

Fund manager Peter Ewins



Manager Commentary

Markets staged a strong rally in November, essentially regaining lost ground from October. Sentiment around the outlook for monetary policy and interest rates became more positive again following some encouraging inflation prints and dovish comments from central bank officials. Combined with a fall in the oil price, despite the Middle East situation, this fed through to some large individual company share-price moves, with interest-rate sensitive parts of the market unsurprisingly doing well. Returns for both the fund and the Benchmark would have been better had it not been for US dollar weakness and sterling strength. The Net Asset Value ended the month somewhat behind the Benchmark, largely due to underperformance in North America, though the share price outperformed, with the discount narrowing.

We had a tough month in relative terms in North America, with stock selection weak within Industrials and Consumer Discretionary. In the former area, GrafTech International fell sharply after weak quarterly results, with conditions in the steel end-market remaining challenging. In Consumer Discretionary, shares in restaurant operator, Dine Brands Global, were down as guidance for a weak final quarter of 2023 more than offset a solid result in the third quarter, triggering downgrades from brokers. Other weaker performers during the month included SSR Mining, Spectrum Brands and Real Good Food. On a more positive note, our holdings in infrastructure spending plays, Eagle Materials and Martin Marietta Materials, again did well, while shares in PRA Group bounced back from the prior monthly weakness on signs of an upturn in its market. Wheaton Precious Metals was also up, with the company announcing new mine deals, further diversifying its earnings base, while Webster Financial joined the rally in regional banking shares.

In the UK, the portfolio performed in line with the small-cap index. Our best contributor was Ashtead Technology Holdings, the offshore and renewables rental equipment business, which announced a positive profit warning and an earnings accretive acquisition, triggering major upgrades. A number of Financial stocks did well as the rate outlook became more positive, with OSB Group in the buy-to-let field and ventures and fund management business, Mercia Asset Management, both doing well on encouraging updates. Wealth manager, Mattioli Woods, was also a strong performer. Shares in bar/café operator, Loungers, were also strong as the company announced positive trading news. Within media, news was more mixed; Next 15 Group did well on the back of a trading statement that was in line with expectations, while promotional products company, Pebble Group, and games company, Team17 Group, fell sharply after cutting guidance. There was also a warning from printer head technology company, Xaar Group, which flagged a weaker outlook for 2024 revenue and gross profit margins, largely due to sluggish order patterns from China.

Our European portfolio ended the month slightly ahead of the local small-cap performance. Several of the previous month's losers bounced back, most notably Tecan Group, while semiconductor-related stocks, ASM International and BE Semiconductor Industries, also rallied sharply. Chemical distributor, IMCD, was also strong, as was bottle-maker, Vidrala, and Surgical Science Sweden. However, news from the beverages sector remains generally weak. Royal Unibrew shares fell on the back of a cut to full-year guidance, with Davide Campari and Remy Cointreau also facing tough market conditions and seeing further pressure on their profit outlooks in common with UK large-cap Diageo, which also warned during the month. Oil services companies, TGS and Schoeller-Bleckmann, were also out of favour as the oil price drifted.

In Japan, overall performance was close to the MSCI Japan Small Cap Index despite underperformance from Eastspring's fund, with the value end of the market giving back some ground. In the Rest of World part of the portfolio, overall performance was a little worse than the Asian Small Cap Index, and more meaningfully behind Latin American small caps, which enjoyed a strong bounce. Of our holdings, the Schroder's GEM Small Cap Fund did the best, helped by its exposure to Latin stocks; however, we were held back by weak performance from the Scottish Oriental Smaller Companies Trust this 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 30.11.23

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: £862.1m

Share price: 139.60p

NAV (debt at market value): 160.49p

Discount/premium(-/+): -13.02%

Dividend payment dates: Aug, Jan

Net dividend yield[†]: 1.65%

Net gearing/Net cash[‡]: 4.43%

Management fee rate^{}:** 0.55%

Ongoing charges^{}:** 0.79%

Year end: 30 April

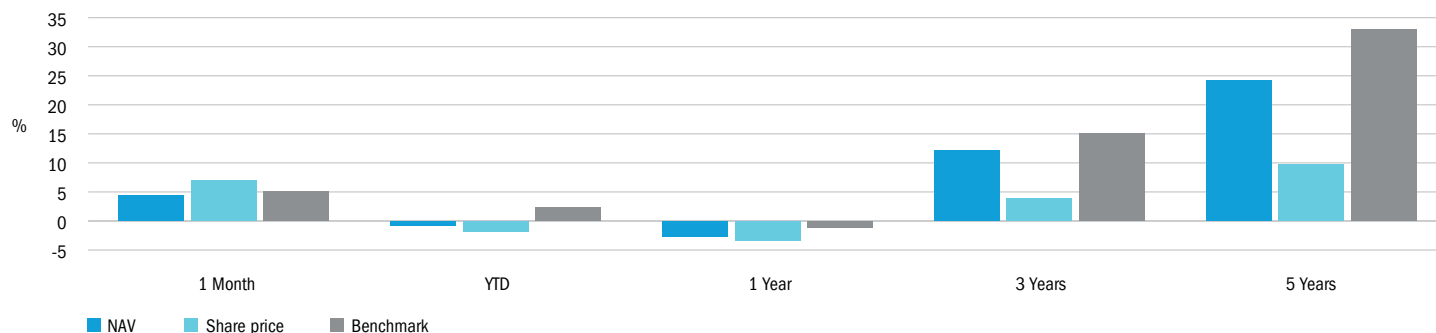
Sector: AIC sector Global Smaller Companies

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 30.11.23



Cumulative performance as at 30.11.23 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV (debt at market value)	4.39	-0.84	-2.70	12.13	24.24
Share price	6.89	-1.84	-3.42	3.81	9.68
Benchmark	5.03	2.31	-1.07	15.03	32.92

Discrete annual performance as at 30.11.23 (%)

	2023/22	2022/21	2021/20	2020/19	2019/18
NAV (debt at market value)	-2.70	-7.18	24.17	1.36	9.32
Share price	-3.42	-10.35	19.89	0.50	5.13
Benchmark	-1.07	-5.13	22.57	6.28	8.72

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.

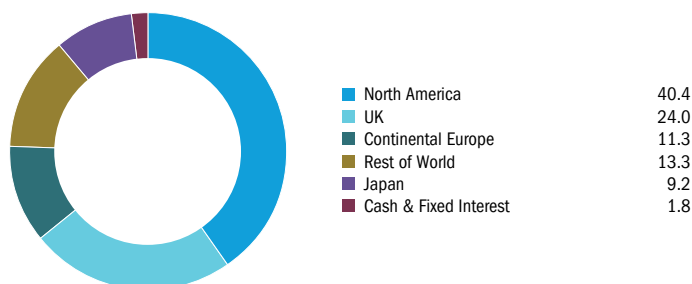
Trust codes

Stock exchange code	GSCT
Sedol	BKLXD97
Legal Entity Identifier	2138008RRULYQP8VP386

Top 10 holdings (%)

	% of net assets	Sector
Eastspring Investments Japan Smaller Companies Fund	4.8	Collective investments
Pinebridge Asia ex Japan Small Cap Fund	3.7	Collective investments
Schroder ISF Global Emerging Markets Smaller Companies Fund	3.6	Collective investments
The Scottish Oriental Smaller Companies Trust	3.5	Collective investments
Utilico Emerging Markets Trust	2.6	Collective investments
Eagle Materials	1.6	Industrials
Kirby	1.5	Industrials
LKQ	1.4	Consumer Discretionary
Wheaton Precious Metals	1.4	Basic Materials
The Ensign Group	1.3	Healthcare

Geographical breakdown (%)



Net dividend distributions pence per share

	2018	2019	2020	2021	2022	2023
January	0.44	0.50	0.55	0.55	0.57	0.63
August	1.00	1.15	1.15	1.20	1.27	1.67
Total	1.44	1.65	1.70	1.75	1.84	2.30

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 30.11.2023 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.

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