

Fund guide abrdn UK Smaller Companies Fund

October 2024



Abby Glennie
Fund Manager



Amanda Yeaman
Fund Manager

Key features

£956.0m

Fund size

47

Number of holdings

25+

Years applying the investment process



Silver Morningstar medalist rating

Source: abrdn, 30 September 2024. Morningstar, 30 April 2024.

Why consider the Fund?

<p>01</p>	<p>Performance: Over 25 years of performance through a focus on Quality, Growth, and Momentum (QGM) demonstrates the long-term returns and effectiveness of our UK smaller companies' long-term investment process.</p>
<p>02</p>	<p>Diversification: Investing in UK Smaller Companies provides diversification to a broader portfolio, giving exposure to more domestically focused companies and different sector exposures to what is found higher up the market cap.</p>
<p>03</p>	<p>Positive outlook: The UK hosts innovative, resilient companies with strong, improving earnings with a favourable outlook for Quality and Growth, providing good opportunity for bottom-up stock pickers.</p>

Why invest now?



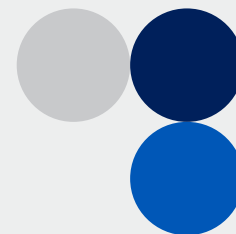
Attractive valuations versus large caps – Small caps are trading at historic lows relative to large caps, offering an attractive entry point for investors.



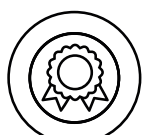
Smaller companies as rates are cut – Historical data shows that following previous rate cuts, Smaller Companies have outperformed their larger peers.



M&A – 2024 has seen significant M&A activity within the UK market, with many small-cap companies being acquired at substantial premiums. We believe there is scope for M&A activity moving forward.



Why abrdrn?



Quality focus:

We seek companies that demonstrate a range of high-quality characteristics, operate in growing markets, and display positive business momentum.



We run our winners:

Momentum is a vital factor as young companies grow. We therefore 'run our winners', holding companies for as long we think they will outperform, including when some reach mid-cap status.



Tried and tested process:

Our dedicated Smaller Companies team use a process that has been unchanged since the 1990s, tried and tested through multiple economic cycles.

Product overview

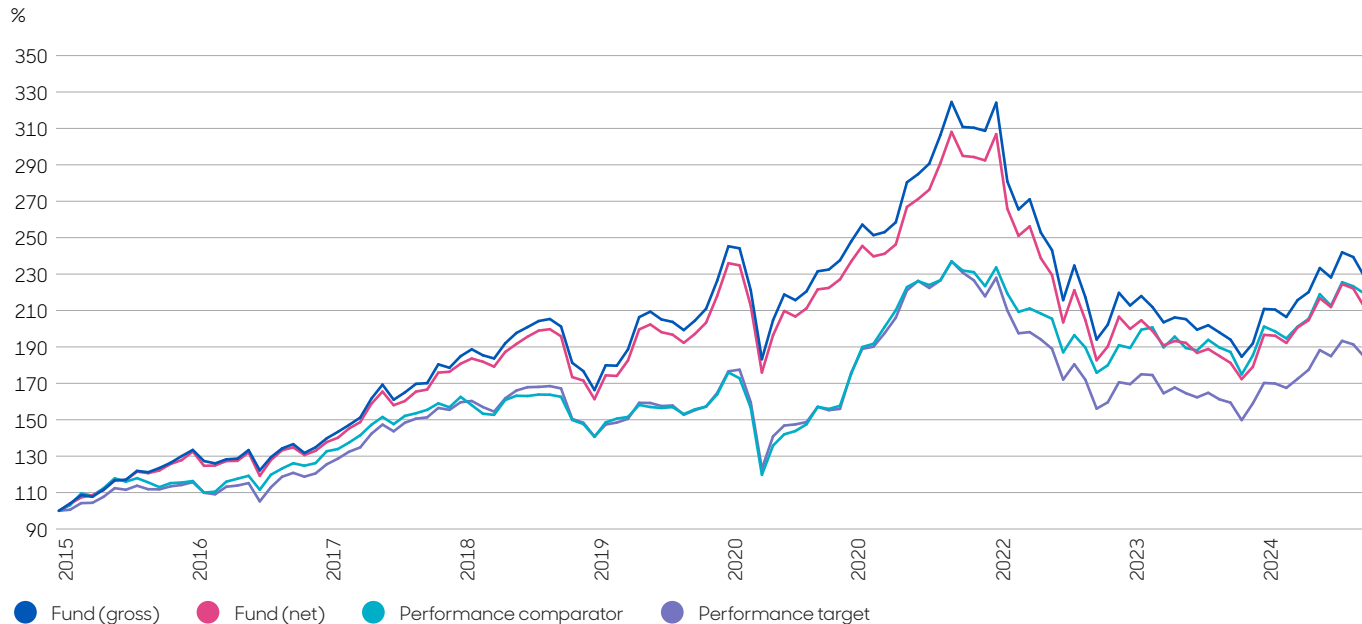
Objective	To generate growth over the long term (5 years or more) by investing in UK small-capitalisation equities (company shares).
Performance target	To achieve the return of the Deutsche Numis Smaller Companies Plus AIM ex Investment Companies Index plus 3% per annum (before charges). There is no certainty or promise that they will achieve the Performance Target.
Performance Comparator	Investment Association UK Smaller Companies Equity Sector Average. Deutsche Smaller Companies Plus AIM ex Investment Companies Index (the "Index") is a representative index of the UK stock market of smaller companies.
Structure	UK-authorized OEIC



abrdn UK Smaller Companies Fund

How has the Fund performed?

Cumulative and annualised performance



Cumulative and annualised performance

	1 Month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (gross) (%)	-4.50	6.00	8.41	17.84	-9.73	2.26
Fund (net) (%)	-4.61	5.58	7.75	16.90	-10.43	1.45
Performance target (%)	-1.80	9.07	8.99	17.16	-1.85	7.09
Performance comparator (%)	-3.62	6.99	8.37	15.72	-7.20	3.50

Discrete annual returns - year to 30 September

	2024	2023	2022	2021	2020
Fund (gross) (%)	17.84	-0.03	-37.57	33.67	13.73
Fund (net) (%)	16.90	-0.80	-38.06	32.60	12.81
Performance target (%)	17.16	6.46	-24.20	48.76	0.12
Performance comparator (%)	15.72	2.12	-32.38	48.69	-0.02

Performance data: As at 30 September 2024.

Performance Data: Share Class Institutional Inc GBP.

Benchmark history: Performance comparator - IA UK Smaller Companies Equity Sector Average.

Source: abrdn (Fund & Benchmark) and Morningstar (Sector). Basis: Total Return, NAV to NAV, UK Net/Gross Income Reinvested.

Fund (Net) refers to the actual unit price performance of the shareclass shown; *Fund(Gross)* adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. These figures do not include the initial charge; if this is paid it will reduce performance from that shown.

Past performance is not a guide to future returns and future returns are not guaranteed.



Want to discuss more?
Contact your local
abrdn representative
by clicking **here**.

For more
information
visit our **website**.

Important Information

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.

- **Equity Risk** - The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- **Smaller and Mid Cap Risk** - The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- **Concentration Risk** - A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- **Derivatives Risk** - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.
- More details of the risks applicable to this fund can be found in the Key Investor Information Document (KIID) and Prospectus, both of which are available on request or at our website **abrdn.com**.

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