

Joint Lead
Fund Manager
Peter Ewins



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Nish Patel



Manager Commentary

March saw equity markets make further progress, completing a positive first quarter of 2024 for share prices. Gains were consistent for small caps in most of the main markets, although Asian markets slightly lagged. On the whole, data indicated a further easing of price pressures in most countries, but with labour markets remaining tight and strengthening purchasing managers indices, confidence around the likelihood of a June interest-rate cut in the US receded somewhat. We did see the Bank of Japan (BoJ) end its negative interest-rate policy, as had been widely expected. The Company's Net Asset Value (NAV) and share price rose during the month, with both outperforming the Benchmark.

In North America, our portfolio outperformed the local small-cap market return. Shares in Graphic Packaging rose as volumes for the company appear to be stabilising, leading to broker upgrades. We also benefited from good performance from agricultural chemicals company American Vanguard, which reported a rebound in demand at the end of 2023 and guided for a strong uplift in returns in the next year. Wheaton Precious Metals shares bounced as the gold price rose, while shares in Encompass Health rallied as the outlook for fees in the sector improved and the volume of business remained strong. There were not many major fallers on the portfolio, although Grafftech International was the exception as demand for the company's electrodes remains weak in the cyclical downturn in the steel market, with the shares not helped by a leading shareholder selling down its holding.

We also outperformed during March in the UK. Here, we were helped by a bid from private equity for wealth and asset management company Mattioli Woods at an attractive premium. Also within Financials, our holding in Just Group rose strongly as the company announced much better-than-expected results for 2023, with the annuities market that it serves in a strong growth phase. Confectionary and food wholesale business Kitwave Group was another strong performer, helped by solid results and news of an accretive acquisition, with other advancers including central London property owner Shaftesbury Capital, promotional products company Pebble Group and foams supplier Zotefoams. Weaker stocks in the month included YouGov, FDM Group and Marshalls. YouGov's interim results indicated the need for a stronger second half to meet full-year expectations, with customer recruitment in the company's data products business slower than hoped for. IT staff business FDM Group warned that it had seen a further deterioration in its market and, with profit recovery expected to lag the eventual pick-up in activity, the shares dropped sharply. Marshalls reported a slow start to 2024 trading, with a weak outlook for the full year 2024 in its landscaping and building products businesses only partly offset by more resilient prospects within the roofing unit.

In Europe, we were a little behind the local small-cap return during the month. Shares in fund management company Azimut responded badly to news of a surprise dividend cut. After a stellar last few months, some of our semiconductor-related holdings suffered from profit-taking, most notably BE Semiconductor Industries. More positively, shares in a recent new holding TOMRA Systems rose after legislation passed in Europe in relation to plastics recycling, which should drive strong growth for the company's technology in the coming years. Ingredients business Symrise was also up as the company announced reassuring profits guidance, and sausage skins business Viscofan rose following solid results. Shares in ticketing business CTS Eventim were also helped by a positive trading update.

Performance in Japan was slightly ahead of the MSCI Japan Small Cap Index during the month. Two names in the real estate sector, Tosei and Nomura Real Estate, performed well, as investors continue to expect negative rates in real terms for the foreseeable future despite the abolishment of the negative interest-rate policy by the BoJ. Two names in the consumer discretionary sector, Pal and Nitterra, also contributed to the positive performance, supported by strong quarterly numbers. Weaker performers on the portfolio included electronics company Macnica; IT and industrial products business Daiwabo; and infrastructure construction services company Infroneer. Macnica and Daiwabo announced somewhat uninspiring results, which dragged down their share prices noticeably. Infroneer declined due to the announcement of bond issuance to fund a large acquisition made in 2023. The Eastspring-managed fund holding had a good month, with value stocks remaining in favour, on the whole, in the market.

The Rest of World fund holdings produced a modest gain in aggregate over the month, with The Scottish Oriental Smaller Companies and Utilico Emerging Markets investment trusts lagging, with their discounts to NAV's widening further. The Schroder's Global Emerging Markets small cap fund produced a stronger return, helped by exposure to Latin American markets, which were stronger than Asian bourses during the month.

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 31.03.24

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: £946.2m

Share price: 157.20p

NAV (debt at market value): 180.29p

Discount/premium(-/+): -12.80%

Dividend payment dates: Aug, Jan

Net dividend yield[†]: 1.49%

Net gearing/Net cash[†]: 4.32%

Management fee rate^{}:** 0.55%

Ongoing charges^{}:** 0.79%

Year end: 30 April

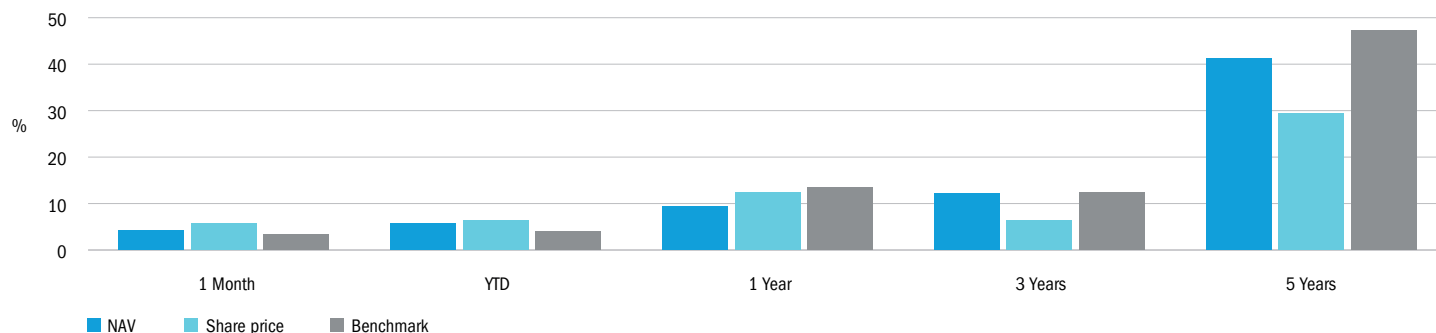
Sector: AIC sector Global Smaller Companies

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 31.03.24



Cumulative performance as at 31.03.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV (debt at market value)	4.18	5.62	9.44	12.07	41.25
Share price	5.65	6.36	12.45	6.36	29.28
Benchmark	3.39	3.92	13.53	12.43	47.24

Discrete annual performance as at 31.03.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV (debt at market value)	9.44	-3.86	6.52	56.06	-19.24
Share price	12.45	-8.33	3.18	74.42	-30.31
Benchmark	13.53	-4.28	3.46	65.34	-20.80

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	2.2
Kirby	Industrials	1.7
LKQ	Consumer Discretionary	1.5
Graphic Packaging	Industrials	1.5
The Ensign Group	Healthcare	1.4
Brown & Brown	Financials	1.3
Curtiss Wright	Industrials	1.2
Wheaton Precious Metals	Basic Materials	1.2
Martin Marietta Materials	Industrials	1.2
WSP Global	Industrials	1.2

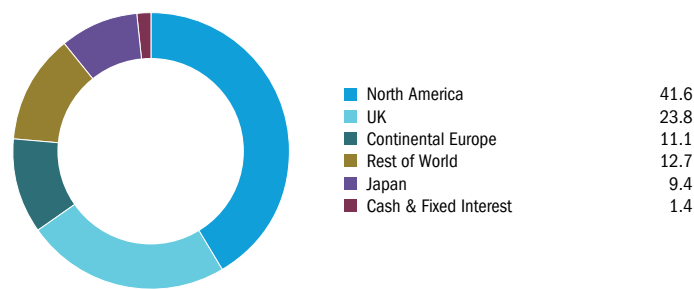
Collective fund holdings

Holdings	Sector	% of net assets
Eastspring Investments Japan Smaller Companies Fund	Collective investments	4.8
Pinebridge Asia ex Japan Small Cap Fund	Collective investments	3.6
Schroder ISF Global Emerging Markets Smaller Companies Fund	Collective investments	3.5
The Scottish Oriental Smaller Companies Trust	Collective investments	3.3
Utilico Emerging Markets Trust	Collective investments	2.4

Trust codes

Stock exchange code	GSCT
Sedol	BKLD97
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	-
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 31.03.2024 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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