



For UK investment professionals only.

Fund guide abrdn European Smaller Companies Fund

June 2024



Andrew Paisley
Fund Manager

Key features

£82.6m

Fund size

46

Number of holdings

25+

Years applying the investment process

0.75%

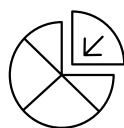
Annual management charge

Source: abrdn, 30 April 2024.

Why consider the Fund?

01	Performance – Historically, European smaller companies have outperformed their larger peers by an average of 397% ¹ per annum since 2000. Small caps are sometimes seen as risky, but the higher risk accounts for the long-term return premium that you might achieve.
02	Breadth of opportunities – In Europe, smaller companies make up just under 68% ² of all listed companies. Yet they're under-researched by analysts. This leads to market mispricing – and opportunities for active investors.
03	Growth potential – Small caps have the potential to grow faster than larger peers and they're often sheltered from macro uncertainty due to local market exposure. These factors can provide diversification benefits if you add small caps to your large-cap equity portfolio.

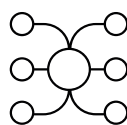
Why invest now?



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



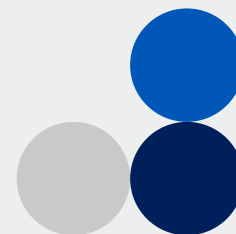
Smaller companies as rates are cut – Historical data shows that following previous rate cuts, Smaller Companies have outperformed their larger peers.



Diversification – Similar to the US market, European Large Caps have seen narrow market leadership. Adding dedicated European Smaller Companies exposure offers the prospect of diversification benefits within portfolios.

¹ Source: Returns since end 2000 (inception of MSCI Europe Small NR) annualised and cumulative in GBP.

² Source: MSCI Europe Small Cap 903, MSCI Europe 420, 30/04/2024.



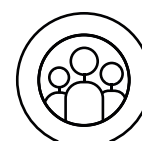
Why abrdn?



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



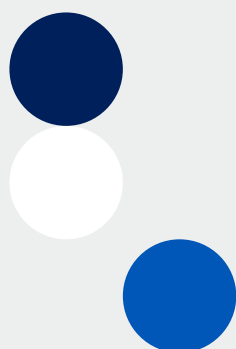
We run our winners: Momentum is a vital factor as young companies grow. We therefore 'run our winners', holding companies for as long we think they will outperform, including when some reach mid-cap status.



Experienced team: The Fund draws on the long-established fundamental research expertise of our award-winning, 9-strong smaller companies team.

Product overview

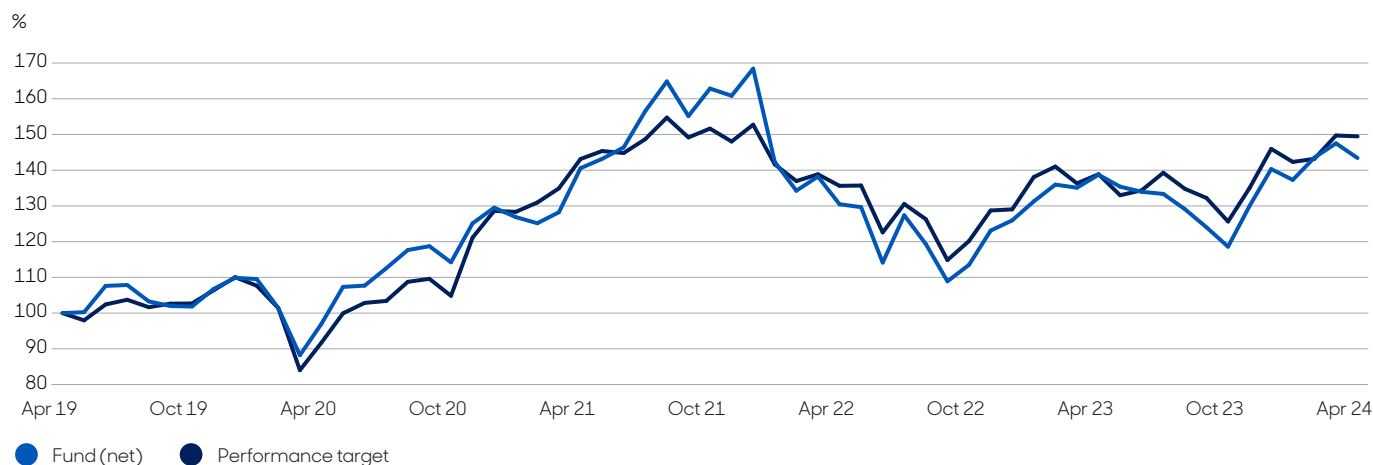
Objective	To generate growth over the longer term (5 years or more) by investing in European smaller capitalisation equities (company shares).
Performance target	To achieve the return of the FTSE Developed Europe Small Cap Index, plus 3% per annum over rolling five-year periods (before charges). There is no certainty or promise that the Performance Target will be achieved. The FTSE Developed Europe Small Cap Index (the "Index") is a representative index of the stock market for European smaller companies.
Derivatives	Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.
Structure	UK-authorized OEIC.



abrdn European Smaller Companies Fund

How has the Fund performed?

Performance



Cumulative and annualised performance

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (net) (%)	-2.78	20.93	2.19	4.28	0.96	7.65
Performance target (%)	-0.16	18.98	2.41	7.64	1.46	8.37

Discrete annual returns - year to 30 April

	2024	2023	2022	2021	2020
Fund (net) (%)	4.28	6.33	-7.18	44.86	-2.98
Performance target (%)	7.64	2.39	-5.24	56.00	-8.25

Performance Data: Share Class I Acc.

Benchmark history: Performance target - FTSE Developed Europe Small Cap Index +3.00% from 31/07/2023. EMIX Smaller European Companies Index +3.00% from 30/10/2009 to 30/07/2023.

Source: Lipper. Basis: Total Return, NAV to NAV, UK Net 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.
- 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.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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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