

Fund Manager
Nish Patel



Morningstar Rating[†]



Manager Commentary

In November, smaller companies rose in most geographies in sterling terms, with the exception of Europe and the emerging markets. Economic data was worse than expected in most regions; however, China saw some improvement. Cyclical sectors were in favour, with consumer discretionary, financials and industrials leading. In contrast, defensive sectors such as healthcare, materials and consumer staples lagged. The month was dominated by the US election, in which Donald Trump secured a decisive victory and the Republican Party achieved a ‘clean sweep’ of both branches of Congress. As a result, the US could benefit from deregulation and the extension of previously enacted tax cuts. On the other hand, tariffs may impact trading partners and inflation could see a resurgence. Interest rates were cut again in the US and the UK. Bond yields were volatile and were influenced by the continuously changing outlook for economic growth, inflation and fiscal budget deficits. Yields rose in the first two weeks of November and then fell towards the end of the month. Equity market valuations expanded significantly, particularly in the US, and corporate bond credit spreads tightened to very narrow levels.

The Company’s Net Asset Value (NAV) rose 3.4% in November. The discount widened a little during the period. The movement in the Company’s NAV and share price underperformed the Benchmark.

In North America, our portfolio struggled to keep up with a rapidly rising market and lagged its Benchmark. The Ensign Group (an operator of healthcare facilities) and Molina Healthcare (a managed care organisation) fell with the sector because of concerns over potential reductions in federal healthcare program funding levels by the new administration. Precious metals streaming company Wheaton Precious Metals fell with the gold price. On the positive side, diversified financial services company Jefferies Financial Group and regional bank Webster Financial were both seen as possible beneficiaries of deregulation in the sector. Security software business Cognyte Software announced a share repurchase program and the shares responded favourably to this.

The UK portfolio underperformed its Benchmark in November. John Wood Group, a provider of engineering and project management services, fell after the company initiated an independent review of its contracts. A challenging retail backdrop continued to impact sales at Pets at Home, particularly in the company’s more discretionary product lines. Structural steel business Severfield saw delays in large projects and uncovered specification issues with some of its products. We received another takeover bid in the UK, with an approach for restaurant chain Loungers by private equity at a 30% premium. FD Technologies, a technology provider to the financial services industry, reported good results and disposed of its consulting business. Provider of online auction platforms Auction Technology Group announced encouraging results, with previous investments now appearing to bear fruit.

The European portfolio was slightly behind its Benchmark during the month. Profit forecasts rose for Accelleron Industries, a manufacturer of turbochargers units. Results were better than feared for Italian industrial company Interpump, and investors started to look forward to a recovery in earnings after a period of inventory reduction. Similarly, despite difficult trading conditions, particularly in the fashion industry, software developer Lectra remained resilient and delivered a solid set of results. On the negative side, ticketing and events business CTS Eventim saw higher costs that reduced the company’s profitability. Concerns over tougher price negotiations with customers and higher wages hindered commercial services company Elis. A slowdown in growth led to lower earnings forecasts for speciality chemicals company Symrise.

Returns in Japan were ahead of the MSCI Japan Small Cap Index in November. Wire manufacturer SWCC Showa Holdings raised its earnings guidance because of strong demand and improved labour availability. Building products specialist Sanwa Holdings saw good performance from its Americas division, leading management to raise the company’s profit forecast for the year. Regional bank Nishi-Nippon lifted its dividend and announced a share repurchase program. Pharmaceuticals distributor Toho Holdings suffered from concerns over an adverse shift in sales towards lower margin products. Technology hardware business Amano and radiation equipment manufacturer Rigaku were both the subject of profit-taking.

In totality, the Rest of World fund holdings underperformed during the month. The Schroders Global Emerging Markets Smaller Companies and the Pinebridge Asia ex Japan small cap funds outperformed. The Scottish Oriental Smaller Companies and the Utilico Emerging Markets investment trusts both underperformed and were particularly affected by a widening in their discounts.

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 30.11.24

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

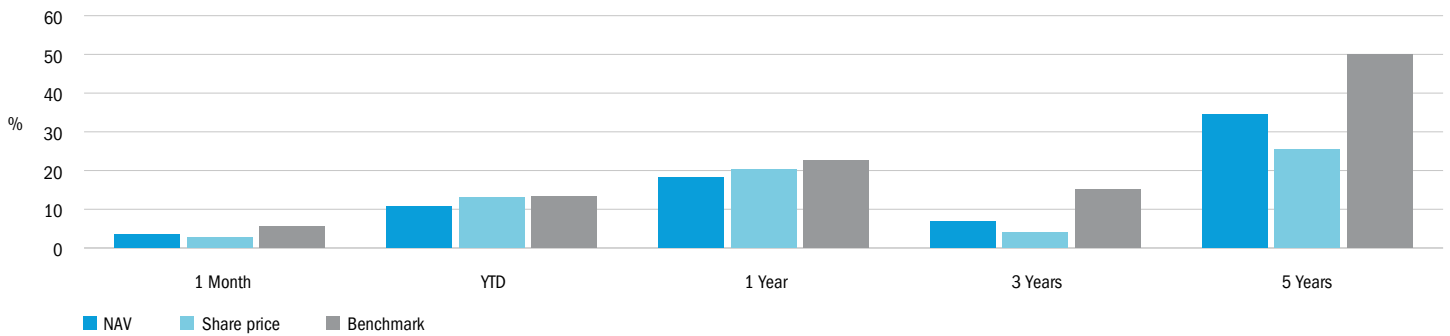
Trust highlights: One of the largest specialist global smaller companies investment trusts. Greater inherent growth potential in smaller companies. Strong dedicated small company investment team. The dividend has risen in each of the last 54 years.

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:	£910.2m
Share price:	164.80p
NAV (debt at market value):	186.99p
Discount/premium(-/+):	-11.87%
Dividend payment dates:	Aug, Jan
Net dividend yield[†]:	1.71%
Net gearing/Net cash[†]:	5.56%
Management fee rate^{**}:	0.55%
Ongoing charges^{**}:	0.61%
Year end:	30 April
Sector:	AIC sector Global Smaller Companies
Currency:	Sterling
Website:	globalsmallercompanies.co.uk

^{**} Ongoing charges is calculated excluding the costs suffered within underlying investment funds. Please refer to the latest Annual Report.

Fund performance as at 30.11.24



Cumulative performance as at 30.11.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV (debt at market value)	3.38	10.79	18.31	6.84	34.46
Share price	2.62	12.96	20.15	4.03	25.35
Benchmark	5.55	13.25	22.70	15.16	50.01

Discrete annual performance as at 30.11.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV (debt at market value)	18.31	-2.70	-7.18	24.17	1.36
Share price	20.15	-3.42	-10.35	19.89	0.50
Benchmark	22.70	-1.07	-5.13	22.57	6.28

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.

Top ten equity holdings (excluding collective funds)

Holdings	Sector	% of net assets
Eagle Materials	Industrials	2.3
Kirby	Industrials	1.9
Curtiss Wright	Industrials	1.8
Brown & Brown	Financials	1.7
Graphic Packaging	Industrials	1.6
Wheaton Precious Metals	Basic Materials	1.6
The Ensign Group	Healthcare	1.6
Martin Marietta Materials	Industrials	1.4
Encompass Health	Healthcare	1.3
WSP Global	Industrials	1.3

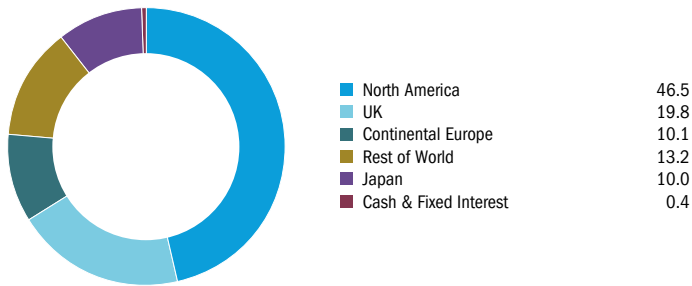
Collective fund holdings

Holdings	Sector	% of net assets
The Scottish Oriental Smaller Companies Trust	Collective investments	3.8
Schroder ISF Global Emerging Markets Smaller Companies Fund	Collective investments	3.7
Pinebridge Asia ex Japan Small Cap Fund	Collective investments	3.6
Utilico Emerging Markets Trust	Collective investments	2.2
Eastspring Investments Japan Smaller Companies Fund	Collective investments	1.2

Trust codes

Stock exchange code	GSCT
Sedol	BKLDX97
Legal Entity Identifier	2138008RRULYQP8VP386

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	2.13
Total	1.65	1.70	1.75	1.84	2.30	2.81

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 30.11.2024 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, Cannon Place, 78 Cannon Street, London EC4N 6A. Email: inv.trusts@columbiathreadneedle.com or electronically at www.columbiathreadneedle.com. Please read before taking any investment decision.

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