

**SHINING A LIGHT ON THE.....
abrdn Global Smaller Companies Fund**

AT A GLANCE

Investment Objective
To generate growth over the long term (5 years or more) by investing in Global small-capitalisation equities (company shares). The fund will invest at least 70% in small-capitalisation equities and equity related securities of companies listed on global stock exchanges.

Inception Date	19 th January 2012
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000NMQA

Management	
Manager Name	Start Date
Kirsty Desson	25 th February 2020
Harry Nimmo	25 th June 2020

FUND PERFORMANCE

Performance from 1st January 2016 to 30th June 2022:

	2016	2017	2018	2019	2020	2021	2022
abrdn Global Smaller Companies Fund	26.39%	25.38%	-4.91%	18.27%	32.71%	19.53%	-34.17%
MSCI ACWI Small Cap NR LCL	12.76%	19.43%	-12.71%	24.19%	13.76%	19.07%	-18.99%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
abrdn Global Smaller Companies Fund	-27.54%	3.12%	30.23%	211.29%
MSCI ACWI Small Cap NR LCL	-17.41%	18.82%	31.85%	158.74%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
12.40	-	97.76	121.98	47.22	0.99	(3.73)	Growth/Mid

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Volatility Measurements	
3-Yr Std Dev (volatility)	21.58%
3-Yr Mean Return (average)	1.03%

Investment Style Details	
Giant	0.00%
Large	2.57%
Medium	65.43%
Small	25.56%
Micro	2.20%

Top 5 Holdings – 48 Equity Holdings		
abrnd Sterling Fund Z-1	-	4.29%
TechTarget Inc	Communication Services	3.84%
Paylocity Holding Corp	Technology	3.76%
ALS Ltd	Industrials	3.48%
Pool Corp	Industrials	3.43%

Top 5 Sectors	
Industrials	30.11%
Technology	24.17%
Consumer Cyclical	11.18%
Communication Services	10.98%
Financial Services	7.35%

Top 5 Regions	
United States	47.11%
Australia	7.10%
United Kingdom	7.02%
Japan	6.08%
Taiwan	6.06%

UPDATE....

This is managed by the team that work across the smaller company's strategies. They all use the matrix system which screens on quality factors. The global small cap weighted market cap is around £5 billion so this tends to have larger companies than would be seen in the UK smaller cap fund. The strategy will also "run their winners", so can hold up to 30% in mid to large cap, as long they were originally small cap. Currently, they have around 18%.

They see the strategy as investing in the best ideas from across the world. They use the matrix to generate ideas but also look to other global specialist fund managers in areas, like Japan, China, Australia, and the US to feed in ideas. There will be a crossover with regional strategies but they will reduce or remove holdings which may remain in other funds.

The performance will be lumpy and it has struggled recently with the drift away from quality to value. Where they have been adding is in more defensive growth areas. They have reduced Kornit Digital, where their margins had been squeezed due to the inability to pass through price increases. Another example is Jungheinrich who operate in the Ukraine, and so that will damage structural growth.

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One of the stocks they have sold is Dolby Digital, where they feel they have not capitalised on their dominate position.

Some examples of stocks they have added include:

Eventim – ticketing agency for stadiums

ASICS – this is a “fallen angel” but has seen significant change with new management, a good digital strategy, growth in China etc

GTT – have dominate market share in the developing of liquid gas liners

Digital Ingredients – is a US company that recycle animal waste from slaughterhouses into animal feed and cosmetics. They also take cooking oil and turn into fuel. They have just opened an operation in Thailand

Envista – they develop products for dentists

In summary, this is a best ideas fund working alongside the other smaller company regional strategies that abrdn manage. It has had a difficult period as the market turns away from quality. However, they think this is changing and they are positioned well when the rebound comes.

The source of information in this note has been provided by abrdn and is correct as of July 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.