

## 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<br>31/07/25 | 1<br>month | 3<br>months | 6<br>months | 1<br>year | 3<br>years | 5<br>years |
|-----------------|-------------------|------------|-------------|-------------|-----------|------------|------------|
| Share Price     | 526.0p            | (0.6)      | 9.7         | 3.9         | 1.3       | 10.3       | 16.3       |
| NAV             | 585.4p            | 0.7        | 10.0        | 3.4         | (0.1)     | 6.3        | 18.8       |
| Reference Index |                   | 0.7        | 11.6        | 6.7         | 2.5       | 10.7       | 39.9       |

## Discrete performance (%)

|                 | 31/07/25 | 31/07/24 | 31/07/23 | 31/07/22 | 31/07/21 |
|-----------------|----------|----------|----------|----------|----------|
| Share Price     | 1.3      | 27.8     | (14.8)   | (27.3)   | 45.1     |
| NAV             | (0.1)    | 24.4     | (14.5)   | (23.8)   | 46.8     |
| Reference Index | 2.5      | 13.2     | (4.6)    | (16.0)   | 50.3     |

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         | 3.4       | -               | 3.4      |
| Morgan Sindall    | 4.3       | 1.0             | 3.3      |
| Avon Technologies | 3.4       | 0.3             | 3.1      |
| XPS Pensions      | 3.2       | 0.4             | 2.8      |
| Alpha             | 3.6       | 0.8             | 2.8      |
| Cairn Homes       | 2.7       | -               | 2.7      |
| Volusion          | 3.3       | 0.6             | 2.7      |
| Paragon Banking   | 3.5       | 0.8             | 2.7      |
| ME Group          | 3.0       | 0.4             | 2.6      |
| Jet2              | 2.5       | -               | 2.5      |

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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         | 4.3         |
| Alpha                  | 3.6         |
| Paragon Banking        | 3.5         |
| Avon Technologies      | 3.4         |
| Cranswick              | 3.4         |
| Volusion               | 3.3         |
| XPS Pensions           | 3.2         |
| ME Group               | 3.0         |
| Cairn Homes            | 2.7         |
| Mortgage Advice Bureau | 2.6         |
| Jet2                   | 2.5         |
| Sirius Real Estate     | 2.4         |
| Premier Foods          | 2.4         |
| Tatton Asset           | 2.2         |
| Telecom Plus           | 2.2         |
| AJ Bell                | 2.2         |
| Trustpilot Group       | 2.2         |
| Games Workshop         | 2.1         |
| Diploma                | 2.0         |
| Johnson Service Group  | 2.0         |
| <b>Total</b>           | <b>55.1</b> |

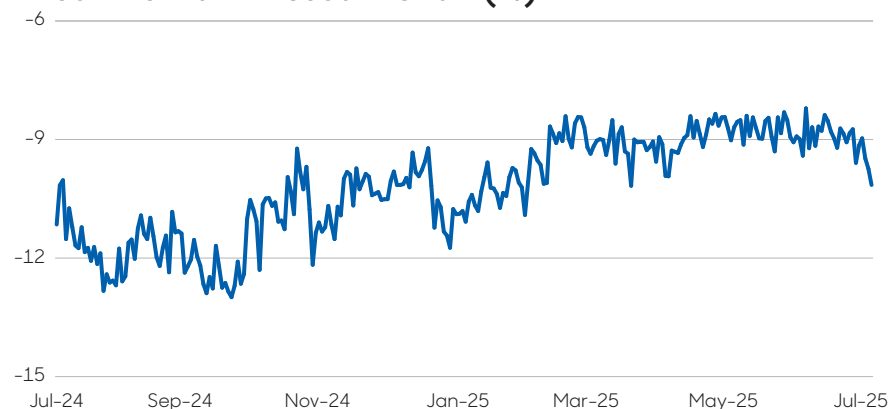
**Total number of investments** **53**

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

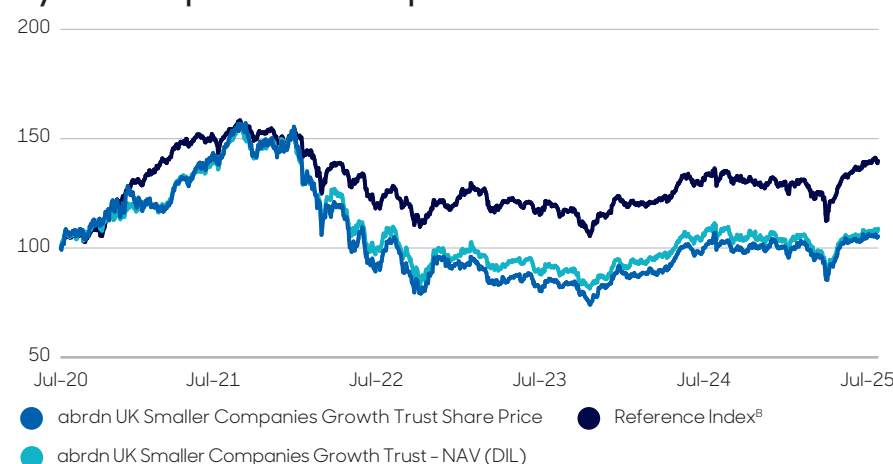


# abrdn UK Smaller Companies Growth Trust plc

## 1 Year Premium/Discount Chart (%)



## 5 year trust performance - price indexed



## Fund managers' report

### Market review

UK equities advanced in July as large-cap defensive stocks performed strongly amid wider uncertainty. Energy companies benefited from a further rise in oil prices, while bank shares increased on upbeat quarterly results. The FTSE 100 Index rose past the 9,000-point mark for the first time, returning 4.3% over the month, while the FTSE All-Share Index returned 4.0%. However, gains were more muted among mid- and small-cap stocks. The FTSE 250 Index returned 1.8% and the FTSE SmallCap Index posted a total return of 0.8%. There were concerns about the trajectory of domestic growth after Chancellor Rachel Reeves warned that the government may need to raise taxes in its autumn Budget to address the UK's challenging fiscal position.

In economic news, the Consumer Prices Index edged up to 3.6% in June, its highest level since the start of 2024. However, analysts forecast a further cut in the Bank of England base rate in August due to ongoing weakness in the labour market. UK GDP declined further in May, contracting by 0.1% following April's 0.3% decline, while more up-to-date data showed private-sector output growth slowing in July as the recovery in the services sector stalled.

### Fund managers' report continues overleaf

<sup>B</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.

## Sector allocation (%)

|                        |              |
|------------------------|--------------|
| Industrials            | 27.3         |
| Consumer Discretionary | 19.5         |
| Financials             | 19.3         |
| Consumer Staples       | 8.6          |
| Technology             | 6.1          |
| Telecommunications     | 4.0          |
| Real Estate            | 3.6          |
| Energy                 | 3.4          |
| Basic Materials        | 1.9          |
| Health Care            | 1.7          |
| Cash                   | 4.6          |
| <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                         | £389.7 million                                       |
| Borrowing                            | £40.0 million  |
| Market Capitalisation                | £314.2 million                                       |
| Share Price                          | 526.0p   |
| Net Asset Value <sup>C</sup>         | 585.4p   |
| (Discount)/Premium                   | (10.2)%  |
| 12 Month High                        | (8.2)%   |
| 12 Month Low                         | (13.0)%  |
| Net yield                            | 2.3%   |
| Net cash/(gearing) <sup>D</sup>      | (7.5)%   |
| 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 |

# abrdn UK Smaller Companies Growth Trust plc

## Fund managers' report – continued

### Performance

The Trust rose in line with its reference index. The holding in Alpha Group International was the largest contributor to relative returns. The shares rose in value after US-based payments firm Corpay made a takeover bid for the company. Volusion shares advanced after the company issued another impressive set of results that demonstrated resilient organic growth, strong margins and an excellent management team leading the business. Avon Technologies shares rose due to ongoing demand support in defence markets as well as news of the firm's new contract wins and impressive execution on its operational improvement plans.

Conversely, the main detractor from positive performance was Ashtead Technology. The stock lagged the market after the company issued a disappointing trading update that showed end-market pressures were constraining growth, alongside the impact of a weaker oil-price environment. Jet2 shares fell back despite a lack of company-specific news following a period of sustained strong performance. Bellway weakened despite publishing solid trading results, with investors cautious on companies exposed to the UK housebuilding sector given signs of a slower-than-expected recovery.

### Activity

The Trust took a new position in Balfour Beatty during the month. The construction company offers the portfolio exposure to quality, valuation and infrastructure trends. It has strong visibility on its £18.4bn order book as well as the potential to benefit from structural growth in power, defence and transport infrastructure across the UK, US, and Hong Kong. We also introduced International Personal Finance, a company that provides strong diversification benefits to the Trust. It operates a differentiated, agent-led lending model across Europe, Mexico and digital markets, with growth driven by credit cards, mobile wallets and deepening customer relationships. It behaves differently from traditional banks, helping to balance style exposure, and it is uncorrelated with the UK: this makes it a valuable addition from both a factor and geographic perspective. We took part in a placing by Coats Group to raise money to fund the acquisition of OrthoLite, a US-based premium insole manufacturer. Finally, we trimmed the holding in Hollywood Bowl Group on the basis that ongoing warm weather in the UK is likely to act as a headwind for the firm.

### ESG engagement

We met with the management of new holding Balfour Beatty to discuss the company's ESG performance. The firm's sustainability strategy has evolved in recent years, with clear net-zero targets as well as strong community engagement and employee-inclusion metrics.

We also engaged with International Personal Finance following its addition to the Trust. The company highlighted the work it carries out in terms of financial inclusion.

### Outlook

UK equity markets continue to offer attractive value, particularly within smaller companies. These businesses, often more domestically focused, are benefiting from a resilient UK economy and improving investor sentiment. Despite global uncertainty, economic data remains robust. Following the post-Liberation Day rally, we expect a more measured pace of gains. Political developments, especially around taxation, may introduce volatility. However, the broader backdrop remains supportive, and we believe we are still in the early stages of a recovery for UK small- and mid-cap stocks. Today, signs of economic improvement and more positive domestic developments are helping to drive renewed interest in this segment. Importantly, UK small- and mid-cap firms often serve end markets that are less exposed to global trade disruptions, offering a degree of protection in uncertain times. At the same time, anticipated interest rate cuts should provide an additional tailwind.

Companies that meet or exceed expectations continue to be rewarded, while those that disappoint face sharp share-price reactions. This dynamic reinforces the importance of disciplined stock selection. The Matrix remains a key tool in identifying companies that can deliver resilient earnings and helps us navigate the market through different phases of the cycle.

<sup>1</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>2</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 | 83.2         |
| FTSE 250 <sup>1</sup>  | 7.1          |
| FTSE 100   | 4.3          |
| FTSE AIM <sup>2</sup>  | 2.6          |
| Other  | 2.9          |
| <b>Total</b>   | <b>100.0</b> |

## Capital structure

|                 |            |
|-----------------|------------|
| Ordinary shares | 59,731,707 |
| Treasury shares | 44,432,715 |

## 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)  
[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<br>30 Jun 2024 | % of Average<br>NAV | Year ended<br>30 Jun 2023 | % of Average<br>NAV | % Change<br>(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-£200m  | 0.60%    |
| >£200m    | 0.55%    |

|                                 | Year ended<br>30 Jun 2024 | Year ended<br>30 Jun 2023 | % Change<br>YoY |
|---------------------------------|---------------------------|---------------------------|-----------------|
| <b>Directors fee rates (£)</b>  |                           |                           |                 |
| 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:

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