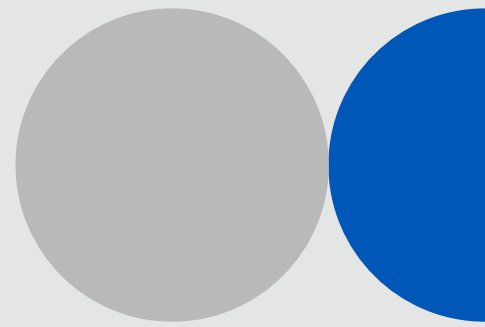


# abrdn UK Smaller Companies Growth Trust plc

Capturing the growth potential of UK smaller companies

Performance Data and Analytics to 30 September 2024



## Investment objective

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

## Benchmark

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

## Cumulative total returns (%)

	as at 30/09/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	496.0p	(3.9)	2.0	10.7	23.5	(28.3)	12.6
NAV	563.9p	(4.3)	1.4	8.0	21.4	(24.1)	16.2
Reference Index <sup>A</sup>		(2.1)	2.5	7.6	14.1	(13.9)	22.0

## Discrete performance (%)

	30/09/24	30/09/23	30/09/22	30/09/21	30/09/20
Share Price	23.5	3.9	(44.1)	40.6	11.7
NAV	21.4	3.0	(39.3)	37.8	11.1
Reference Index <sup>A</sup>	14.1	3.3	(26.9)	45.7	(2.8)

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	Benchmark	Relative
Diploma	4.1	-	4.1
Cranswick	3.6	-	3.6
XPS Pensions	3.5	0.3	3.2
JTC	4.0	0.8	3.2
Morgan Sindall	3.7	0.7	3.0
Hill & Smith	3.6	0.8	2.8
Hilton Food	3.0	0.4	2.6
Paragon Banking	3.3	0.8	2.5
Volution	3.0	0.6	2.4
Jet2	2.4	-	2.4

<sup>A</sup> Reference Index has been the Deutsche Numis Smaller Companies plus AIM ex Investment Companies Index since 31st December 2017 and the Deutsche Numis Smaller Companies ex Investment Companies Index prior to that date.  
<sup>B</sup> © 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf> The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>.

## Morningstar Analyst Rating™



<sup>B</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 Sustainability Rating™



## Morningstar Rating™



<sup>B</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 (%)

Diploma	4.1
JTC	4.0
Morgan Sindall	3.7
Cranswick	3.6
Hill & Smith	3.6
XPS Pensions	3.5
Paragon Banking	3.3
AJ Bell	3.2
Coats	3.0
Gamma	3.0
Volution	3.0
Hilton Food	3.0
Ashtead Technology	2.6
Sirius Real Estate	2.5
Hunting	2.4
Jet2	2.4
Hollywood Bowl	2.3
Alpha	2.3
4imprint	2.3
Premier Foods	2.3
<b>Total</b>	<b>60.1</b>

**Total number of investments** 48

All sources (unless indicated): abrdn: 30 September 2024.

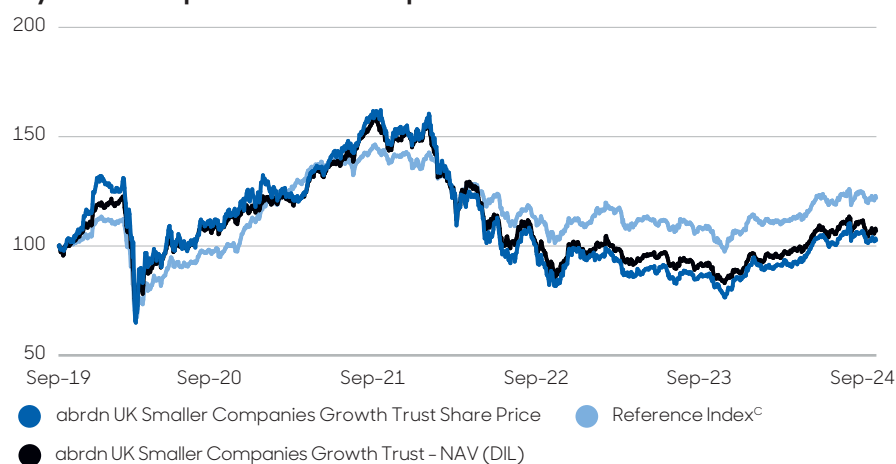


# abrdn UK Smaller Companies Growth Trust plc

## 1 Year Premium/Discount Chart (%)



## 5 year trust performance - price indexed



## Fund managers' report

### Market review

UK equities underperformed in September, lagging the gains seen across global markets. Investors in Britain were concerned about the possibility of imminent tax rises after the UK Government warned of a 'black hole' in the public finances, while economic statistics showed signs of weakness. The FTSE 100 returned -1.5% due to falls in large-cap energy stocks, but the more domestically focused FTSE 250 rose 0.1%, stabilising after August's sharp decline. The FTSE Small Cap Index also gained 0.1% over the month. In economic news, the UK Consumer Prices Index remained at 2.2% in August, and the Bank of England opted to leave interest rates unchanged, in contrast to central banks in Europe and the US. Official data indicated the UK economy had unexpectedly failed to grow in July. More up-to-date figures showed a slowing of private-sector expansion in September, with businesses reportedly concerned about potential fiscal policy changes in the autumn Budget.

### Fund managers' report continues overleaf

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

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

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

<sup>f</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>g</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	24.1
Financials	21.3
Consumer Discretionary	18.6
Consumer Staples	8.8
Energy	5.0
Technology	4.9
Telecommunications	4.6
Basic Materials	4.4
Real Estate	3.6
Health Care	1.4
Cash	3.2
<b>Total</b>	<b>100.0</b>

## Key information

### Calendar

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

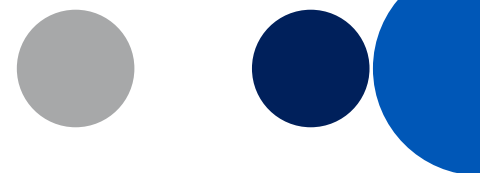
### Trust information

Fund Manager	Abby Glennie / Amanda Yeaman
Gross Assets	£451.9 million
Borrowing	£40.0 million
Market Capitalisation	£362.4 million
Share Price	496.0p
Net Asset Value <sup>d</sup>	563.9p
(Discount)/Premium	(12.0)%
12 Month High	(9.5)%
12 Month Low	(16.5)%
Net yield	2.4%
Net cash/(gearing) <sup>e</sup>	(6.1)%
Trust Annual Management Fee	0.75% on Net Assets up to £175m, 0.65% on Net Assets between £175m and £550m and 0.55% on Net Assets over £550m
Ongoing Charges <sup>f</sup>	0.92%
Active Share percentage <sup>g</sup>	81.3%

### AIFMD Leverage Limits

Gross Notional	3x
Commitment	2x

# abrdn UK Smaller Companies Growth Trust plc



## Fund managers' report – continued

The prospect of higher taxes also led to a decline in consumer confidence during the month.

### Performance

The Trust's net asset value total return on an ex-income basis declined during the month and it underperformed its benchmark. The main detractor from relative returns was the holding in Ashtead Technology. The shares fell due to a lack of earnings upgrades, although solid results for the first half of the year demonstrated ongoing strong demand. Next 15 shares reacted badly to downgrades to earnings that reflected a softer macroeconomic backdrop as well as the loss of a significant contract. The holding in Mortgage Advice Bureau was negatively affected by the news of a Financial Conduct Authority investigation into insurance products. Conversely, the position in Gamma Communications added to performance due to the firm's solid half-year results. They showed double-digit earnings growth and a further meaningful acquisition in Germany. Volusion shares reacted well to the firm's acquisition of Fantech Group, a provider of commercial and residential ventilation in Australia and New Zealand. This is a strategically relevant deal at a good price. Cranswick issued an earnings statement that demonstrated another period of good trading. Recent disinflation in the UK food market has supported volumes and the company's core customer set has been gaining market share on a sustained basis.

### Activity

During September, we topped up the Trust's holdings in a number of businesses, including, Ashtead Technology, AJ Bell, Coats, Cairn Homes, Alpha Group International, ME Group International and Trustpilot. We reduced the position sizes in GlobalData, Hilton Food, Volusion, Bytes Technology and Paragon Banking.

### ESG Engagement

We met Jet2 to discuss the company's commitment to sustainable aviation fuel (SAF). Jet2 is investing in a new SAF production plant, the Fulcrum Northpoint facility, a waste-to-fuels plant developed by Fulcrum BioEnergy. Production of SAF is expected to commence in 2027 and at full capacity will convert 600,000 tonnes of non-recyclable household waste, which would otherwise have been destined for incineration or landfill, into 100 million litres of SAF every year. SAF has the potential to significantly improve the carbon efficiency of Jet2's fleet of 98 Airbus A321 and A320 neo aircraft.

### Outlook

The last two months have been an unsettled period for global equities as investors have reacted to economic and political uncertainty – most notably the risk of slowing growth in the US and the forthcoming American presidential election. However, we continue to see a strong earnings growth outlook in the UK small- and mid-cap space, with healthy double-digit projections across the FTSE 250 far exceeding the forecasts for limited growth in the FTSE 100. Investor appetite for UK stocks remains healthy, though flows to the sector have eased after a small recovery from historic lows earlier in the year. We hope inflows will gather momentum as markets gain more confidence when macro events play out. Valuations remain attractive, especially in the face of the earnings growth forecast, and bid activity continues to play an important role in the UK market. Lastly, we reiterate our belief that the start of the rate-cutting cycle should be a further positive catalyst for smaller companies.

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

## Important information overleaf

## Composition by market capitalisation (Ex Cash) (%)

Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index	84.2
FTSE 250 <sup>H</sup>	6.7
FTSE 100	4.3
FTSE AIM <sup>I</sup>	2.5
Other	2.3
<b>Total</b>	<b>100.0</b>

## Capital structure

Ordinary shares	73,055,739
Treasury shares	31,108,683

## 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.abrdn.com/trustupdates](http://www.abrdn.com/trustupdates) [www.abrdn.com/AUSC](http://www.abrdn.com/AUSC)



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# abrdrn UK Smaller Companies Growth Trust plc

## Statement of Operating Expenses

Publication date: 8 October 2024

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

## Current Service Providers

AIFM	abrdrn Fund Managers Limited
Investment Manager	abrdrn Investment Management Limited
Company Secretary	abrdrn 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 abrdrn Fund Managers Limited (aFML), a wholly owned subsidiary of abrdrn 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 abrdrn 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 abrdrn Holdings Limited, promotional activities to abrdrn 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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