b>385,637</b>
<b>Ongoing charges ratio<sup>D</sup></b>	f=d/e	<b>0.81%</b>	<b>0.85%</b>

<sup>A</sup> Forecast for the year ending 30 June 2026 based on estimates as at 31 December 2025.

<sup>B</sup> For the year ended 30 June 2025.

<sup>C</sup> Comprises professional fees not expected to recur.

<sup>D</sup> Calculated in accordance with AIC guidance issued in October 2020.

### Total return

NAV and share price total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return assumes reinvesting the net dividend paid by the Company back into the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return assumes reinvesting the net dividend back into the share price of the Company on the date on which that dividend goes ex-dividend.

Six months ended 31 December 2025		NAV	Share price
Opening (p)	a	581.37	529.00
Closing (p)	b	551.55	504.00
Decrease (p)	c=b-a	-29.82	-25.00
% decrease	d=c/a	-5.1%	-4.7%
Uplift from reinvestment of dividends <sup>A</sup>	e	1.6%	1.7%
<b>Total return decrease</b>	d+e	<b>-3.5%</b>	<b>-3.0%</b>

<sup>A</sup> The uplift from reinvestment of dividends assumes that the dividend of 9.50p paid by the Company in November 2025 was reinvested in the NAV and share price of the Company on the ex-dividend date.

# Investor Information

## Alternative Investment Fund Managers Directive ("AIFMD") and Pre-Investment Disclosure Document ("PIDD")

The Company has appointed abrdn Fund Managers Limited as its Alternative Investment Fund Manager and BNP Paribas SA, London Branch as its Depositary under the AIFMD.

The AIFMD requires abrdn Fund Managers Limited, as the Company's AIFM, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under the AIFMD are published in the Company's PIDD which can be found on its website:

[aberdeenuksmallercompaniesgrowthtrust.co.uk](http://aberdeenuksmallercompaniesgrowthtrust.co.uk).

## Investor Warning: Be alert to share fraud and scams

Aberdeen has been contacted by investors informing it that it has received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen or for third party firms. Aberdeen has also been notified of emails claiming that certain investment companies under its management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for Aberdeen and any third party making such offers/claims has no link with Aberdeen.

Aberdeen does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information and end the call.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at:

[fca.org.uk/consumers/scams](http://fca.org.uk/consumers/scams).

## Shareholder Enquiries

For queries regarding shareholdings, lost certificates, dividend payments, registered details and related matters, shareholders holding their shares directly in the Company are advised to contact the Registrar (see Contact Addresses). Changes of address must be notified to the Registrar in writing.

Any general queries about the Company should be directed to the Company Secretary in writing (see Contact Addresses) or by email to:

[uksmallercompaniesgrowth@aberdeenplc.com](mailto:uksmallercompaniesgrowth@aberdeenplc.com).

## How to Invest

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser.

Alternatively, for private investors, there are a number of online dealing platforms that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms.

Investors can, using certain platforms, arrange to have dividends reinvested or establish regular savings to invest in the shares of the Company. This can also be done under the auspices of an ISA which (under current tax rules and depending on individual circumstances) provides tax efficiencies for private investors in the treatment of income and capital gains.

## Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management and Financial Advice Association at: [pimfa.co.uk](http://pimfa.co.uk).

## Financial Advisers

To find an adviser who recommends on investment trusts, visit: [unbiased.co.uk](http://unbiased.co.uk).

## Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority at: [fca.org.uk/firms/financial-services-register](http://fca.org.uk/firms/financial-services-register).

# Investor Information

## Continued

### How to Attend and Vote at Company Meetings

Investors who hold their shares through a platform or share plan provider (for example Hargreaves Lansdown, Interactive Investor or AJ Bell) and would like to attend and vote at Company meetings (including AGMs) should contact their platform or share plan provider directly to make arrangements.

Investors who hold their shares through platforms and have their shares held through platform nominees, may not necessarily receive notification of general meetings and are advised to keep themselves informed of Company business by referring to the Company's website. Where voting is required, and the Board encourages shareholders to vote at all general meetings of the Company, shareholders with their holdings in nominees will need to instruct the nominee to vote on their behalf and should do so in good time before the meetings.

For investors who hold their shares on a platform via a nominee, the Association of Investment Companies has provided helpful information on how to attend an AGM and how to vote investment company shares held on some of the major platforms. This information can be found at: [theaic.co.uk/how-to-vote-your-shares](https://theaic.co.uk/how-to-vote-your-shares).

### Keeping You Informed

Information about the Company can be found on its website: [aberdeenuksmallercompaniesgrowthtrust.co.uk](https://aberdeenuksmallercompaniesgrowthtrust.co.uk), including share price and performance data as well as London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager. **Investors can receive updates via email by registering on the home page of the Company's website.**

Details are also available at: [invtrusts.co.uk](https://invtrusts.co.uk).



LinkedIn: [aberdeen Investment Trusts](https://www.linkedin.com/company/aberdeen-investment-trusts)



X: [@aberdeenTrusts](https://twitter.com/aberdeenTrusts)



Facebook: [aberdeen Investment Trusts](https://www.facebook.com/aberdeen-investment-trusts)



YouTube: [@aberdeenInvestmentTrusts](https://www.youtube.com/@aberdeenInvestmentTrusts)

### Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking long-term capital growth by investment in UK-quoted smaller companies, and who understand and are willing to accept the risks of exposure to equities.

Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that its securities can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments ("NMPIs") and intends to continue to do so for the foreseeable future. The Company's securities are excluded from the Financial Conduct Authority's restrictions which apply to NMPIs because they are securities issued by an investment trust.





# Contact Addresses

## Directors

Liz Airey (Chair)  
Ashton Bradbury  
Alexa Henderson  
Manju Malhotra  
Tim Scholefield

## Registered Office and Company Secretary

abrdrn Holdings Limited  
1 George Street  
Edinburgh EH2 2LL

Email: [uksmallercompaniesgrowth@aberdeenplc.com](mailto:uksmallercompaniesgrowth@aberdeenplc.com)

## Alternative Investment Fund Manager

abrdrn Fund Managers Limited  
1 George Street  
Edinburgh EH2 2LL

## Investment Manager

abrdrn Investment Management Limited  
1 George Street  
Edinburgh EH2 2LL

## Company Registration Number

SC145455 (Scotland)

## Legal Entity Identifier ("LEI")

213800UUKA68SHSJBE37

## Website

[aberdeenuksmallercompaniesgrowthtrust.co.uk](http://aberdeenuksmallercompaniesgrowthtrust.co.uk)

## Registrar

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

Telephone: **0370 889 4076**

Website: [investorcentre.co.uk/contactus](http://investorcentre.co.uk/contactus)

## Depository

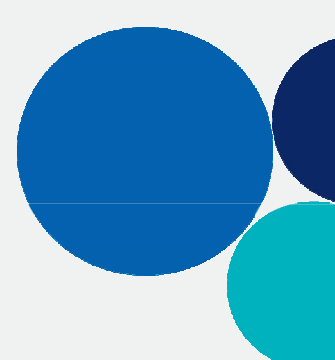
BNP Paribas SA, London Branch  
10 Harewood Avenue  
London NW1 6AA

## Stockbroker

Winterflood Investment Trusts  
Riverbank House  
2 Swan Lane  
London EC4R 3GA

## Independent Auditor

Johnston Carmichael LLP  
First Floor  
227 West George Street  
Glasgow G2 2ND



For more information visit [aberdeenuksmallercompaniesgrowthtrust.co.uk](http://aberdeenuksmallercompaniesgrowthtrust.co.uk)

**aberdeeninvestments.com**