

BMO Global Smaller Companies PLC



August 2021

Manager Commentary Peter Ewins



Equity market performance was mixed in July, with investors balancing generally solid corporate earnings news against ongoing concerns around the pandemic and micro-policy interventions by China. Small-cap stocks lagged the wider market in the US, and were also weak across emerging markets, though they rose in Europe and the UK. With corporate earnings news across the portfolio generally encouraging, the company's net asset value (NAV) posted a gain and was comfortably ahead of the benchmark in July.

There was a very strong month for performance in North America for our portfolio relative to the Russell 2000 Index. Our holdings in health care, including ICON, Catalent and Hill Rom Holdings were all strong, with the latter boosted by news of a bid approach. Meanwhile, biotechnology stocks, which we do not hold, were weak. Shares in

broadband communications business MaxLinear rose as the company reported strong figures, while Essential Properties Realty Trust was also up, as the company's rent collection performance returned to normal. With bond rates falling back, banking stocks were underperformers and our holding in Sterling Bancorp fell back, as did Netgear, following a weak outlook statement.

We also outperformed the local small-cap indices in the UK. We benefited in particular from two IPOs: building materials supplier CMO Group and online platforms business Baltic Classifieds Group. Both got off to a good start on the public markets. Our holdings in Team17 Group, Draper Esprit and Watches of Switzerland were also strong, and shares in Ultra Electronics rose after a bid approach was confirmed. While some UK holdings such as Treatt and Next Fifteen Communications succumbed to profit-taking, there was little in the way of bad news aside from at Shanta Gold, with the company having to reduce production guidance.

Performance in Europe continued to be good, with a number of the winners from the first half of the year continuing to do well. These included Nordic Semiconductor, Indutrade and MIPS, with the latter boosted by significantly beating expectations in its quarterly update. Outsourcing engineering

consultancy business Alten was also strong, on the back of an encouraging set of numbers. Our holdings in financial platforms business flatexDEGIRO and online fashions company Global Fashion Group were among the weaker performers over the month.

On the collective portfolios, our Japanese fund holdings were more or less in line with the MSCI Japan Small Cap Index over the month. Our 'Rest of World' portfolio lagged, however, with our holdings in the Utilico Emerging Markets and Scottish Oriental Smaller Companies trusts impacted by widening discounts. The Pinebridge managed Asian small-cap fund that we hold was also weak, with an overweight exposure to China and technology unhelpful.

Key facts as at 30.07.2021

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 51 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: £1,079.1m

Share price: 160.00p

NAV (debt at market value): 179.33p

Discount/Premium (-/+): -10.78%

Dividend payment dates: Aug, Jan

Net dividend yield†: 1.09%

Net gearing/Net cash*: 4.21%

Management fee rate:** 0.55%

Ongoing charges:** 0.78%

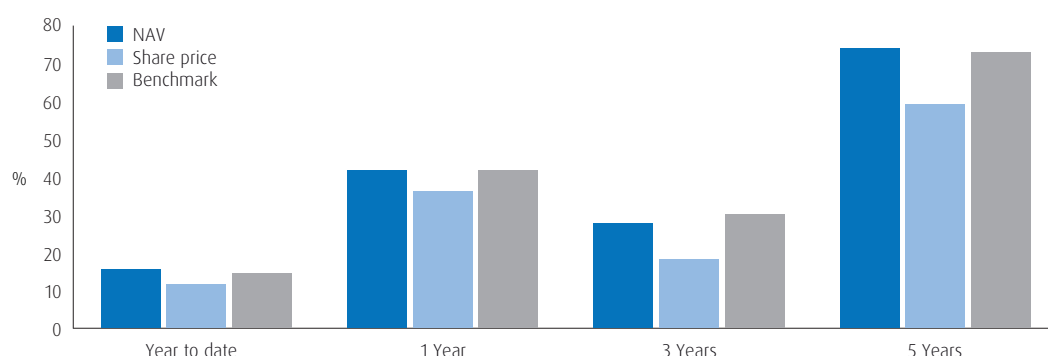
Year end: 30 April

Sector: AIC sector Global Smaller Companies

Currency: Sterling

Website: www.bmoglobalsmallers.com

Fund performance as at 30.07.2021



Cumulative performance (%) as at 30.07.2021

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV (debt at market value)	0.94	15.56	41.72	27.51	74.01
Share price	0.12	11.58	36.18	18.19	59.03
Benchmark	-0.83	14.52	41.73	29.89	72.80

Discrete annual performance (%) as at 30.07.2021

	2021/2020	2020/2019	2019/2018	2018/2017	2017/2016
NAV (debt at market value)	41.72	-12.17	2.44	12.81	20.97
Share price	36.18	-13.24	0.04	8.69	23.80
Benchmark	41.73	-9.33	1.07	11.01	19.85

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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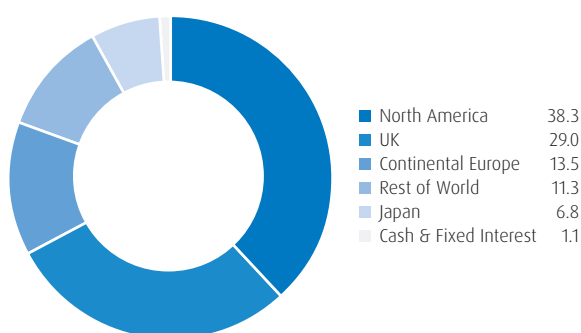
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Trust codes	
Stock exchange	BGSC
Sedol	BKLXD97
Legal Entity Identifier	2138008RRULYQP8VP386

Top 10 holdings (%)		
	% of net assets	Sector
Eastspring Investments Japan Smaller Companies	3.0	Collective investments
Aberdeen Standard SICAV I Japanese Smaller Companies	3.0	Collective investments
Pinebridge Asia ex Japan Small Cap Equity	2.9	Collective investments
Scottish Oriental Smaller Cos Inv Trust	2.3	Collective investments
Utilico Emerging Markets	1.8	Collective investments
Schroder ISF Global Emerging Markets Smaller Companies	1.7	Collective investments
Eagle Materials	1.4	Industrials
HSBC GIF Asia ex Japan Equity Smaller Companies	1.3	Collective investments
ICON	1.2	Healthcare
LKQ	1.2	Consumer Discretionary

Geographical breakdown (%)



Net dividend distributions pence per share

	2016	2017	2018	2019	2020	2021
January	0.29	0.40	0.44	0.50	0.55	0.55
August	0.78	0.83	1.00	1.15	1.15	1.20
Total	1.07	1.23	1.44	1.65	1.70	1.75

Restated for 10 for 1 share split

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 30.07.2021 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. (08/21)