

Manager Commentary
Peter Ewins



August proved to be a volatile and weak month for equities, with concerns once again rising in relation to the US-China trade situation. Economic data, on the whole, continues to indicate that the developed world is slowing, with the move back into formal recession a possibility soon for some European countries. The UK political scene remained an overhang on sentiment towards sterling. The fund's net asset value was down in the month, but fell by a little less than the benchmark.

Outperformance at the fund level was entirely due to a very strong performance from stock selection in North America. Talk of a potential offer

for data centres REIT CyrusOne, as well as strong performance from our insurance holdings – as the rating environment improved – were major positive contributors. Gold and silver royalties business Wheaton Precious Metals continued to be strong as the price of these commodities remained firm, and an underweight stance towards energy continued to help, given ongoing pressure within the sector. Some of the weaker stocks included agri-services company The Andersons and, within healthcare, Ensign Group and Mednax.

We underperformed in the UK, despite a boost from the Hasbro bid for Entertainment One, the film and television content business and owners of the Peppa Pig franchise portfolio. A number of holdings, including travel agents On the Beach, media services company Kin & Carta and Clipper Logistics, were forced to pull back profits guidance during the month. Several financial stocks, including Arrow Global, AFH Financial Group and Draper Esprit, also dropped despite no significant new developments.

European performance was also below the local small cap market, with chemicals distributor IMCD's shares reacting poorly to a weak quarterly set of results. Lower bond rates took their toll on our holding in Storebrand, and shares in regional Danish bank Ringkjøbing Landbobank also fell back following the company's latest quarterly results. There were other weak stocks, including Sligro Foods and ferries business Irish Continental, with sentiment towards the latter remaining sensitive to Brexit developments.

Performance across the collective fund holdings was mixed, with the recent strong run of Utilico Emerging Markets coming to an end. This was offset from the 'rest of world' portfolio by a more resilient showing from our HSBC-managed Asian-facing fund. In Japan, Aberdeen's fund was once again our best performer.

Key facts as at 30.08.2019

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 49 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: £935.5m

Share price: 1346.00p

NAV (debt at market value): 1436.91p

Discount/Premium (-/+): -6.33%

Dividend payment dates: Aug, Jan

Net dividend yield†: 1.23%

Net gearing*: 4.97%

Management fee rate:** 0.55%

Ongoing charges:** 0.79%

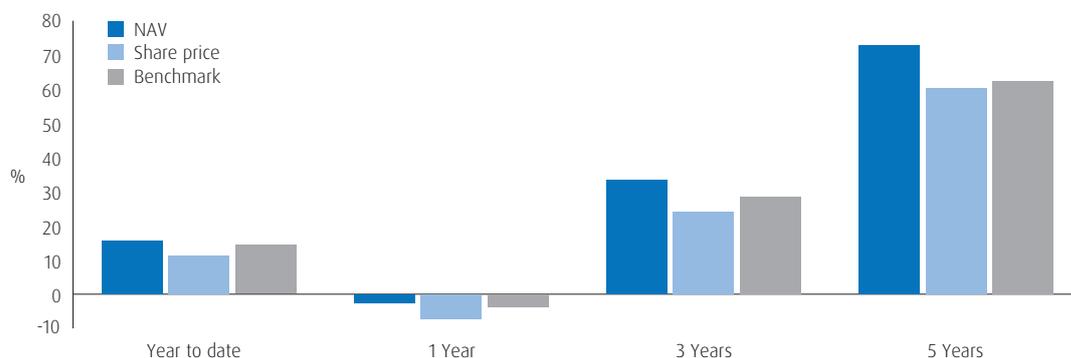
Year end: 30 April

Sector: Global

Currency: Sterling

Website: www.bmoglobalsmallers.com

Fund performance as at 30.08.2019



Cumulative performance (%) as at 30.08.2019

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV (debt at market value)	-2.52	15.47	-2.45	33.38	72.75
Share price	-3.03	11.26	-7.28	24.12	60.18
Benchmark	-2.72	14.29	-3.56	28.34	62.33

Discrete annual performance (%) as at 30.08.2019

	2019/2018	2018/2017	2017/2016	2016/2015	2015/2014
NAV (debt at market value)	-2.45	13.90	20.04	18.26	9.51
Share price	-7.28	11.83	19.70	17.87	9.49
Benchmark	-3.56	10.90	19.99	21.08	4.46

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.

** Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.

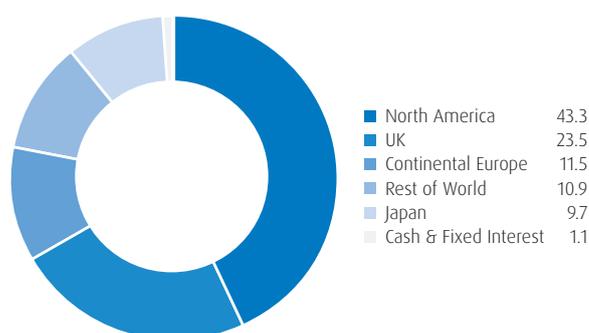




Trust codes	
Stock exchange	BGSC
Sedol	17505
Legal Entity Identifier	2138008RRULYQP8VP386

Top 10 holdings (%)		
	% of net assets	Sector
Eastspring Investments Japan Smaller Companies	4.3	Collective investments
Aberdeen Standard SICAV I Japanese Smaller Companies	4.0	Collective investments
Pinebridge Asia ex Japan Small Cap Equity	3.5	Collective investments
Scottish Oriental Smaller Cos Inv Trust	2.8	Collective investments
Utilico Emerging Markets	2.3	Collective investments
Alleghany	1.7	Financials
Baillie Gifford Japanese Smaller Companies	1.4	Collective investments
STERIS	1.4	Healthcare
Martin Marietta Materials	1.3	Industrials
Wheaton Precious Metals	1.2	Basic Materials

Geographical breakdown (%)



Net dividend distributions pence per share

	2015	2016	2017	2018	2019
January	2.65	2.90	4.00	4.40	5.00
August	7.00	7.80	8.25	10.00	11.50
Total	9.65	10.70	12.25	14.40	16.50

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 30.08.2019 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. (09/19)