

**Joint Lead
Fund Manager**
Peter Ewins



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Nish Patel



Manager Commentary

February 2024 saw equity markets bounce back after losses in January. This was despite the fact that bond yields continued to rise during the month. Smaller companies performed strongly in North America, but in Europe and the UK, they remained under some pressure given weakening economic growth closer to home. The Company's Net Asset Value (NAV) and share price rose during the month, but by less than the Benchmark. The discount widened slightly.

While we lagged the local small-cap market return during February in the UK, within the portfolio, there were some strong performers. Among these was Kitwave, a distributor of confectionary and food products, which reported good results with strong organic revenue growth and ongoing market share gains. Energy services rental business, Ashtead Technology Holdings, and bowling alley operator, Hollywood Bowl Group, both did well, helped by positive commentary from brokers. The latter also benefited from entry into the FTSE 250 Index. On the negative side, optical components producer, Gooch & Housego, suffered from order cancellations in its aerospace and defence business, and investors took profits in the shares of speciality foam maker, Zotefoams, and buy-to-let lender OSB Group.

Within the North American portion of the portfolio, apparel retailer, Boot Barn Holdings, reported an improving trend in same store sales, driving its shares higher. Other strong performers during the month included construction materials business, Eagle Materials, which announced a further round of price increases for its cement products, and automotive parts distributor, LKQ, which posted encouraging results, with revenues in North America above expectations. Precious metals-related businesses, SSR Mining and Wheaton Precious Metals, both lagged in the month, with the former suffering from a landslide at one of its largest mines in Turkey and the latter announcing disappointing production guidance. Medical diagnostics company, QuidelOrtho, reported lower-than-expected revenues from its respiratory business and the departure of its CEO.

We outperformed in Europe. CTS Eventim, the market-leading online ticketing business, announced results that exceeded expectations, demonstrating that the boom in live entertainment events continues unabated. We saw a good reaction to results and guidance issued by Gerresheimer, the German-listed pharmaceutical packaging company that is refocusing its business on value-added areas such as GLP-1 pharmaceuticals. Karnov, a provider of legal information services, is making very good progress on the integration of a recent acquisition. On the negative side, Atea, the Scandinavian IT reseller, fell as demand normalised after a surge during the pandemic period. Nordic Semiconductor, the leading Bluetooth semiconductor designer, had a disappointing update as its sales continued to suffer from high inventories at customers. Surgical Science Sweden, the robotic surgery simulation company, also had weak fourth-quarter results as demand from the education sector disappointed.

Performance in Japan was mixed in February. Japanese flow control equipment manufacturer, Ebara, delivered excellent results, particularly from its energy business. Sanwa Holdings, a building products company, reported strong domestic profit and order growth. NGK Spark, a producer of spark plugs for the auto industry, delivered better-than-expected earnings as it sold a more favourable mix of products that have higher margins. On the other hand, Daiwabo Holdings, a distributor of IT products, suffered from weak end markets. SK Electronics, a manufacturer of semiconductor devices, announced disappointing results because of weaker-than-expected demand. Real estate developer, Nomura Real Estate Holdings, saw a deterioration in conditions in some of its overseas markets. The Eastspring Japan Smaller Companies fund we hold in the portfolio ended the month marginally behind the MSCI Japan Small Cap Index.

The Rest of World holdings produced mixed returns during the month, with The Scottish Oriental Smaller Companies and Utilico Emerging Markets trusts lagging in the main due to widening discounts, while the Schroder's Global Emerging Markets small cap and Pinebridge Asia ex Japan small cap funds did well.

Key risks

Values may fall as well as rise and investors may not get back the full amount invested. Income from investments may fluctuate. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. Where investments are made in emerging markets, or smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment. If markets fall, gearing can magnify the negative impact on performance.

Key facts as at 29.02.24

Trust aims: To secure a high total return by investing in smaller companies worldwide.

Trust highlights: One of the largest specialist global smaller companies investment trusts. Greater inherent growth potential in smaller companies. Strong dedicated small company investment team. The dividend has risen in each of the last 53 years.

Benchmark: 20% Numis UK Smaller Companies (ex investment companies) Index / 80% MSCI All Country World ex UK Small Cap Index net

Fund type: Investment Trust

Launch date: 1889

Total assets: £916.4m

Share price: 148.80p

NAV (debt at market value): 173.06p

Discount/premium(-/+): -14.02%

Dividend payment dates: Aug, Jan

Net dividend yield[†]: 1.58%

Net gearing/Net cash[†]: 4.50%

Management fee rate^{}:** 0.55%

Ongoing charges^{}:** 0.79%

Year end: 30 April

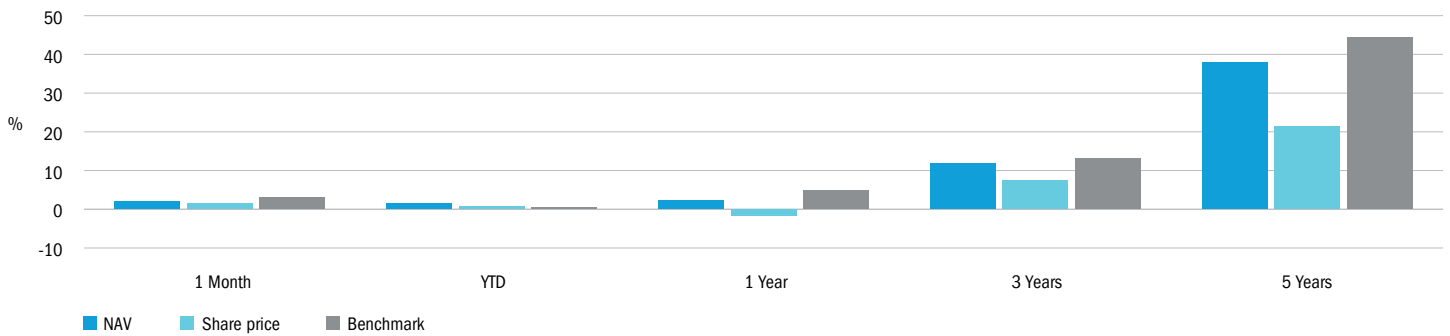
Sector: AIC sector Global Smaller Companies

Currency: Sterling

Website: globalsmallercompanies.co.uk

^{**} Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.

Fund performance as at 29.02.24



Cumulative performance as at 29.02.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV (debt at market value)	1.91	1.39	2.12	11.63	37.89
Share price	1.50	0.68	-1.71	7.37	21.43
Benchmark	3.03	0.51	4.88	13.05	44.25

Discrete annual performance as at 29.02.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV (debt at market value)	2.12	2.04	7.13	20.97	2.11
Share price	-1.71	3.63	5.42	16.17	-2.64
Benchmark	4.88	2.71	4.94	26.19	1.12

Past performance is not a guide to future performance. Source: Lipper and Columbia Threadneedle Investments. Basis: Percentage growth, total return, bid to bid price with net income reinvested in sterling. The discrete annual performance table refers to 12 month periods, ending at the date shown.

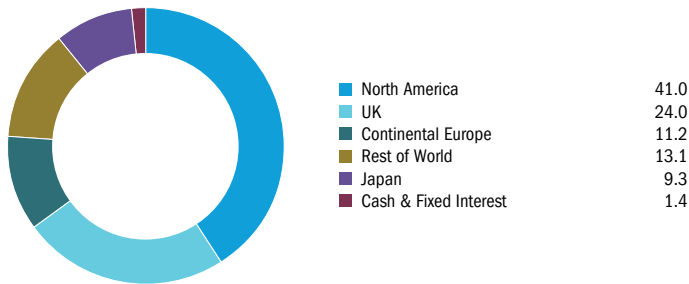
Trust codes

Stock exchange code	GSCT
Sedol	BKLXD97
Legal Entity Identifier	2138008RRULYQP8VP386

Top 10 holdings (%)

	% of net assets	Sector
Eastspring Investments Japan Smaller Companies Fund	4.8	Collective investments
Pinebridge Asia ex Japan Small Cap Fund	3.7	Collective investments
Schroder ISF Global Emerging Markets Smaller Companies Fund	3.5	Collective investments
The Scottish Oriental Smaller Companies Trust	3.5	Collective investments
Utilico Emerging Markets Trust	2.5	Collective investments
Eagle Materials	2.1	Industrials
Kirby	1.6	Industrials
LKQ	1.5	Consumer Discretionary
The Ensign Group	1.5	Healthcare
Graphic Packaging	1.4	Industrials

Geographical breakdown (%)



Net dividend distributions pence per share

	2019	2020	2021	2022	2023	2024
January	0.50	0.55	0.55	0.57	0.63	0.68
August	1.15	1.15	1.20	1.27	1.67	-
Total	1.65	1.70	1.75	1.84	2.30	0.68

Restated for 10 for 1 share split on 31 October 2019.

Glossary

Bid price	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
Dividend	Income paid to shareholders by the company they invest in.
Net asset value	A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.



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All data as at 29.02.2024 unless otherwise stated.

All information is sourced from Columbia Threadneedle Investments, unless otherwise stated. Percentages in the top ten holdings table based on gross assets. †The yield is calculated on an historic basis using the actual dividends paid during the company's last financial year and the closing share price as at the end of the relevant month. *Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. Please refer to the latest annual report as to how the fee is structured. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Investor Document ("KID") for the relevant product.

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The Global Smaller Companies Trust PLC is an investment trust and its Ordinary Shares are traded on the main market of the London Stock Exchange.

English language copies of the key information document (KID) can be obtained from Columbia Threadneedle Investments, Exchange House, Primrose Street, London EC2A 2NY, telephone: Client Services on 0044 (0)20 7011 4444, email: sales.support@columbiathreadneedle.com or electronically at www.columbiathreadneedle.com. Please read before taking any investment decision.

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