

January 2012



Peter Ewins
Fund Manager

Trust aims

To secure a high total return by investing in smaller companies worldwide

Trust highlights

- The largest specialist global smaller companies investment trust.
- Greater inherent growth potential in smaller companies.
- Strong dedicated small company investment team.
- The dividend has risen in each of the last 40 years.

Benchmark

30% Hoare Govett UK Smaller Companies (excluding investment companies) Index / 70% MSCI all country World ex UK Small Cap Index

Average annual return

Average annual return figure over 5 years 5.61%

Key details

Fund Type	Investment Trust
Launch Date	1889
Total assets	£234.5 million
Share price	534.00p
NAV	546.84p
Discount/Premium(-/+)	-2.3%
Dividend Payment Dates	Aug, Jan
Net dividend yield	1.0%
Actual gearing*	102.0
Management fee rate**	0.40%
Total expenses	0.74%
Year end	30 April
Sector	Global Growth
Currency	Sterling
Website	www.fandcglobalsmallers.com

Standardised performance

	2010/2011	2009/2010	2008/2009	2007/2008	2006/2007
Shareprice	0.3%	34.5%	36.9%	-21.5%	-9.4%

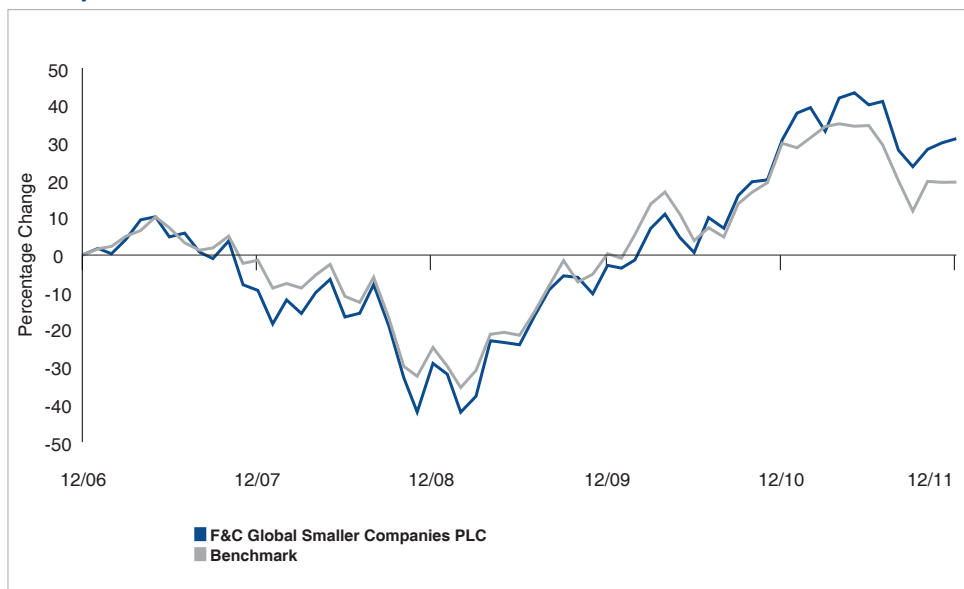
Cumulative performance

	1 Month	Year to date	1 Year	3 Years	5 Years
Shareprice	0.9%	0.3%	0.3%	84.5%	31.1%
Benchmark	-0.1%	-9.7%	-9.7%	61.9%	15.2%

Source: Lipper. Basis: share price, percentage growth, bid to bid, net income reinvested. Basis in accordance to the regulations of the FSA.

Past performance is not a guide to future performance. The standardised performance table refers to 12 month periods ending 31 December. The cumulative performance table refers to cumulative periods ending 31.12.2011

Fund performance



Top ten holdings

Holdings	Sector/Country	%
iShare MSCI Japan Smaller Companies	Collective investments	3.6%
Aberdeen Global Asian Small Cap	Collective investments	2.5%
Allianz Little Dragons	Collective investments	2.4%
Scottish Oriental Smaller Cos Inv Trust	Collective investments	2.3%
Utilico Emerging Markets	Collective investments	1.9%
AXA Framlington Japan Smaller Companies Fund	Collective investments	1.6%
M&G Japan Smaller Companies Fund	Collective investments	1.6%
Australian New Horizons	Collective investments	1.2%
Airgas	Basic Materials	1.2%
America's Car-Mart	Consumer Goods	1.2%
Total		19.4%

The portfolio obtains exposure to Japanese and Asian markets via a number of collective funds as opposed to individual holdings. These funds are mainly managed by third party fund managers based in the Far East with significant local market expertise. F&C is responsible for selecting the appropriate funds to use for these markets.

F&C Global Smaller Companies PLC

Continued

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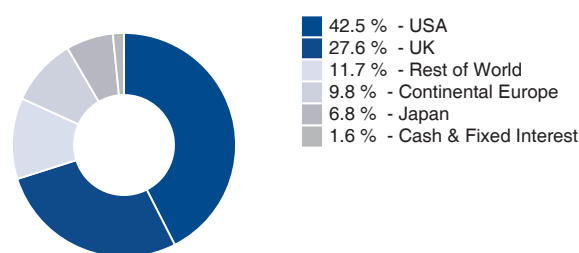
Top ten equity holdings (excluding collective funds)

Holdings	Sector/Country	%
Airgas	Basic Materials	1.2%
America's Car-Mart	Consumer Goods	1.2%
Conn's	Consumer Services	1.1%
SBA Communications	Telecommunications	1.1%
Simpson Manufacturing	Industrials	1.0%
Sanderson Farms	Consumer Goods	1.0%
Mohawk Industries	Consumer Goods	1.0%
Atlantic Tele-Network	Telecommunications	1.0%
Pool	Consumer Goods	1.0%
Granite Construction	Industrials	1.0%
Total		10.6%

Trust codes

Sedol	
F&C GSC - GBP	0017505

Trust geographical breakdown



Manager's commentary

Equity markets were broadly flat in December as investor activity dried up into the year-end. Moves in the eurozone towards closer fiscal integration via a new treaty were agreed, but bond yields remained at elevated levels for a number of countries, indicating continuing investor concern about the future. US small caps performed well in the month, as data suggested that economic activity, labour market conditions and consumer spending, were improving once again.

The Company's NAV, taking account of the move ex-dividend, posted a modest gain in December, beating a small fall in the Benchmark. Contributing to this, stock selection was positive in the UK, with plant hire company Ashtead continuing its recent rally as peer group consolidation in the US market provided a positive valuation read through. Lupus, another US construction focused business also bounced, while Cove Energy rose after confirmation that it was seeking offers for its Mozambique gas assets. The US and European portfolios were slightly behind the local small cap indices after a number of strong prior months. In both cases profit taking on some of the winners of 2011 was the main reason, though in Europe the on-going war of words between Ryanair and Aer Lingus hurt the share prices of the latter, while SAF Holland fell back as the outlook for European truck sales deteriorated.

In the Japanese portfolio, AXA Framlington's small cap fund comfortably beat the local benchmark, while elsewhere in terms of the collectives, Scottish Oriental Smaller Companies again did well and the Advance Brazil Leblon fund enjoyed a modest recovery after prior weakness. Interest rates are now on the way down in Brazil, and we could see this repeated in a number of emerging markets in the coming months. There were no significant changes to asset allocation or gearing in the month, though exposure to the US rose as a consequence of the strong relative showing of this market.

All data as at 31.12.11 unless otherwise stated.

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.

All information is sourced from F&C, unless otherwise stated. All percentages are based on gross assets. *(total assets - cash and fixed interest) / shareholders' funds. **Total expenses and management fee information as at end of 30 April 2011 based on net assets (debenture at market value). The fee could be made up to 1% p.a. dependent on performance against the benchmark. 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 Features' document for the relevant product. Stock market and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Where investments are made in emerging markets, unquoted securities 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. The Trust is managed by, and the fact sheet issued and approved by F&C Management Limited. Authorised and regulated in the UK by the Financial Services Authority(FSA). Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895.

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