

## 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>31/03/25 | 1<br>month | 3<br>months | 6<br>months | 1<br>year | 3<br>years | 5<br>years |
|-----------------|-------------------|------------|-------------|-------------|-----------|------------|------------|
| Share Price     | 465.0p            | (5.0)      | (6.7)       | (4.0)       | 6.3       | (15.9)     | 18.0       |
| NAV             | 511.2p            | (5.2)      | (7.9)       | (7.4)       | 0.0       | (19.2)     | 26.6       |
| Reference Index |                   | (3.3)      | (5.9)       | (7.4)       | (0.4)     | (11.1)     | 49.0       |

## Discrete performance (%)

|                 | 31/03/25 | 31/03/24 | 31/03/23 | 31/03/22 | 31/03/21 |
|-----------------|----------|----------|----------|----------|----------|
| Share Price     | 6.3      | 8.2      | (27.0)   | 1.0      | 38.9     |
| NAV             | 0.0      | 8.1      | (25.3)   | 5.4      | 48.6     |
| Reference Index | (0.4)    | 3.0      | (13.4)   | (2.1)    | 71.3     |

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 |
|------------------------|-----------|-----------------|----------|
| XPS Pensions           | 4.0       | 0.4             | 3.6      |
| Cranswick              | 3.5       | -               | 3.5      |
| Games Workshop         | 2.8       | -               | 2.8      |
| Cairn Homes            | 2.7       | -               | 2.7      |
| Ashtead Technology     | 2.8       | 0.2             | 2.6      |
| Hilton Foods           | 2.9       | 0.4             | 2.5      |
| Diploma                | 2.5       | -               | 2.5      |
| Mortgage Advice Bureau | 2.7       | 0.2             | 2.5      |
| Paragon Banking        | 3.2       | 0.8             | 2.4      |
| ME Group               | 2.8       | 0.4             | 2.4      |

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## Morningstar Analyst Rating™



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

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

## Morningstar Rating™



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

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



## Twenty largest equity holdings (%)

|                        |             |
|------------------------|-------------|
| XPS Pensions           | 4.0         |
| Cranswick              | 3.5         |
| Morgan Sindall         | 3.2         |
| Paragon Banking        | 3.2         |
| Premier Foods          | 3.0         |
| JTC                    | 3.0         |
| Hilton Foods           | 2.9         |
| Ashtead Technology     | 2.8         |
| Games Workshop         | 2.8         |
| Alpha                  | 2.8         |
| ME Group               | 2.8         |
| Volution               | 2.8         |
| Cairn Homes            | 2.7         |
| Mortgage Advice Bureau | 2.7         |
| Gamma                  | 2.5         |
| Diploma                | 2.5         |
| Coats                  | 2.5         |
| Tatton Asset           | 2.3         |
| Hill & Smith           | 2.3         |
| Hunting                | 2.3         |
| <b>Total</b>           | <b>56.9</b> |

**Total number of investments** **48**

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

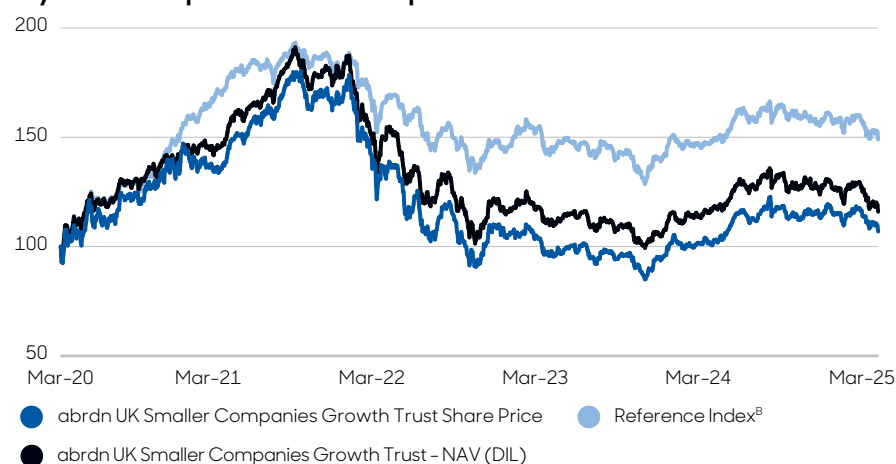


# abrdn UK Smaller Companies Growth Trust plc

## 1 Year Premium/Discount Chart (%)



## 5 year trust performance - price indexed



## Fund managers' report

### Market review

UK equities followed other Western markets downwards in March due to fears that tariffs introduced by the US government would limit global growth and increase inflationary pressures. Uncertainty around President Trump's plans for import levies caused significant volatility throughout the month as investors weighed their impact on global trade as well as financial and geopolitical stability. On a domestic level, the UK stock market reacted calmly to the spending cuts and weaker growth forecasts announced in Chancellor Rachel Reeves' Spring Statement. The FTSE 100 finished the month with a total return of -2.0%, although losses were more pronounced among medium-sized companies, with the FTSE 250 Index returning -3.9%. The FTSE Small Cap Index, meanwhile, returned -1.5%.

Economic data in the UK remained mixed, with the Consumer Prices Index recorded at 2.8% in February, a slightly larger-than-expected fall on January's 3.0% figure. The Bank of England kept the base rate unchanged at its March meeting and warned that rises in energy costs could drive inflation higher later in the year. Upwardly revised official data

### Fund managers' report continues overleaf

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

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

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

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

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

## Sector allocation (%)

|                        |              |
|------------------------|--------------|
| Industrials            | 24.4         |
| Financials             | 20.3         |
| Consumer Discretionary | 19.7         |
| Consumer Staples       | 10.6         |
| Technology             | 5.7          |
| Energy                 | 5.1          |
| Telecommunications     | 4.7          |
| Real Estate            | 3.5          |
| Basic Materials        | 3.1          |
| Health Care            | 1.5          |
| Cash                   | 1.5          |
| <b>Total</b>           | <b>100.0</b> |

## Key information

### Calendar

|                        |               |
|------------------------|---------------|
| Accounts Published     | September     |
| Annual General Meeting | October       |
| Launch Date            | 1993          |
| Dividends Paid         | April/October |

### Trust information

|                                      |  |
|--------------------------------------|--|
| Fund Manager                         | Abby Glennie / Amanda Yeaman                         |
| Gross Assets                         | £371.2 million                                       |
| Borrowing                            | £40.0 million  |
| Market Capitalisation                | £301.3 million                                       |
| Share Price                          | 465.0p   |
| Net Asset Value <sup>c</sup>         | 511.2p   |
| (Discount)/Premium                   | (9.0)%   |
| 12 Month High                        | (8.4)%   |
| 12 Month Low                         | (14.4)%  |
| Net yield                            | 2.6%   |
| Net cash/(gearing) <sup>d</sup>      | (10.3)%  |
| 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> | 81.1%  |

## AIFMD Leverage Limits

|                |    |
|----------------|----|
| Gross Notional | 3x |
| Commitment     | 2x |

# abrdn UK Smaller Companies Growth Trust plc

## Fund managers' report – continued

showed the UK economy had expanded by 1.1% in 2024, although GDP contracted by 0.1% in January. More up-to-date figures indicated a rise in private-sector output in March thanks to growth in the services sector. However, manufacturers remained under pressure due to the challenging outlook for international trade and reported the largest fall in exports and production volumes since 2023.

### Performance

The Trust's net asset value total return over the month was negative and it underperformed its reference index. The main detractor was the position in Trustpilot Group. The company lagged the wider market despite publishing a largely positive trading statement as investors questioned certain financial technicalities. Similarly, despite publishing a relatively solid full-year update, Clarkson declined due to the currently elevated levels of macroeconomic uncertainty that have created short-term difficulties for shipping markets. The holding in 4imprint Group also weakened as the firm made a subdued start to the 2025 financial year, with slower trading driven by risks around tariffs and the wider macroeconomic environment. However, the firm's management remains confident of maintaining gross margins across the business. On the positive side, the holding in Volution Group rose after the company published upgrades to its earnings outlook. Ashtead Technology advanced on signs that the business continues to deliver on its strategy and drive earnings upgrades. Management also discussed a potential move to the main market. Bytes Technology Group shares rose after the company issued a strong update that showed growth and effective management of vendor rebate changes.

### Activity

We exited the Trust's holding in ingredients manufacturer Treatt during the month. The company has performed poorly on our Matrix analysis tool and has also suffered from high levels of management turnover in recent months. We also reduced the position sizes in a number of businesses, including XPS Pensions Group, Alpha Group International, AJ Bell and Raspberry Pi, and topped up the holdings in Breedon Group and Sirius Real Estate.

### ESG engagement

We met management at Hill & Smith to discuss progress over the past three years since the firm formalised its ESG strategy and set out sustainability priorities following a comprehensive materiality assessment. The goal is to create sustainable infrastructure and safe transport through innovation. The company believes this strategy and priorities remain relevant and will continue to review and adapt its approach. Hill & Smith has a sustainability committee that works with the firm's operating companies to create actionable plans with measurable near- and medium-term targets. The business has a new CEO who is committed to the group's ESG agenda.

### Outlook

Markets were again dominated by macroeconomic news in March and equities saw sharp declines in response to the threats and expected consequences of Donald Trump's tariffs. The current environment presents a highly unusual backdrop and the risks around economic forecasts are considerably higher than normal. As the situation is in flux and involves a host of unknowns – including whether the US may backtrack in case of a severe market and economic reaction, as well as the extent to which other countries may retaliate – we would hope the UK market looks for resilient and reliable businesses that are delivering on earnings expectations.

This aligns with our focus on quality and growth, and company reporting remains strong. Our engagement with management teams remains high and regular contact with them in volatile times remains important. Our quality companies continue to demonstrate confidence to invest in their own business, both organically and through acquisitions. UK markets remain cheap and unloved but offer a great depth and breadth of UK and international exposure. The shine is starting to come off Wall Street and, with allocations to US markets having reached all-time highs in recent months, the flow outlook appears more favourable for European stocks.

<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 | 86.0         |
| FTSE 100   | 5.4          |
| FTSE 250 <sup>†</sup>  | 3.6          |
| FTSE AIM <sup>‡</sup>  | 2.2          |
| Other  | 2.8          |
| <b>Total</b>   | <b>100.0</b> |

## Capital structure

|                 |            |
|-----------------|------------|
| Ordinary shares | 64,788,065 |
| Treasury shares | 39,376,357 |

## 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-£175m    | 0.75%    |
| £175m-£550m | 0.65%    |
| >£550m      | 0.55%    |

| Directors fee rates (£)         | Year ended<br>30 Jun 2024 | Year ended<br>30 Jun 2023 | % Change<br>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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