

# The Global Smaller Companies Trust PLC

## AGM Presentation

August 2025



**Nish Patel**  
Lead Fund Manager



# Important information

The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

The value of your investment is dependent on the supply and demand for the shares of the Investment Trust rather than its underlying assets. The value of your investment will not be the same as the value of the Investment Trust's underlying assets.

Changes in rates of exchange may also reduce the value of your investment.

Investments in smaller companies carry a higher degree of risk as their shares may be less liquid and investment values can be volatile.

# Agenda



- Market environment
- Results for 2024/2025
- Changes made over the financial year 2024/2025
- Long term performance record
- Portfolio activity and positioning
- Outlook

# Market environment over 2024/2025 financial year



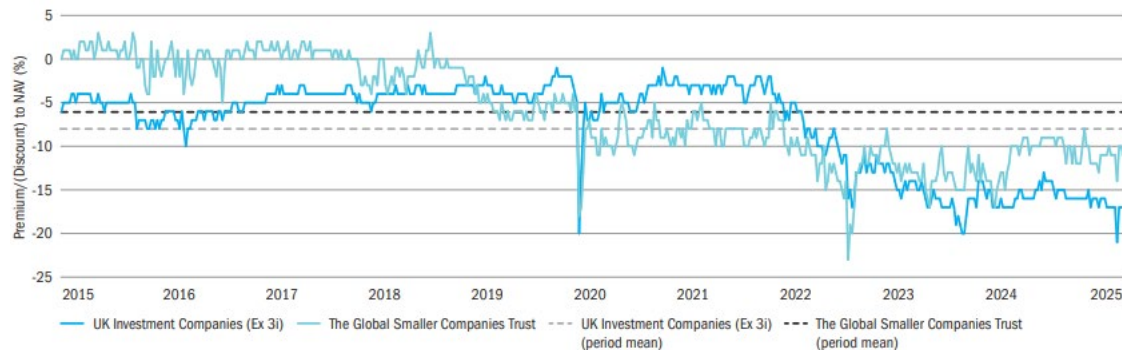
- A year of political change. Many incumbent parties were unseated.
- Trade tensions escalated. Conflict continued.
- Healthy labour markets, high asset prices and fiscal spending supported economic growth.
- Inflation moderated, allowing central banks to cut interest rates.
- Longer dated bond yields stayed high, reflecting concerns over inflation and budget deficits.
- The Dollar weakened significantly.
- Mixed performance from smaller companies: North America and the Rest of World declined. The UK, Europe and Japan delivered moderate returns.
- Volatility picked up towards the end of the financial year.

# Financial highlights

12 months to 30 April 2025

NAV (debt at market value)	-4.8%
Benchmark	-0.8%
Share price	-5.6%
Dividend per share	+6.8%

## Discount to NAV over the last 10 years



Source: Columbia Threadneedle Investments

Source: Columbia Threadneedle Investments as at 30-Apr-25, returns are total returns in sterling terms. NAV: Net Asset Value. Benchmark: 20% Deutsche Numis UK Smaller Companies (ex-investment companies) Index / 80% MSCI All Country World ex UK Small Cap Index Net.

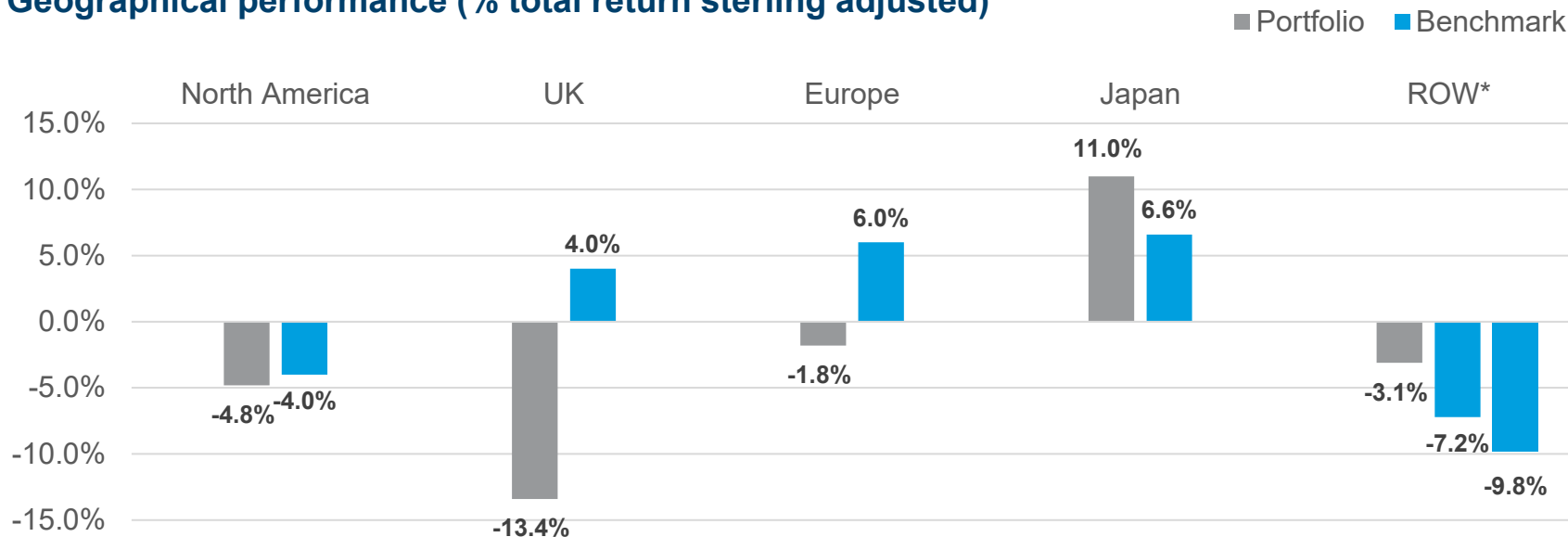
**Past performance should not be seen as an indication of future performance.**



# Financial highlights

## 12 months to 30 April 2025

### Geographical performance (% total return sterling adjusted)



**Past performance should not be seen as an indication of future performance.**

Source: Columbia Threadneedle Investments as at 30-Apr-25, returns are total returns in sterling terms..

\*Performance of the Rest of World portfolio is shown here against the Asia ex Japan and Latin American smaller company indices respectively.

# Attribution for 12 months to 30 April 2025

	Top contributors to performance	Portfolio average weight %	Total return %	Total effect	Bottom contributors to performance	Portfolio average weight %	Total return %	Total effect
North America	Wheaton Precious	3.7	51.7	2.0	Kosmos Energy	1.1	-74.5	-1.2
	Brown & Brown	3.8	27.9	1.1	WEX	2.1	-42.2	-1.0
	Encompass Health	2.8	32.5	1.0	CDW	2.0	-37.0	-0.8
	Curtiss-Wright	3.5	27.9	0.9	MaxLinear	0.8	-55.0	-0.7
	Genpact	1.8	55.7	0.9	Kirby	4.1	-17.2	-0.6
UK	Auction Technology	1.7	16.8	0.4	Next 15	0.9	-51.0	-1.3
	QinetiQ	0.9	35.2	0.4	Ashtead Technology	1.4	-32.3	-1.1
	Loungers	1.2	31.6	0.3	Yougov	1.1	-66.5	-0.9
	Baltic Classifieds	1.2	38.5	0.3	Kitwave	2.5	-20.1	-0.7
	Paragon	2.2	24.2	0.3	Essentra	1.2	-47.9	-0.7
Europe	RENK	0.7	85.4	2.0	ASM International	2.6	-28.5	-1.1
	Karnov	2.3	77.0	1.3	Stabilus	1.1	-50.4	-1.0
	CTS Eventim	3.9	26.6	0.9	Tecan	1.7	-51.7	-1.0
	Avanza Bank	2.1	49.7	0.7	Glanbia	2.0	-34.2	-0.9
	Nordnet	2.7	40.3	0.6	Davide Campari-Milano	1.0	-44.8	-0.8
Japan	SWCC Showa	2.6	63.6	2.2	Sojitz	2.9	-15.7	-1.1
	Sanwa	4.2	91.2	2.2	Niterra	5.4	-7.6	-0.7
	Tomy	3.8	26.3	2.1	Ebara	0.9	-28.0	-0.7
	Nippon Television	4.0	50.1	1.9	QoL Holdings	0.4	-17.9	-0.6
	PAL Group	2.3	120.6	1.4	Morinaga	2.4	-9.4	-0.5

Source: Columbia Threadneedle Investments 12 months end to 30-Apr-25. Figures in GBP. Figures subject to rounding. Portfolio average weight and total effect is shown in relation to the size of the regional portfolio. This does not constitute a recommendation to buy or sell the mentioned security.

# Changes made over the financial year 2024/2025

- Measures taken to improve future investment performance versus the Benchmark:
  - Strengthening of the investment team
  - Insourcing of remaining third party Japan fund
  - Reduction in number of holdings from 213 to 196
  - Refinement in approach to selling investments
  - Greater use of additional resources within Columbia Threadneedle Investments
- Increased share repurchase activity: 47.3m shares (9.6% of starting share capital) repurchased over the year, compared to 30.2m shares (5.8%) last year.
- Ramp up of marketing and PR activity.



# Strong absolute/relative performance over 25 years



Index	Cumulative return
GSCT	718%
MSCI AC World SC	603%
Deutsche Numis UK SC ex inv cos	522%
MSCI World	461%
FTSE 100	218%

**Past performance should not be seen as an indication of future performance.**

Source: Columbia Threadneedle Investments and Bloomberg as at 30-Apr-2025. In GBP, total returns over 25 years. Figures subject to rounding.

# Investment strategy

## Recent new purchases/adds

### Compounders

RENK



Shark NINJA

GXO

moonpig group plc

DeLonghi



CACI  
EVER VIGILANT



ANY  
COLOR



YouGov

### Quality Cyclicals

CAIRN



### Long Cycle

Vitesse  
VTS



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Source: Columbia Threadneedle Investments. For the purposes of illustration only and should not be construed as a recommendation to buy or sell the mentioned security

# Investment activity

## Recent sales/reductions

### Issues with business quality or management



### Investment thesis broken



### Shares reach a full valuation/Switch to a better alternative



### Takeovers



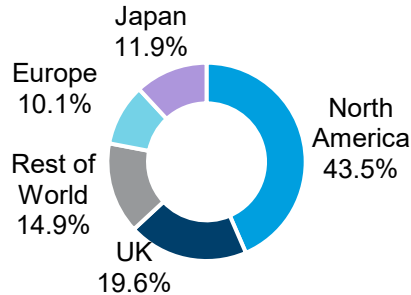
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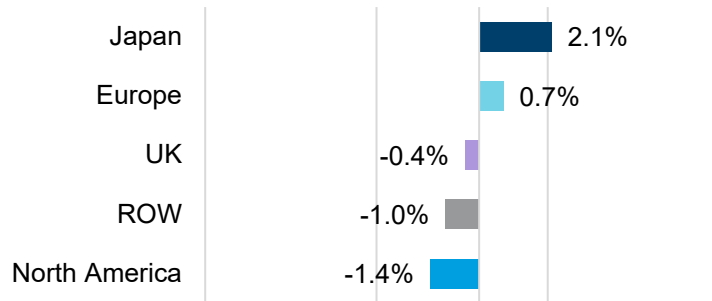
# Where the portfolio was invested

## As at 30<sup>th</sup> April 2025

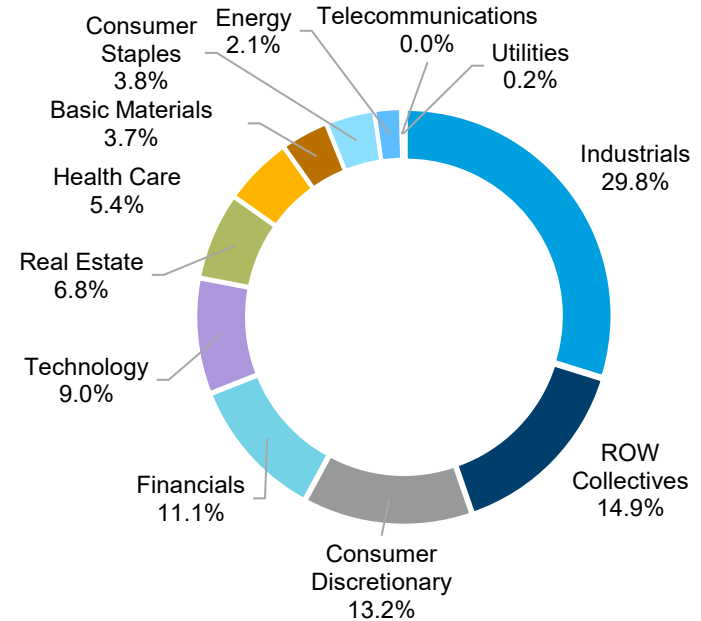
### Geographic analysis (absolute)



### Geographic analysis (relative to Benchmark)



### Sector analysis



Source: Columbia Threadneedle Investments as at 30-Apr-2025. Geographic weights are shown as a percentage of equity assets. Sector weights on the percentage of invested portfolio. Figures subject to rounding. Benchmark: 20% Numis UK Smaller Companies (ex investment companies) Index / 80% MSCI All Country World ex UK Small Cap Index (net).

# Higher quality portfolio trading at a lower than market valuation

	Portfolio*	Benchmark*
Price/Sales Ratio NTM	1.5x	1.6x
Price/Earnings Ratio NTM	16.3x	17.6x
Dividend Yield	2.1%	1.8%
Gross Margin	34.2%	32.1%
Operating Margin	13.1%	10.1%
Return on Equity	12.0%	7.7%
Net Debt / EBITDA	0.9x	1.2x

Source: Columbia Threadneedle Investments as at 30-Apr-2025

\* - these numbers refer to the median stock in the portfolio and benchmark.

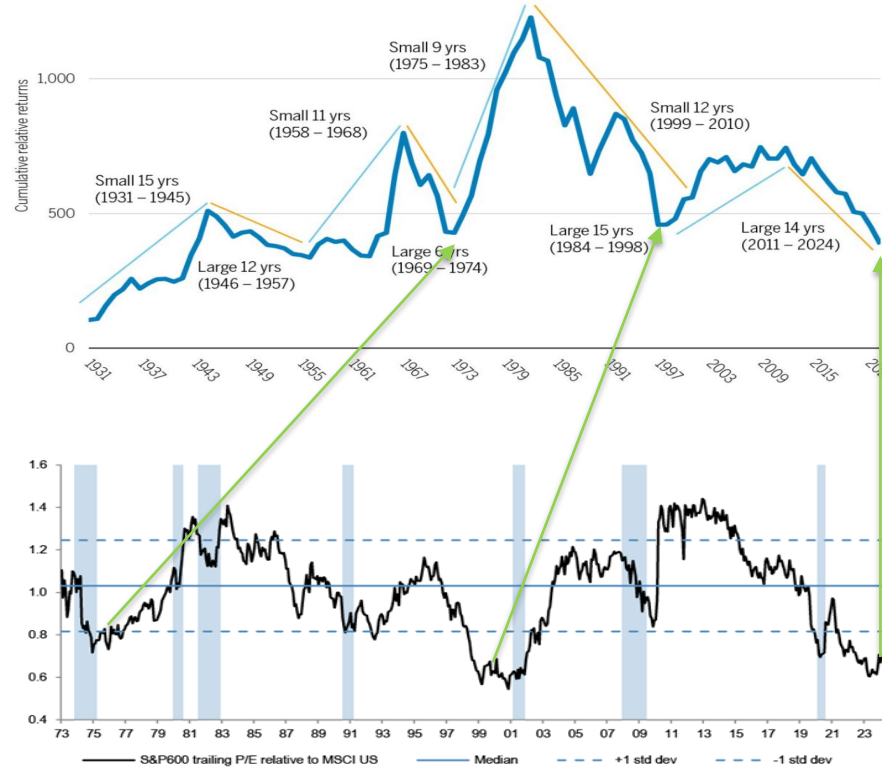
# Outlook



- Market environment to remain volatile.
- Uncertainty over the impact of tariffs on economic growth and inflation.
- Government deficits an underlying issue that is yet to be addressed.
- Deregulation, fiscal spending programs, corporate reform and a lower dollar and interest rates could all be helpful for economic growth.
- Preference for businesses that will do well regardless of what happens to the economy and markets.
- Attractive asset class over the long term.
- After a long period of relative underperformance small caps have strong recovery potential.

# Smaller companies, why now?

Cyclically low relative valuations should lead to outperformance





# Summary

- Challenging period of investment performance in 2024/2025.
- Measures taken to improve future performance.
- Strong long-term returns from the Company.
- Portfolio well positioned given an uncertain market backdrop.
- Asset class likely to come back into favour.

# Appendix

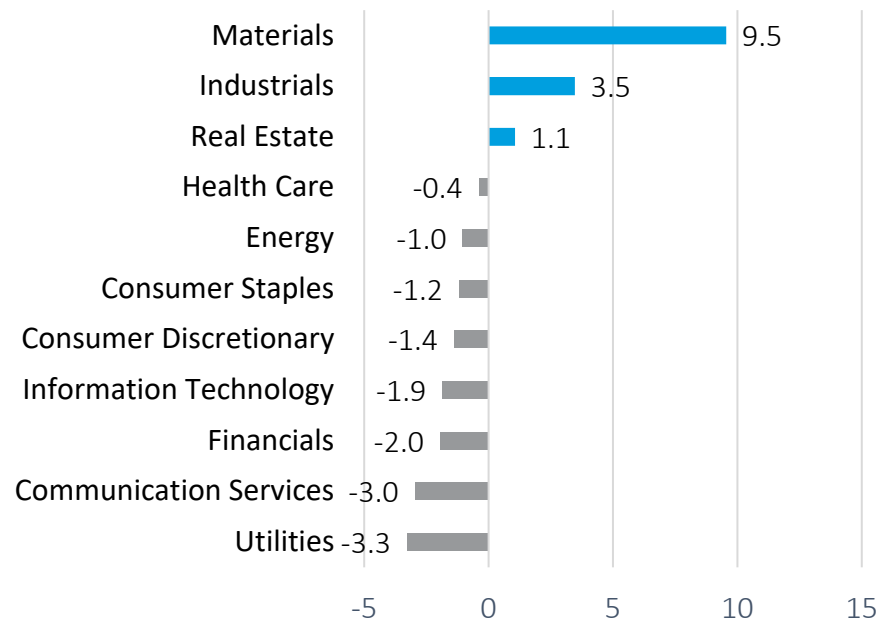
# North American portfolio

## Key stock/sector positions as at 30<sup>th</sup> April 2025

### Top 10 absolute holdings

	Portfolio weight %
Wheaton Precious Metals Corp	4.9
Brown & Brown	4.0
Eagle Materials	3.9
Encompass Health	3.8
Curtiss-Wright	3.7
Kirby Corp	3.6
Ensign Group	3.5
Graphic Packaging Holding	3.4
Martin Marietta Materials	3.3
WSP Global	3.3
<b>Total</b>	<b>37.6</b>

### Sector allocation (relative to Benchmark\* %)



Source: Columbia Threadneedle Investments as at 30-Apr-25. This does not constitute a recommendation to buy or sell the mentioned security. Portfolio weights for holdings shown are percentages of the North American portfolio. Figures subject to rounding. \*Benchmark: MSCI North American Small Cap Index.

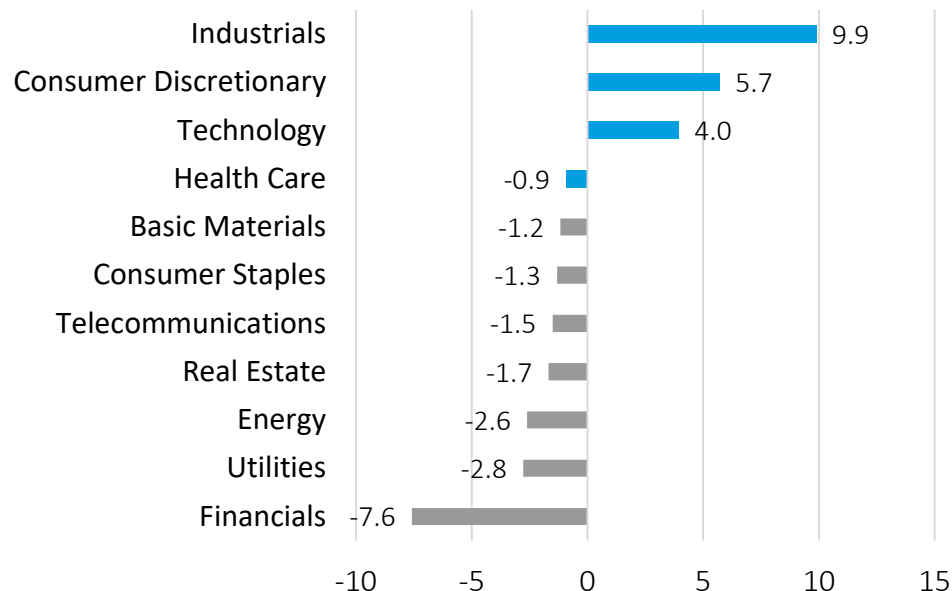
# UK portfolio

## Key stock/sector positions as at 30<sup>th</sup> April 2025

### Top 10 absolute holdings

	Portfolio weight %
Paragon Banking Group	3.3
Workspace Group	2.7
Moonpig Group	2.6
Auction Technology	2.6
Galliford Try	2.4
FD Technologies	2.3
PayPoint	2.3
Pets At Home Group	2.3
Marshalls	2.2
Shaftesbury Capital	2.1
<b>Total</b>	<b>24.7</b>

### Sector allocation (relative to Benchmark\* %)



Source: Columbia Threadneedle Investments as at 30-Apr-25. This does not constitute a recommendation to buy or sell the mentioned security. Portfolio weights for holdings shown are percentages of the UK portfolio. Figures subject to rounding. \*Benchmark: Numis UK Smaller Companies (excluding investment companies) Index

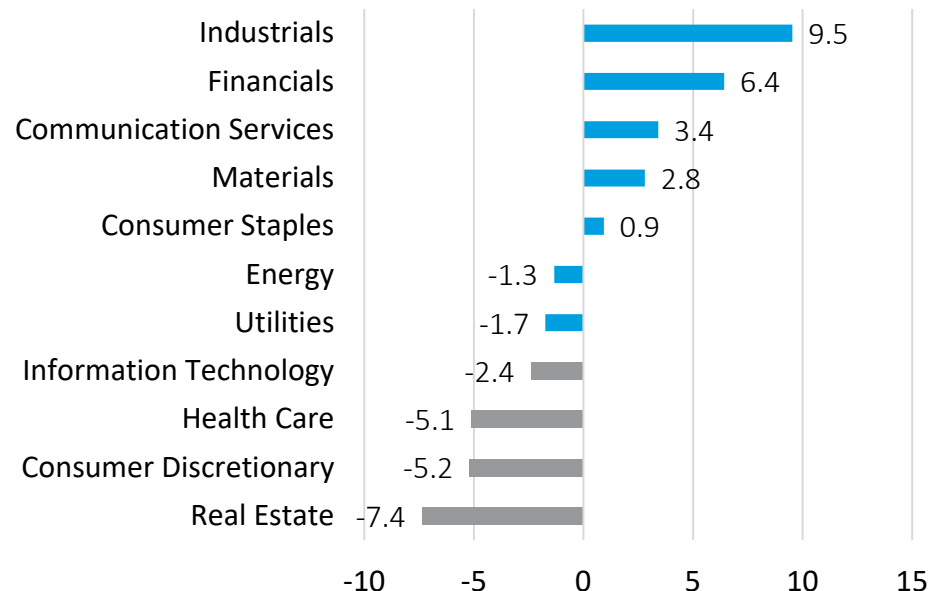
# European portfolio

## Key stock/sector positions as at 30<sup>th</sup> April 2025

### Top 10 absolute holdings

	Portfolio weight %
Ringkjoebing Landbobank	5.0
RENK Group	4.9
CTS Eventim	4.8
Elis	4.7
Bank of Ireland	4.7
Storebrand	4.6
Vidrala	4.4
Avanza Bank Holding	3.9
Karnov Group	3.6
Nordnet	3.5
<b>Total</b>	<b>44.1</b>

### Sector allocation (relative to Benchmark\* %)



Source: Columbia Threadneedle Investments as at 30-Apr-25. This does not constitute a recommendation to buy or sell the mentioned security. Portfolio weights for holdings shown are percentages of the European portfolio. Figures subject to rounding.\* Benchmark: MSCI Europe ex UK Small Cap Index.

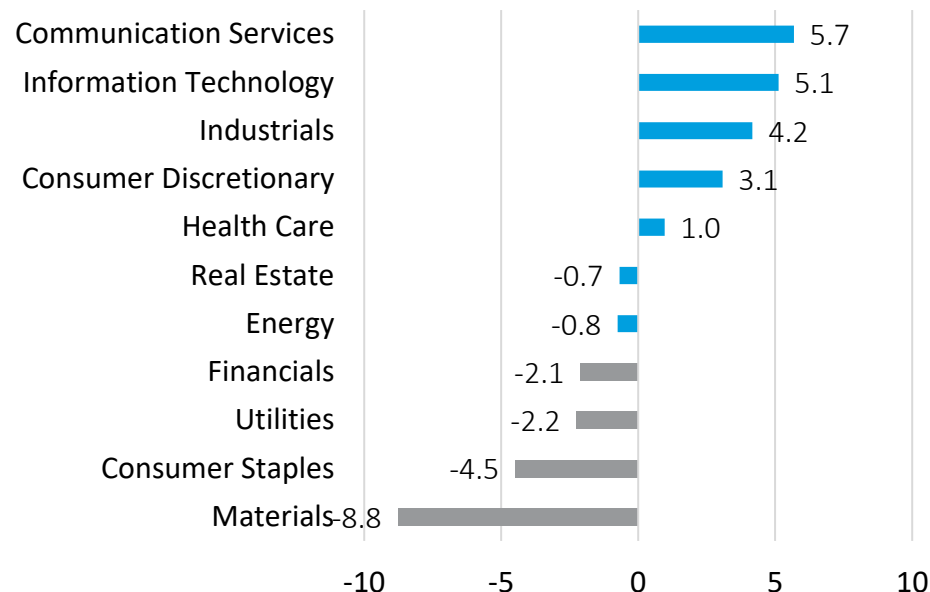
# Japanese portfolio

## Key stock/sector positions as at 30<sup>th</sup> April 2025

### Top 10 absolute holdings

	Portfolio weight %
Nomura Real Estate Holdings	5.6
Nippon Television Holdings	5.6
NGK Spark Plug	5.1
Toho Holdings	5.1
Kokuyo	4.9
Sankyo	4.7
Nishi-Nippon Financial Holdings	4.7
Sanwa Holdings	4.6
Nichias Corp	4.5
Amano	4.0
<b>Total</b>	<b>48.8</b>

### Sector allocation (relative to Benchmark\* %)



Source: Columbia Threadneedle Investments as at 30-Apr-25. This does not constitute a recommendation to buy or sell the mentioned security. Portfolio weights for holdings shown are percentages of the Japanese portfolio. Figures subject to rounding.\* Benchmark: MSCI Japan Small Cap Index.

# Collectives for Rest of World

## As at 30<sup>th</sup> April 2025

Holdings	Portfolio weight %*
The Scottish Oriental Smaller Companies Trust	4.5%
Schroder ISF Global Emerging Smaller Companies Fund	3.9%
Pinebridge Asia ex Japan Small Cap Fund	3.7%
Utilico Emerging Markets Trust	2.8%
<b>TOTAL</b>	<b>14.9%</b>

Source: Columbia Threadneedle Investments as at 30-Apr-2025. \*Percentage of investment portfolio including cash. This does not constitute a recommendation to buy or sell the mentioned security. Figures subject to rounding.



# Smaller companies historically do well coming out of a recession

## Recessions and Index Returns by Market Cap (1980 – 2020)

Recession Period	Duration	Peak Unemployment	GDP Decline	S&P 500®		Russell Mid Cap®		Russell 2000®	
				Recession Return	Next 12 Months	Recession Return	Next 12 Months	Recession Return	Next 12 Months
Jan 1980 – July 1980	6 months	7.8%	-2.2%	8.8%	20.5%	16.8%	21.3%	16.6%	30.3%
July 1981 – Nov 1982	1 year 4 Months	10.8%	-2.9%	-0.9%	44.2%	10.3%	28.0%	8.3%	33.4%
July 1990 – Mar 1991	8 months	7.8%	-1.5%	7.6%	11.0%	7.0%	19.3%	3.0%	21.0%
Mar 2001 – Nov 2001	8 months	6.3%	-0.6%	-7.2%	-16.5%	-4.9%	-9.2%	-1.8%	-10.6%
Dec 2007 – June 2009	1 year 6 Months	10.0%	-4.3%	-24.2%	14.4%	-24.4%	25.1%	-21.7%	21.5%
Feb 2020 – April 2020	2 months	14.7%	-19.2%	-19.6%	56.4%	-26.5%	73.6%	-28.3%	94.9%
Average				-5.9%	21.7%	-3.6%	26.4%	-4.0%	31.7%

Past performance should not be seen as an indication of future performance.

Source: Columbia Threadneedle Investments as at 05-Aug-2024. Source: Morningstar, US market data

# Why Columbia Threadneedle Investments?

## North American Portfolio

~50 stocks

Maximum market cap at initiation  
of ~\$17.2bn



**Nish Patel**  
Lead Portfolio Manager  
17 years in the industry /  
17 years with Columbia  
Threadneedle



**Nicolas Janvier**  
Portfolio Manager  
25 years / 23 years



**Louis Ubaka**  
Portfolio Manager  
10 years / 4 years

## UK Portfolio

~65 stocks

Maximum market cap at initiation  
of ~\$2.5bn



**James Thorne**  
Portfolio Manager  
26 years / 14 years



**Craig Adey**  
Portfolio Manager  
13 years / 13 years

## European Portfolio

~40 stocks

Maximum market cap at initiation  
of ~\$8.6bn



**Philip Dicken**  
Portfolio Manager  
27 years / 20 years



**Mine Tezgul**  
Portfolio Manager  
19 years / 6 years

## Japanese Portfolio

~30 stocks

Maximum market cap at initiation  
of ~\$10.9bn



**Daisuke Nomoto**  
Portfolio Manager  
31 years / 19 years



**Alex Lee,**  
Portfolio Manager  
17 years / 8 years

US Central Research Team (27  
analysts)

Pan European Central Research Team (15 analysts)

- **Price/Sales Ratio:** The ratio describes how much someone must pay to buy one share of a company relative to how much that share generates in revenue for the company.
- **Price/Earnings Ratio:** A way to measure how expensive a company's shares are
- **Dividend Yield:** A financial ratio that tells you the percentage of a company's share price that it pays out in dividends each year.
- **Gross Margin:** The portion of a company's revenue left over after direct costs are subtracted.
- **Operating Margin:** This represents how efficiently a company is able to generate profit through its core operations.
- **Return on Equity (ROE):** The measure of a company's net income divided by its shareholders' equity. It is a gauge of a corporation's profitability and how efficiently it generates those profits.
- **Net Debt / EBITDA:** A leverage ratio that compares a company's liabilities in the form of net debt to its “cash flow,” in the form of EBITDA (stands for earnings before interest, taxes, depreciation and amortization).
- **Mergers and acquisitions (M&A):** Refers to the consolidation of companies or their major assets through financial transactions between companies
- **Bottom Up:** This is an approach a fund manager may use when investing that starts with local or company-specific variables and then expand outward.
- **Mean Reversion:** Mean reversion is a theory implying that asset prices and historical returns gradually move towards the long-term mean.

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