

February 2010



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 37 years.

Benchmark

40% Hoare Govett Smaller Companies Index / 60% MSCI World ex-UK Small Cap Index

Average annual return

Average annual return figure over 5 years 10.33%

Key details

Fund Type	Investment Trust
Launch Date	1889
Total assets	£190.5 million
Share price	401.00p
NAV	443.96p
Discount/Premium(-/+)	-9.7%
Dividend Payment Dates	Aug, Jan
Net dividend yield	1.2%
Actual gearing**	99.5
Management fee rate***	0.40%
Total expenses	0.95%
Year end	30 April
Sector	Global Smaller Companies
Currency	Sterling
Website	www.fandcglobalsmallers.com

Standardised performance

	2009/2010	2008/2009	2007/2008	2006/2007	2005/2006
Fund	41.6%	-16.5%	-19.9%	14.6%	50.6%

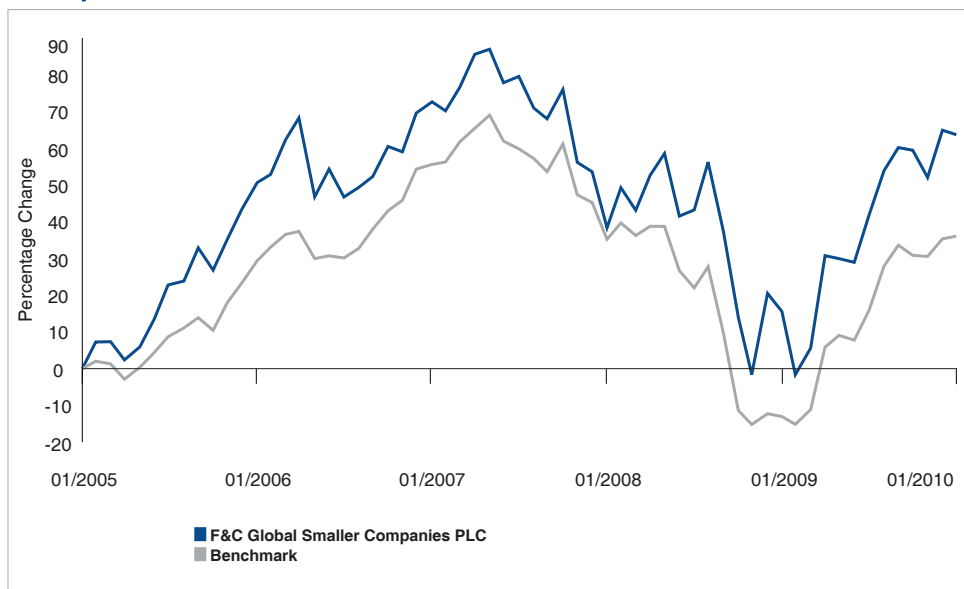
Cumulative performance

	1 Month	Year to date	1 Year	3 Years	5 Years
Fund	-0.7%	-0.7%	41.6%	-5.2%	63.7%
Benchmark	-0.9%	-0.9%	44.3%	-4.0%	36.3%

Source: Datastream & 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 January. The cumulative performance table refers to cumulative periods ending 31.01.2010

Fund performance



Top ten holdings

Holdings	Sector/Country	%
Ishare MSCI Japan Smaller Companies	Financials	3.4%
AXA Rosenberg Japan Small Cap Alpha	Financials	2.3%
Aberdeen Global Asian Small Cap	Financials	1.9%
Scottish Oriental Smaller Cos Inv Trust	Financials	1.8%
Allianz Little Dragons	Financials	1.6%
Australian New Horizons	Financials	1.2%
City of London Investment Group	Financials	1.1%
Utilico Emerging Markets	Financials	1.1%
AXA Framlington Japan Smaller Companies Fund	Financials	1.1%
CLS Holdings	Financials	0.9%
Total		16.4%

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

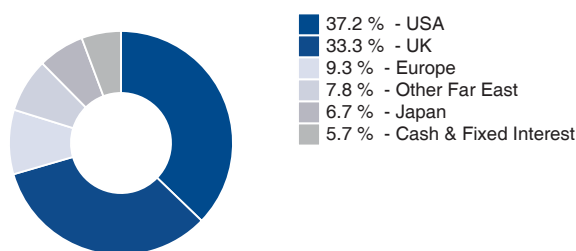
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Top ten equity holdings (excluding collective funds)

Holdings	Sector/Country	%
City of London Investment Group	Financials	1.1%
CLS Holdings	Financials	0.9%
SDL	Technology	0.9%
Hill & Smith Holdings	Industrials	0.8%
CRA International	Industrials	0.8%
Craneware	Technology	0.8%
Premiere Global Services	Technology	0.8%
The Andersons	Consumer Goods	0.7%
AMERIGROUP	Healthcare	0.7%
Alleghany	Financials	0.7%
Total		8.2%

Trust geographical breakdown



Manager's commentary

After a strong start to the year, markets pulled back late in January. The Chinese move to tighten bank lending and increasing concern about the fiscal positions of a number of Eurozone countries, served to temper investor enthusiasm, despite generally positive corporate earnings news coming through. NAV performance was broadly in line with the Benchmark, both showing a small fall over the month.

Stock selection was positive in the UK and Europe. In the former, we benefited from rises in software companies SDL and Craneware, both of which are continuing to trade well, while Gulfsands Petroleum, the Syrian focused oil exploration company, rose after announcing plans to bring a new oil-field on stream earlier than expected, and ahead of further exploration drilling. In Europe, French based household appliances supplier SEB whose brands include Tefal and Rowenta, performed well after reporting stronger than expected sales, while pharmaceuticals marketing business Meda also jumped on a positive update.

In the US, the portfolio lagged the Russell 2000 index a little, with shipping business Horizon Lines hit by news of an anti-trust investigation, while Big 5 Sporting Goods fell back after its strong run at the end of 2009. We did however benefit from a good bounce-back in United Community Banks with the banking sector recovering.

Asian markets succumbed to profit taking after their excellent run last year, but there was a better showing from Japanese small caps, with the market here up in sterling terms. We added to the Japanese weighting during the month on the basis that it has lagged other markets by too much in the recent period. Net sales on the fund in overall terms however mean that we are now in a modest net cash position reflecting a degree of caution about the near term outlook for markets.

All data as at 31.01.10 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 / shareholders' funds (debt measured at fair value). ** (total assets - cash) / shareholders' funds (debt measured at fair value). *** Management fee and expenses information as at end of 30 April 2007 and expressed as a percentage of total assets and with effect from 1 May 2006 is based on net assets (debenture at market value). A fee of up to 0.6% p.a. is also applicable 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.

Trust codes

Sedol	
F&C GSC - GBP	0017505