

BMO Global Smaller Companies PLC



October 2019

Manager Commentary Peter Ewins



Equity markets broadly rose in September, with central-bank policy easing supporting investor sentiment. Economic data, however, has continued to weaken, with purchasing managers' indices on a global basis indicating that industrial production has slowed down materially. Sterling continued to be volatile as the UK political scene evolved, but for the month as a whole, it rose versus the other main currencies. The net asset value (NAV) was slightly up, in line with the move in the benchmark.

Relative performance across the regional portfolios was mixed. We gave back some ground in North America, with some recent outperformers (such as those exposed to gold – Wheaton Precious Metals and SSR Mining) pulling back. Molina Healthcare and

Grand Canyon Education shares suffered as political risk around these business areas was perceived to have increased, given the strong performance of one of the front-runners in the Democrat presidential candidate election process. More positively, shares in helicopter services business Era Group were strong on the back of some solid results, while recycled car parts business LKQ rallied as an activist investor increased its stake in the business. Shares in aerospace/chemical processing industry supplier Haynes International also bounced back following earlier weakness.

We outperformed the local markets in the UK and more markedly in Europe. In the former, shares in a range of sectors did well, including legal business Knights Group, waste management company Biffa Group, building hardware supplier Tyman Group and oil explorer Cairn Energy. Games business Team 17 Group produced strong interim results driving its shares higher too. On the downside, shares in construction services business Keller dropped following news of a change in management and weakness in North American activity levels, while Arena Events Group's results once again disappointed

the market. As in the US, shares in gold companies Resolute Mining and Centamin pulled back. Within Europe, our Irish-based holdings, including ferry business Irish Continental Group and agronomy services company Origin Enterprises, did well as fears around a 'no-deal' Brexit moderated. Other strong performers on the Continent included facilities management operator Coor Services Management, industrial company Norma Group and chemicals distributor IMCD; these stocks had lagged through the summer period. The weakest performer in the European portfolio was Takeaway.com, with the market speculating that the company's planned merger with Just Eat in the UK could fall through.

Our Japanese portfolio slightly beat the MSCI Japan Small Cap Index, with the Eastspring Managed Fund doing much better as value stocks returned to favour in the market. In the rest-of-world portfolio, the Utilico Emerging Markets Trust and the Australian New Horizons fund performed well, though HSBC's Asia ex Japan small-cap fund struggled.

Key facts as at 30.09.2019

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 49 years.

Benchmark: 30% Numis UK Smaller Companies (ex investment companies) Index / 70% MSCI All Country World ex UK Small Cap Index

Fund type: Investment Trust

Launch date: 1889

Total assets: £943.2m

Share price: 1358.00p

NAV (debt at market value): 1454.54p

Discount/Premium (-/+): -6.64%

Dividend payment dates: Aug, Jan

Net dividend yield†: 1.22%

Net gearing*: 4.39%

Management fee rate:** 0.55%

Ongoing charges:** 0.79%

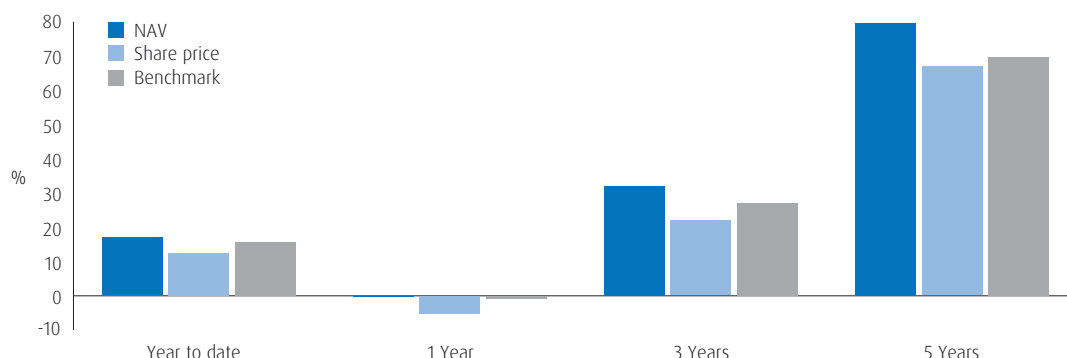
Year end: 30 April

Sector: Global

Currency: Sterling

Website: www.bmoglobalsmallers.com

Fund performance as at 30.09.2019



Cumulative performance (%) as at 30.09.2019

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV (debt at market value)	1.23	16.88	-0.10	31.91	79.41
Share price	0.89	12.26	-5.16	21.86	66.79
Benchmark	1.19	15.65	-0.79	26.91	69.64

Discrete annual performance (%) as at 30.09.2019

	2019/2018	2018/2017	2017/2016	2016/2015	2015/2014
NAV (debt at market value)	-0.10	12.88	16.98	24.26	9.46
Share price	-5.16	10.14	16.66	24.70	9.76
Benchmark	-0.79	9.27	17.07	26.96	5.29

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.

Past performance is not a guide to future performance.

Source: Lipper and BMO. 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.



Lines may be recorded

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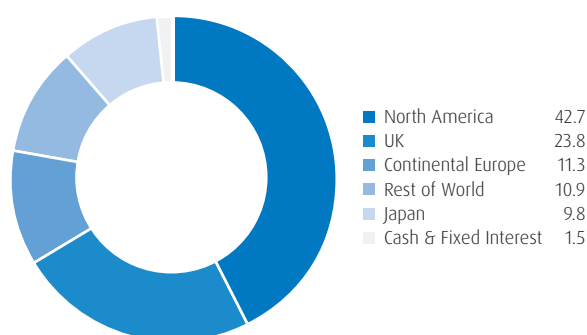
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Trust codes	
Stock exchange	BGSC
Sedol	17505
Legal Entity Identifier	2138008RRULYQP8VP386

Top 10 holdings (%)		
	% of net assets	Sector
Eastspring Investments Japan Smaller Companies	4.4	Collective investments
Aberdeen Standard SICAV I Japanese Smaller Companies	4.0	Collective investments
Pinebridge Asia ex Japan Small Cap Equity	3.4	Collective investments
Scottish Oriental Smaller Cos Inv Trust	2.8	Collective investments
Utilico Emerging Markets	2.3	Collective investments
Alleghany	1.7	Financials
Baillie Gifford Japanese Smaller Companies	1.4	Collective investments
Martin Marietta Materials	1.4	Industrials
STERIS	1.3	Healthcare
World Fuel Services	1.1	Industrials

Geographical breakdown (%)



Net dividend distributions pence per share

	2015	2016	2017	2018	2019
January	2.65	2.90	4.00	4.40	5.00
August	7.00	7.80	8.25	10.00	11.50
Total	9.65	10.70	12.25	14.40	16.50

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.

All data as at 30.09.2019 unless otherwise stated.

All information is sourced from BMO, 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. Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any funds that may be mentioned. The factsheet is issued and approved by BMO, a trading name of BMO Asset Management Limited. Authorised and regulated in the UK by the Financial Conduct Authority. Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895. (10/19)