

## 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 30/06/25	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	529.0p	2.5	13.8	6.2	11.4	25.6	21.1
NAV	581.3p	2.9	13.7	4.8	6.8	16.8	20.5
Reference Index		3.3	13.6	6.9	7.8	15.2	42.1

## Discrete performance (%)

	30/06/25	30/06/24	30/06/23	30/06/22	30/06/21
Share Price	11.4	21.0	(6.8)	(34.3)	46.9
NAV	6.8	18.0	(7.4)	(27.3)	41.9
Reference Index	7.8	10.0	(2.8)	(19.0)	52.3

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	3.5	-	3.5
Morgan Sindall	4.4	1.0	3.4
Xps Pensions	3.4	0.4	3.1
Jet2	2.9	-	2.9
Paragon Banking	3.7	0.9	2.8
Mony Group	3.2	0.4	2.8
Cairn Homes	2.8	-	2.8
Avon Technologies	3.0	0.3	2.7
Mortgage Advice Bureau	2.9	0.2	2.6
Volusion	3.0	0.5	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	4.4
Paragon Banking	3.7
Cranswick	3.5
XPS Pensions	3.4
ME Group	3.2
Volusion	3.0
Avon Technologies	3.0
Jet2	2.9
Mortgage Advice Bureau	2.9
Alpha	2.8
Cairn Homes	2.8
Premier Foods	2.5
Telecom Plus	2.4
Sirius Real Estate	2.3
Johnson Service Group	2.2
Tatton Asset	2.1
Trustpilot Group	2.1
AJ Bell	2.1
Games Workshop	2.1
Bellway	2.0
<b>Total</b>	<b>55.4</b>

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

All sources (unless indicated):  
Aberdeen: 30 June 2025.

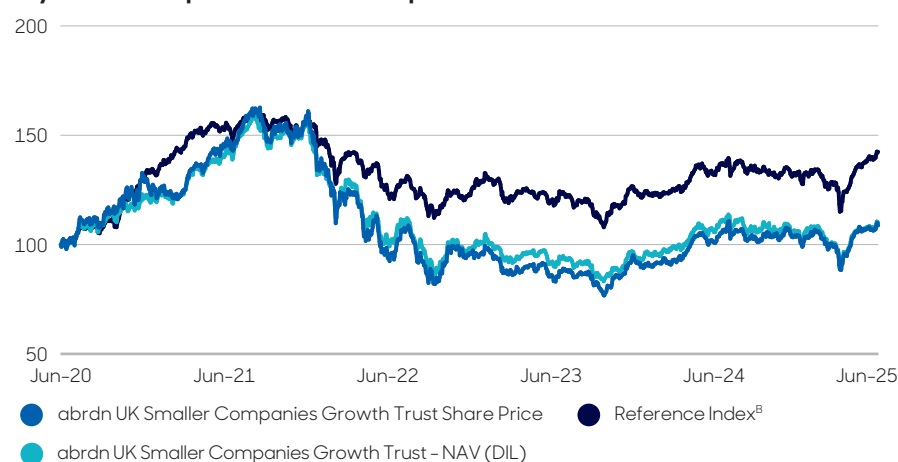


# abrdn UK Smaller Companies Growth Trust plc

## 1 Year Premium/Discount Chart (%)



## 5 year trust performance - price indexed



## Fund managers' report

### Market Review

UK equities performed positively in June as lacklustre economic data, including slowing GDP and a rise in unemployment, fuelled hopes of further Bank of England (BoE) interest-rate cuts in 2025. For the third consecutive month, mid- and small-cap stocks in the UK outperformed their large-cap counterparts. While the FTSE 100 Index returned 0.1% over the month, the FTSE 250 Index returned 3.2% and the FTSE SmallCap Index delivered a total return of 3.8%.

In economic news, the Consumer Prices Index eased back to 3.4% in May following April's 3.5% reading. The BoE left the base rate unchanged at its June meeting, but policymakers suggested another cut could be made as soon as August. The UK economy was confirmed to have expanded by 0.7% in the first three months of the year, but GDP contracted by 0.3% in April due to a combination of higher payroll taxes and concerns over US tariffs. Meanwhile, the unemployment rate was reported to have hit a four-year high in April, while retail sales declined by 2.7% in May, their steepest fall in

### 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	25.8
Consumer Discretionary	20.9
Financials	18.8
Consumer Staples	8.9
Technology	6.5
Telecommunications	4.3
Energy	3.8
Real Estate	3.6
Basic Materials	1.7
Health Care	1.6
Cash	4.1
<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	£399.1 million
Borrowing	£40.0 million
Market Capitalisation	£326.8 million
Share Price	529.0p
Net Asset Value <sup>C</sup>	581.3p
(Discount)/Premium	(9.0)%
12 Month High	(8.3)%
12 Month Low	(13.3)%
Net yield	2.3%
Net cash/(gearing) <sup>D</sup>	(6.7)%
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>	81.3%

## AIFMD Leverage Limits

Gross Notional	3x
Commitment	2x

# abrdn UK Smaller Companies Growth Trust plc

## Fund managers' report – continued

18 months. More positively, consumer confidence rose in June for the second month in a row, while overall private-sector output also increased during the month, despite the ongoing tariff-related challenges facing UK manufacturers.

### Performance

The Trust's net asset value total return over the month was positive but it underperformed its reference index. The holding in Volution detracted along with wider losses among quality exposures. Breedon also weighed on performance. The shares were negatively impacted by earnings downgrades that were based on the lacklustre trading outlook in the UK, while XPS Pensions declined despite strong earnings-per-share figures following a period of solid performance.

Conversely, Volex shares rose after the firm published quarterly results that showed impressive organic growth and margins at the top end of forecasts, despite concerns over a challenging trading environment in Turkey. The holding in Hunting rallied after a period of weakness caused by lower oil prices, with investors reacting positively to the firm's acquisition plans. Finally, Morgan Sindall shares advanced on strong earnings momentum.

### Activity

The Trust introduced a new holding in home-improvement retailer Wickes during June. While the company's shares have performed well in recent months, analyst forecasts look overly conservative, with little market recovery baked in. We see potential upside, with revenue and margins sitting well below historic levels. Although the business is inherently cyclical, recent years have not been in its favour, and we expect upcoming years to provide a tailwind to growth, supported by gains in market share. Meanwhile, we exited the holding in merchandise marketer 4imprint. The firm is in a challenging position given the tariff risks relating to both the US and Chinese markets: China dominates 4imprint's supply chain, while a significant proportion of its revenues come from the US, where concerns about economic growth are increasing. We also trimmed the holdings in Premier Foods, JTC, Hilton Food and Hollywood Bowl.

### ESG engagement

We met the chair of business growth consultancy Next Fifteen Communications to discuss its ongoing restructuring. While we have seen some board changes that should bring more experience of turnarounds, a new CFO has also recently been appointed: this creates another risk factor during an already turbulent time.

We also met with management at Hollywood Bowl for an update on its staff recruitment and retention policies. The company set out the work it does to encourage employees to progress within the organisation, and highlighted the efforts made to increase worker engagement.

### Outlook

UK small- and mid-cap markets remained strong in June, continuing the rally that began in early April. Some of this momentum has come from the more positive domestic economic data of the year to date: in the UK, we have seen stabilisation of growth expectations, inflation under control, a downwards pathway of interest rates, improving consumer confidence and strength in sterling. Potential downside risks relate more to the political outlook, as Labour struggles to balance its fiscal challenges with its pledges not to raise taxes. A fiscal cloud is therefore starting to emerge, with tax hikes increasingly likely later in 2025 to plug holes in the public finances. However, in a heavily consumer-driven economy, this could have a negative impact on growth.

Meanwhile, in a global context of continued tariff uncertainty and geopolitical conflicts, UK markets remain attractively valued. Recent flows out of the US have been more focused on Europe, but there is the potential for the UK to capture a share of those. Another important domestic development has been a number of downgrades to earnings expectations, with share prices reacting negatively as a result. Stock-picking will therefore continue to play an important role, both in terms of avoiding downgrades and also in identifying those highly rated companies that are capable of continuing to deliver strong performance.

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

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

## Important information overleaf

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

Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index	83.1
FTSE 250 <sup>†</sup>	6.8
FTSE 100	4.1
FTSE AIM <sup>‡</sup>	3.0
Other	2.9
<b>Total</b>	<b>100.0</b>

## Capital structure

Ordinary shares	61,783,713
Treasury shares	42,380,709

## 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)



## Contact

### Private investors

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

### Institutional Investors

[InvestmentTrustInvestorRelations-UK@aberdeenplc.com](mailto:InvestmentTrustInvestorRelations-UK@aberdeenplc.com)

### Ben Heatley

Head of Closed End Fund Sales  
[Ben.Heatley@aberdeenplc.com](mailto:Ben.Heatley@aberdeenplc.com)

# abrdn UK Smaller Companies Growth Trust plc

## Statement of Operating Expenses

Publication date: 8 October 2024

	Year ended 30 Jun 2024	% of Average NAV	Year ended 30 Jun 2023	% of Average NAV	% Change (YOY)
<b>Recurring Operating Expenses (£000s)</b>					
Management Fee (inc AIFM)	2,817	0.70%	3,390	0.72%	-16.9%
Custody fees and bank charges	29	0.01%	28	0.01%	3.6%
Promotional activities	249	0.06%	362	0.08%	-31.2%
Directors remuneration	169	0.04%	154	0.03%	9.7%
Depository 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
Depository & Custodian	BNP Paribas S.A. London Branch
Registrar	Computershare Investor Services PLC
Corporate Broker	Winterflood Securities Limited

## Summary of Current Key Commercial Arrangements

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

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

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

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

No performance fee.

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

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

## Important Information

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

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

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

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

## Important information

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

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

### Other important information:

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