

**Joint Lead
Fund Manager**
Peter Ewins



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Fund Manager**
Nish Patel



Manager Commentary

January saw equity markets give up some of their gains from late last year; bond yields rose as markets reassessed their expectations of future interest-rate cuts. Smaller companies underperformed larger companies in most markets. Smaller companies in Japan were more resilient, although wider Asian markets were impacted by negative sentiment towards China. Economic data met expectations in the majority of regions (with the exception of the emerging markets), credit spreads widened slightly, and sterling strengthened against most currencies.

The Company's Net Asset Value and share price fell during the month, but by much less than the Benchmark. The discount widened as smaller companies fell out of favour. Relative performance across the regional portfolios was good, with the strongest outperformance coming from our UK and North American holdings.

In the UK, shares in video games developer, Team17 Group, rallied as it reported better-than-expected results despite challenging market conditions. Construction services company, Kier Group, was also strong as it flagged good growth in its order book and continued to reduce its leverage. Energy services business, Ashtead Technology Holdings, was the subject of positive broker comments in the month, which lifted the shares. On the negative side, industrial fasteners producer, Trifast, saw weaker demand from its customers in Asia. There were concerns about softening demand in the automotive business of Ricardo, an engineering consultancy company, which led to share-price weakness.

We had a number of strong performers in North America, with construction materials business, Eagle Materials, continuing to deliver strong results due to demand from infrastructure-related projects and a good outlook for cement pricing. Insurance broker, Brown and Brown, announced better-than-expected organic revenue growth because of higher insurance rates, with earnings forecasts rising as a result. Denver based homebuilder, MDC Holdings, received a takeover bid during the month at a good premium to the prevailing share price. On the downside, IT distributor, Avnet, lagged because of the ongoing inventory correction in the semiconductor sector. Investors took profits in PRA Group, a purchaser of charged-off receivables. Shares of GrafTech International, a vertically integrated producer of graphite electrodes for the steel industry, were subject to selling pressure due to technical factors and a reduction in earnings forecasts because of a cyclical downturn.

In Europe, we also outperformed. The largest positive contribution came from Danish bank, Ringkjøbing Landbobank, which rose with the sector because of slightly more hawkish rate expectations. Semiconductor-related equipment producer, ASM International, climbed after industry bellwether, TSMC, released better-than-expected guidance. Nutritional products company, Glanbia, bounced after a weak December. In contrast, spirits maker, Remy Cointreau, was hindered by news that China was launching an anti-dumping investigation into the cognac industry. TGS, the seismic operator, released a disappointing update because of challenging end-market demand. Nordic Semiconductor fell because of concerns over excess inventories and weak demand.

In Japan, NGK Spark, a manufacturer of spark plugs and ceramics, won market share and saw a recovery in its semiconductor-related business. Ebara, a manufacturer of flow control equipment, delivered good results with strong orders in most of the company's end markets. The share price of Nomura Real Estate Holdings bounced after a period of weakness. The Eastspring Japan Smaller Companies fund also outperformed in the month. On the negative side, IT services provider, WingArc1st, and apparel retailer, PAL Group Holdings, were the subject of profit taking. There were some concerns over challenging growth comparisons for food and drug-store operator, Sundrug.

In the Rest of World portion of the portfolio, The Scottish Oriental Smaller Companies and Utilico Emerging Markets investment trusts remained resilient compared to Asian market trends, driving modest outperformance in this part of the overall trust.

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 31.01.24

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: £904.7m

Share price: 146.60p

NAV (debt at market value): 169.81p

Discount/premium(-/+): -13.67%

Dividend payment dates: Aug, Jan

Net dividend yield[†]: 1.60%

Net gearing/Net cash[†]: 5.01%

Management fee rate^{}:** 0.55%

Ongoing charges^{}:** 0.79%

Year end: 30 April

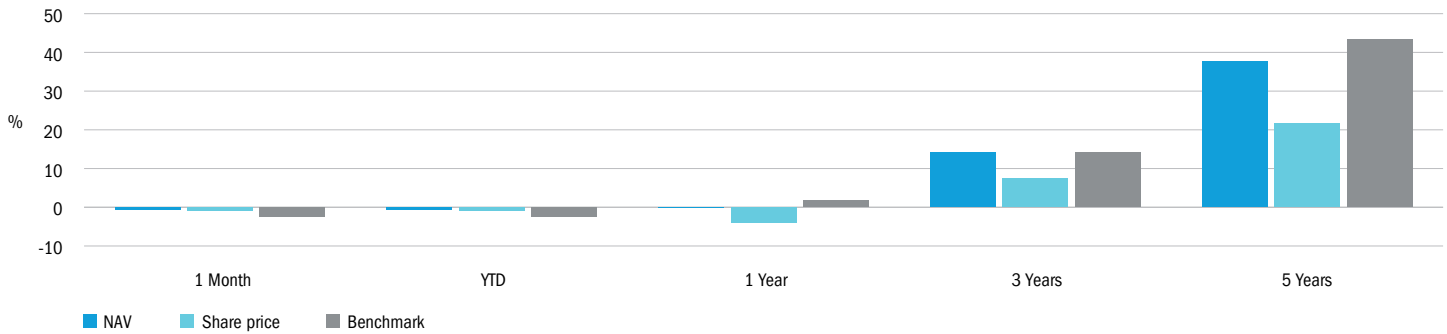
Sector: AIC sector Global Smaller Companies

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 31.01.24



Cumulative performance as at 31.01.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV (debt at market value)	-0.52	-0.52	-0.02	13.95	37.59
Share price	-0.81	-0.81	-3.92	7.42	21.49
Benchmark	-2.44	-2.44	1.73	14.19	43.24

Discrete annual performance as at 31.01.24 (%)

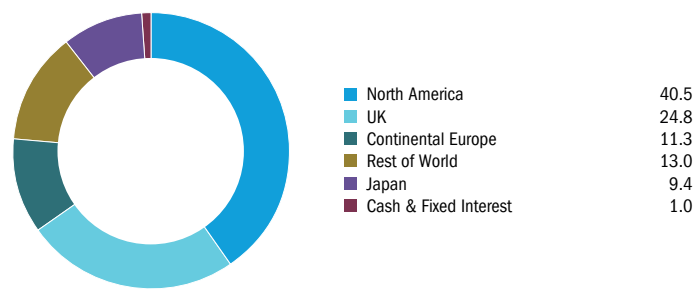
	2024/23	2023/22	2022/21	2021/20	2020/19
NAV (debt at market value)	-0.02	-0.08	14.06	5.92	14.00
Share price	-3.92	-2.55	14.72	3.10	9.69
Benchmark	1.73	1.48	10.60	12.79	11.21

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	3.5	Collective investments
The Scottish Oriental Smaller Companies Trust	3.5	Collective investments
Schroder ISF Global Emerging Markets Smaller Companies Fund	3.4	Collective investments
Utilico Emerging Markets Trust	2.5	Collective investments
Eagle Materials	1.9	Industrials
Kirby	1.5	Industrials
LKQ	1.4	Consumer Discretionary
Graphic Packaging	1.4	Industrials
The Ensign Group	1.3	Healthcare

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 31.01.2024 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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