

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. This document comprises a supplementary prospectus relating to F&C Global Smaller Companies plc (the "Company") prepared in accordance with the Prospectus Rules and Listing Rules of the UK Listing Authority made under section 73A of the Financial Services and Markets Act 2000 (the "Supplementary Prospectus"). This document has been approved by the Financial Conduct Authority in accordance with section 85 of the Financial Services and Markets Act 2000. This document will be made available to the public in accordance with the Prospectus Rules by being made available at www.fandcglobalsmallers.com.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the prospectus (the "Prospectus") published by the Company on 11 March 2014 relating to the issue of up to 12.5 million New Shares (the "Issues"). Except as expressly stated herein, or unless the context otherwise requires, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.

The Directors of the Company and the Company each accept responsibility for the information contained in this Supplementary Prospectus and the Prospectus. The Directors and the Company having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus and the Prospectus is, to the best of the knowledge of the Directors and the Company, in accordance with the facts and does not omit anything likely to affect the import of such information.

F&C GLOBAL SMALLER COMPANIES PLC

(Incorporated in England and Wales with registered number 00028264)

Supplementary prospectus in respect of the issue of up to 12.5 million New Shares in aggregate

This Supplementary Prospectus and the Prospectus do not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Supplementary Prospectus and the Prospectus and the offering of New Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Supplementary Prospectus and/or the Prospectus comes are required to inform themselves about and to observe such restrictions. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the New Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such Act.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is the sponsor and solicitor to the Company in relation to this Supplementary Prospectus. Dickson Minto W.S. is not acting for any other person in connection with the Issues. Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Dickson Minto W.S. will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto W.S. and is not advising any other person in relation to any transaction contemplated in or by this document.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company. Potential investors should also consider the risk factors relating to the Company set out in the Prospectus.

17 July 2014

Events arising since the publication of the Prospectus

This Supplementary Prospectus is being published in relation to the Issues. This Supplementary Prospectus is a regulatory requirement under the Prospectus Rules and section 87G of the Financial Services and Markets Act 2000 following: (i) the publication of the Company's annual report and accounts for the year ended 30 April 2014; and (ii) the announcement and publication of a prospectus (the "CULS Prospectus") for the issue of up to £40 million in nominal amount of 3.5 per cent. Convertible Unsecured Loan Stock ("CULS") by the Company (the "CULS Issue"). The Prospectus Rules and section 87G of the Financial Services and Markets Act 2000 require the issue of a supplementary prospectus if, in the relevant period (being, for these purposes, the later of the closure of the Issues and the last time when trading in the New Shares issued under the final Issue on the London Stock Exchange begins), there exists or is noted a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus relating to the Issues. This Supplementary Prospectus has been approved for publication by the Financial Conduct Authority.

Significant new factors

The annual report and accounts for the year ended 30 April 2014

On 16 June 2014, the Company published its annual report and accounts for the financial year ended 30 April 2014 (the "Annual Report"). By virtue of this Supplementary Prospectus, the specific sections of the Annual Report set out below are incorporated in, and form part of, the Prospectus.

The Company's auditors, PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT who are members of the Institute of Chartered Accountants in England and Wales, have made an unqualified report of the Annual Report under Chapter 3 of Part 16 of the Companies Act 2006.

The CULS Issue

As announced on 25 June 2014, the Company is proposing to raise up to £40 million through a placing, open offer and offer for subscription of CULS. Under the CULS Issue, Qualifying Shareholders (as defined in the CULS Prospectus) will be entitled to subscribe for 0.77653163 CULS for each Ordinary Share held by him or her at 6.00 p.m. on 17 June 2014.

The CULS Issue is conditional upon:

1. the passing of a special resolution to be proposed at a general meeting of the Company to be held at 12:30 p.m. on 24 July 2014, which will, if passed, grant the Directors the authority to issue shares on a non pre-emptive basis and grant rights to convert any security into Shares of the Company in connection with the CULS Issue;
2. the placing agreement in relation to the CULS Issue between the Company, F&C Management Limited ("F&C") and Oriel Securities Limited ("Oriel") becoming unconditional (save for the condition relating to the admission of the CULS to the standard debt segment of the Official List and to trading on the London Stock Exchange's main market (the "CULS Admission")) and not being terminated;
3. the CULS Admission taking place no later than 8.00 a.m. on 30 July 2014 (or such later date as the Company and Oriel agree, being no later than 29 August 2014); and
4. the minimum issue proceeds being equal to or exceeding £25 million or such lower amount as the Company, F&C and Oriel may agree in writing.

The terms of the CULS Issue are set out in the CULS Prospectus published by the Company on 27 June 2014. By virtue of this Supplementary Prospectus, the specific sections of the CULS Prospectus set out below are incorporated in, and form part of, the Prospectus.

Historical financial information

Historical financial information relating to the Company on the matters referred to below is included in the Annual Report as set out in the table below and is expressly incorporated by reference into this document and the Prospectus. The non-incorporated parts of the Annual Report are either not relevant to investors or covered elsewhere in this document.

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Selected financial information

The information in this section is information regarding the Company which has been prepared by the Company and has been extracted directly from the historical financial information referred to in the above section entitled "Historical financial information". Selected historical financial information relating to the Company which summarises the financial condition of the Company for the year ended 30 April 2014 is set out in the following table:

	<i>Audited financial results for the year ended 30 April 2014</i>
Net asset value	
Net assets (£'000)	431,086
Net asset value per Share (p)	841.78
Share price (p)	840.00
Income	
Revenue return after expenses and taxation (£'000)	4,461
Revenue return per Share (p)	9.31
Dividend per Share (p)	8.00
Ongoing Charges	
As a percentage of average Shareholders' funds (%)	0.76
Portfolio summary	
Shareholders' funds (£'000)	431,086
NAV/share price returns	
Net asset value total return (%)	12.3
Share price total return (%)	10.8

Operating and financial review

Descriptions of the changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments are set out in the sections headed "Chairman's Statement", "Manager's Review" and "List of Investments" in the Annual Report as set out in the table below and are expressly incorporated by reference into this document and the Prospectus:

<i>Nature of information</i>	<i>Year ended 30 April 2014</i>
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The CULS Issue

Information relating to the Company on the matters referred to below is included in the CULS Prospectus as set out in the table below and is expressly incorporated by reference into this document and the Prospectus. The non-incorporated parts of the CULS Prospectus are either not relevant to investors or covered elsewhere in this document.

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General

Significant change

Since 30 April 2014 (being the end of the last financial period of the Company for which financial information has been published), there has been no significant change in the financial or trading position of the Company.

The above statement has been extracted directly from the CULS Prospectus.

Gross change

The CULS Issue will represent a gross change for the Company. If the CULS Issue had taken place on 30 April 2014 (the last date in respect of which financial information on the Company has been published) and that issue had been fully subscribed, approximately £40 million would have been raised by way of this single issue. The gross assets of the Company would therefore have been increased by approximately £39.2 million. On this basis, the total costs and expenses of and incidental to the CULS Issue payable by the Company would be approximately £0.8 million, being 2 per cent. of the total proceeds of the CULS Issue. The net proceeds available for investment by the Company would therefore be approximately £39.2 million and these net proceeds would be invested in accordance with the Company's investment policy. If such CULS Issue had been made on 30 April 2014 the Company would have derived enhanced earnings from the investment of the net proceeds of such issue in the same manner as earnings are derived from the Company's current assets that are invested in accordance with the Company's investment policy.

The above statement has been extracted from the CULS Prospectus.

Supplements to the Summary

As a result of the publication of the Annual Report and the CULS Prospectus the summary section of the Prospectus is hereby supplemented as follows:

Element	Disclosure requirement	Disclosure
B.7	Key financial information	Selected historical financial information relating to the Company which summarises the financial condition of the Company for the financial year ended 30 April 2014 is set out in the following table:

Element	Disclosure requirement	Disclosure
		<p style="text-align: right;"><i>Audited financial results for the year ended 30 April 2014</i></p> <p>Net asset value</p> <p>Net assets (£'000) 431,086</p> <p>Net asset value per Share (p) 841.78</p> <p>Share price (p) 840.00</p> <p>Income</p> <p>Revenue return after expenses and taxation (£'000) 4,461</p> <p>Revenue return per Share (p) 9.31</p> <p>Dividend per Share (p) 8.00</p> <p>Ongoing Charges</p> <p>As a percentage of average Shareholders' funds (%) 0.76</p> <p>Portfolio Summary</p> <p>Shareholders' funds (£'000) 431,086</p> <p>NAV/share price returns</p> <p>Net asset value total return (%) 12.3</p> <p>Share price total return (%) 10.8</p>
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. There were no qualifications in the audit reports on the historical financial information contained within the Prospectus, including as supplemented by the Supplementary Prospectus dated 17 July 2014.
B45	Portfolio	The Company's portfolio is comprised predominantly of equities. As at 23 June 2014 the Company's portfolio comprised, by value, 97.7 per cent. equities.
B46	Net Asset Value	The unaudited Net Asset Value as at 23 June 2014 was £443.3 million.
D3	Key information on the key risks specific to the securities	<p>On a winding-up of the Company, the nominal amount of the CULS will rank ahead of the Ordinary Shares but will be subordinated to the Company's borrowings and creditors.</p> <p>The rate of conversion of the CULS is set at a 15 per cent. premium to the unaudited Net Asset Value per Ordinary Share at the date of admission of the CULS to the standard debt segment of the Official List and to trading on the London Stock Exchange's main market. When any CULS convert into Ordinary Shares at a time when the NAV per Ordinary Share is greater than the Conversion Price, there will be NAV per Ordinary Share dilution for existing Ordinary Shareholders. This potential dilution may impact on the market price of Ordinary Shares.</p> <p>The Company borrows funds for the purpose of purchasing securities.</p>

Element	Disclosure requirement	Disclosure
		Such borrowings include the CULS. This may provide an opportunity for greater growth in the net assets of the Company and greater capital appreciation in the value of the Ordinary Shares, but at the same time it increases the exposure of the Company and Ordinary Shareholders to the risk of capital loss.

Documents incorporated by reference

Copies of all the documents incorporated by reference in this Supplementary Prospectus can be obtained free of charge from the offices of F&C at Exchange House, Primrose Street, London EC2A 2NY and from the website of the Company at www.fandcglobalismallers.com.

To the extent that there is any inconsistency between any statement in or incorporated by reference in this Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this Supplementary Prospectus will prevail.

17 July 2014