

# The Global Smaller Companies Trust plc

## Annual General Meeting 2022

### Peter Ewins – Lead Manager

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# Investment risk

The value of your investments and any income from them can go down as well as up and you may not get back the original amount invested. Investments in smaller companies carry a higher degree of risk as their shares may be less liquid and investment values can be volatile.

An investment concerns the acquisition of units or shares in a fund, and not underlying assets such as buildings or shares of a company, as these are only the underlying assets owned by the fund.

The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in the prospectus. Full list of relevant risks can be found in the KIID and prospectus.

# Agenda

**Results for 2021/22**

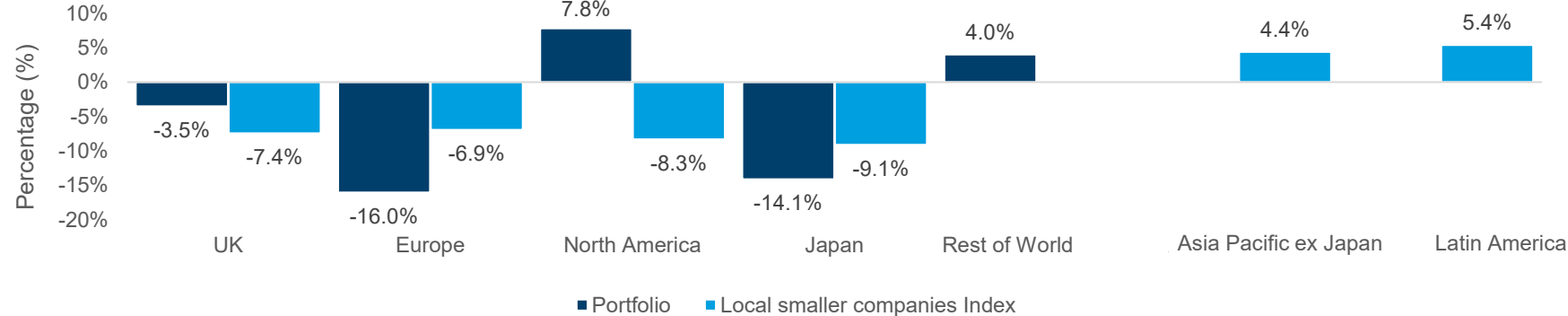
**Current portfolio structure and recent strategy**

**Performance in new financial year to date and outlook**

# Financial highlights for the 2021/22 year

NAV (debt at fair value)	-0.2%
Benchmark	-3.2%
Share price	-6.4%
Dividend per share	+5.1%

## Geographical performance (total return sterling adjusted)



Source: Columbia Threadneedle Investments.

# Takeovers in 2021/22



Source: Columbia Threadneedle Investments. For illustrative purposes only.  
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# Performance record over the last five financial years

Discrete performance %, 12 month rolling (GBP, net of fees, total returns)

Percentage growth, %	Apr-21/ Apr-22	Apr-20/ Apr-21	Apr-19/ Apr-20	Apr-18/ Apr-19	Apr-17/ Apr-18
<b>NAV</b>	-0.2	48.0	-13.8	3.8	9.3
<b>Share Price</b>	-6.4	54.0	-16.5	-1.0	9.0
<b>Benchmark</b>	-3.2	54.1	-14.1	3.0	7.9

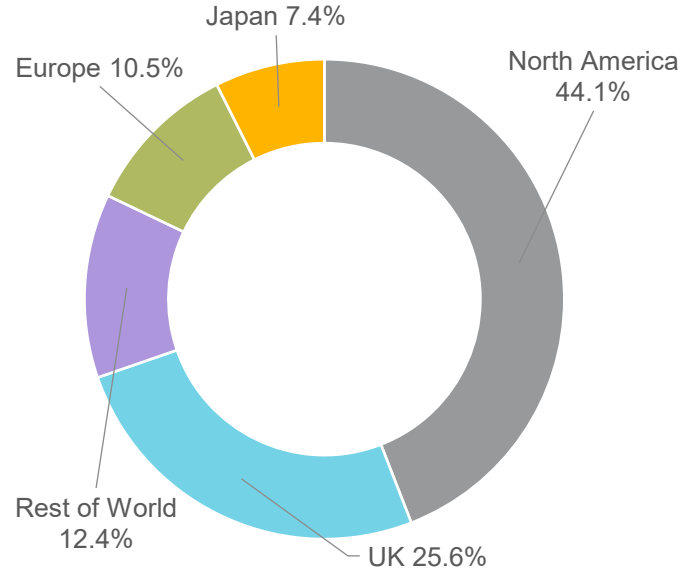
# Performance record over the long term

Performance %, over various periods (GBP, net of fees, total returns)

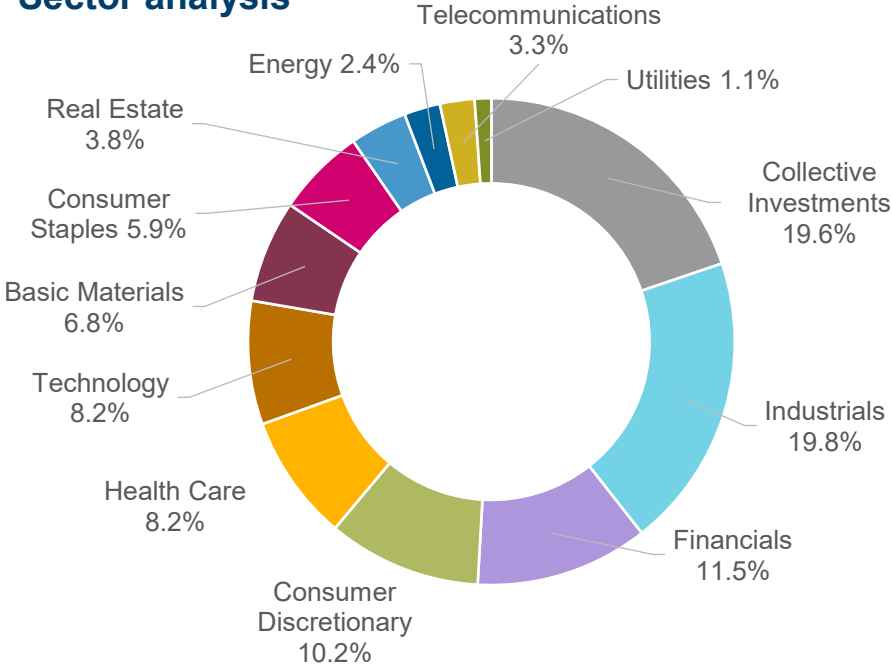
Percentage growth, %	1 year	3 years	5 years	10 years	25 years
<b>NAV</b>	-0.2	27.3	44.4	221.1	1041.7
<b>Share Price</b>	-6.4	20.4	29.9	195.2	1181.1
<b>Benchmark</b>	-3.2	28.3	42.5	196.5	827.2

# Where the portfolio is invested as at 30 June 2022

## Geographic analysis



## Sector analysis



Source: Columbia Threadneedle Investments as at 30 June 22. Geographic weights are shown as a percentage of equity assets. Sector weights on the percentage of invested portfolio. Figures subject to rounding. Benchmark: 30% Numis UK Smaller Companies (ex investment companies) Index / 70% MSCI All Country World ex UK Small Cap Index .

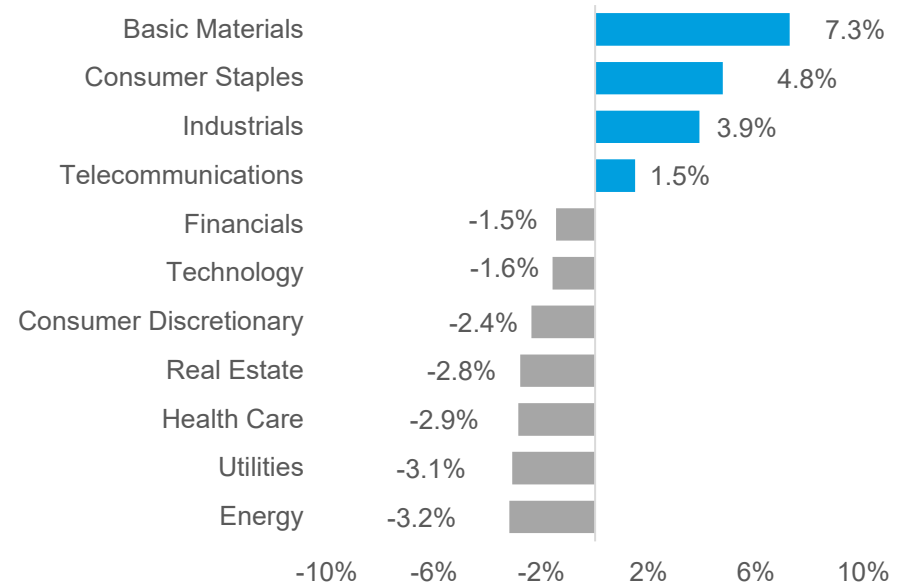


# North American portfolio

## Key stock positions as at 30 June 2022

Top 10 absolute holdings (%)	Portfolio weight
LKQ Corp	3.5
Eagle Materials	3.3
Alleghany	2.9
Kirby	2.9
Molina Healthcare	2.8
Spectrum Brands	2.7
The Ensign Group	2.7
Graphic Packaging	2.6
Wheaton Precious Metals	2.6
Brown & Brown	2.6
<b>Total</b>	<b>28.5</b>

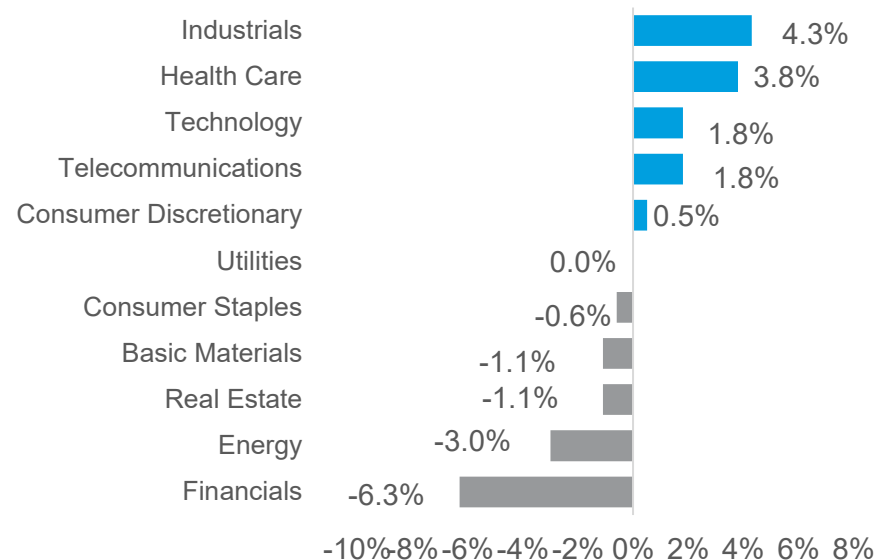
### Sector analysis (% relative to benchmark)



Source: Columbia Threadneedle Investments. Portfolio weights for holdings shown are percentages of the North American portfolio. This does not constitute a recommendation to buy or sell the mentioned security. Figures subject to rounding. Benchmark: Russell 2000 Index.

Top 10 absolute holdings (%)	Portfolio weight
Euromoney Institutional Investor	4.8
Energiean	3.6
Telecom Plus	3.3
Biffa	2.9
OSB Group	2.4
CLS Holdings	2.3
Next Fifteen Communications	2.0
Treatt	2.0
Morgan Advanced Materials	1.9
Redde Northgate	1.9
<b>Total</b>	<b>27.0</b>

### Sector analysis (% relative to benchmark)



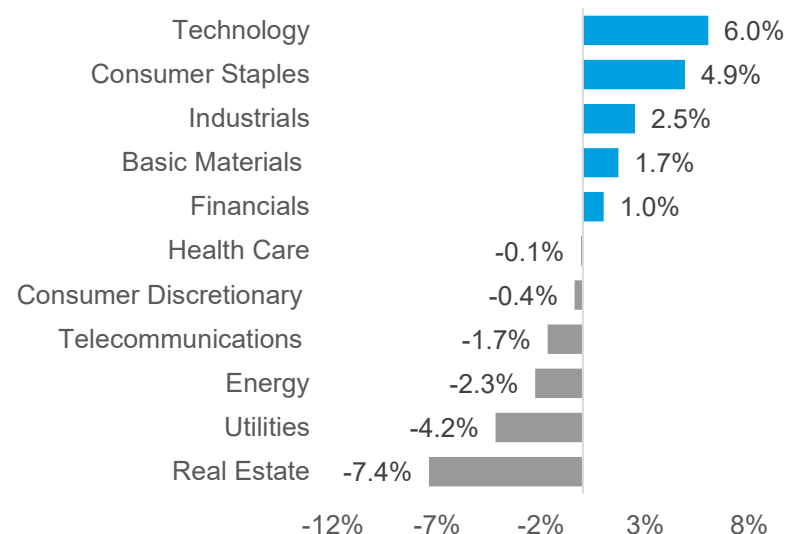
Source: Columbia Threadneedle Investments. This does not constitute a recommendation to buy or sell the mentioned security. Portfolio weights shown for holdings are percentages of the UK portfolio. Figures subject to rounding. Benchmark: Numis UK Smaller Companies (excluding investment companies) Index.

# European portfolio

## Key stock positions as at 30 June 2022

Top 10 absolute holdings (%)	Portfolio weight
SIG Group	3.9
Ringkjoebing Landbobank	3.6
Lotus Bakeries	3.5
Gerresheimer	3.3
Interpump Group	3.3
Corticeira Amorim	3.2
Karnov Group	3.2
Sligro Food	3.1
Lectra	3.1
IMCD Group	3.0
<b>Total</b>	<b>32.2</b>

### Sector analysis (% relative to benchmark)










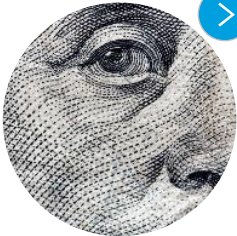
Source: Columbia Threadneedle Investments. This does not constitute a recommendation to buy or sell the mentioned security. Portfolio weights for holdings are shown as percentages of the European portfolio. Figures subject to rounding. Benchmark: EMIX Smaller European Companies (ex UK) Index.

# Collectives for Japan and Rest of World

Holdings	Portfolio weight %*
Eastspring Investments Japan Smaller Companies Fund	3.6%
Pineridge Asia ex Japan Small Cap Fund	3.1%
Aberdeen Standard Japanese Sustainable Small Companies Fund	3.0%
The Scottish Oriental Smaller Companies Trust	2.9%
Utilico Emerging Markets Trust	2.1%
Schroder ISF Global Emerging Smaller Companies Fund	2.0%
HSBC GIF Asia ex Japan Equity Smaller Companies	1.3%
Aberdeen Standard SICAV 1 Asian Smaller Companies Fund	0.9%
Baillie Gifford Japanese Smaller Companies Fund	0.7%
Australian New Horizons Fund	0.02%

Source: Columbia Threadneedle Investments as at 30 June 22. \*Percentage of investment portfolio including cash. This does not constitute a recommendation to buy or sell the mentioned security. Figures subject to rounding.

# Recent Portfolio Strategy

<p><b>Taken UK weight down a little as takeover proceeds come in</b></p>	<p><b>Overweight to Industrials, added to energy services</b></p>	<p><b>Reduced Technology and Consumer discretionary stocks</b></p>	<p><b>Overweight US, assessing a number of de-rated growth stocks</b></p>	<p><b>Increased focus on balance sheets and economic sensitivity</b></p>	<p><b>Modest gearing level maintained</b></p>
	 	 			

Source: Columbia Threadneedle Investments

## Performance in the new financial year to date

<b>Net asset value ( debt at fair value )</b>	<b>-4.1%</b>
<b>Benchmark</b>	<b>-3.2%</b>
<b>Share price</b>	<b>-7.0%</b>

# Outlook



- A myriad of uncertainties around macro outlook, corporate earnings face squeeze with risk of recession as monetary policies are tightened.
- Change to a more inflationary world driving re-evaluation of individual stock outlooks and portfolio's sector skew.
- Continuing corporate activity in early part of new financial year on portfolio but this could slow given higher funding costs and more risk for acquirers.
- Focusing on higher quality businesses with strong balance sheets, at sensible valuations by historic standards.

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