

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your registered holding of convertible unsecured loan stock 2013 issued by North Atlantic Smaller Companies Investment Trust plc, please forward this document together with the Form of Proxy to the purchaser or the transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected for delivery to the purchaser or transferee.

North Atlantic Smaller Companies Investment Trust plc

*(Incorporated in England and Wales under the Companies Acts
1948 to 1967 with registered number 1091347)*

Proposals relating to a
Share Buy Back Programme

And

Notice of a
Meeting of Stockholders

Notice of a Meeting of Stockholders of the Company to be held on Tuesday, 30 June 2009 at 1.00 p.m. (or as soon thereafter as the Annual General Meeting convened for the same day and place shall have been concluded or adjourned) in the Board Room, Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB is set out on page 6 of this Circular.

Forms of Proxy must be received at the offices of the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time fixed for the meeting.

DEFINITIONS

In this Circular, the following definitions shall apply unless the context otherwise requires:

Annual General Meeting	annual general meeting of the members of the Company to be held in the Board Room, Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB at 12 noon on Tuesday, 30 June 2009
Buy Back Authority	the authorisation of the Company to make market purchases of Ordinary Shares
Circular	this document
Company	North Atlantic Smaller Companies Investment Trust plc (No. 1091347)
CULS	convertible unsecured loan stock 2013 issued by the Company
Stockholders	those persons entered into the register in respect of the CULS, maintained by the Company, as holders of CULS
Directors	the directors of the Company
Extraordinary Resolution	the extraordinary resolution of Stockholders to approve the Buy Back Authority set out in the Notice of Meeting of Stockholders
Form of Proxy	the form of proxy sent to holders of CULS with this Circular relating to the Meeting of Stockholders
Meeting of Stockholders	the meeting of stockholders of the Company to be held on Tuesday, 30 June 2009 at 1.00 p.m. (or as soon thereafter as the Annual General Meeting convened for the same day and place shall have been concluded or adjourned) convened by the Notice of Meeting of Stockholders, including any adjournment of such meeting
Notice of Meeting of Stockholders	the notice of the Meeting of Stockholders set out in this Circular
Ordinary Shares	ordinary shares of 5 pence each in the capital of the Company

LETTER FROM THE DIRECTORS

North Atlantic Smaller Companies Investment Trust plc

(Registered in England and Wales No: 1091347)

Directors:
Enrique Foster Gittes (Chairman)
Christopher H B Mills (Chief Executive)
Kristian Siem
Charles L A Irby
Oliver R Grace Jr.
The Honourable Peregrine D E M Moncreiffe

Registered Office:
Ground Floor, Ryder Court
14 Ryder Street
London SW1Y 6QB

29 May 2009

To Stockholders

Dear Stockholder,

I am writing to explain the background to the Extraordinary Resolution to be put to the Meeting of Stockholders to be held immediately following the Company's Annual General Meeting on Tuesday, 30 June 2009.

The purpose of this letter is formally to invite the Stockholders to vote on the Extraordinary Resolution and to convene the necessary meeting for the Stockholders.

Stockholders will find a notice of the Meeting of Stockholders on page 6 of this Circular.

A Form of Proxy is enclosed for use at the Meeting of Stockholders. Whether or not you intend to be present at the meeting, you are strongly urged to complete and return the Form of Proxy in accordance with the instructions therein so as to reach the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not later than 1.00 p.m. on 28 June 2009.

The completion and return of a Form of Proxy will not prevent you from attending the meeting and voting in person if you wish to do so.

Your Directors consider the Buy Back Authority to be in the best interests of the Company as a whole. Accordingly, the Directors recommend holders of CULS to vote in favour of the Extraordinary Resolution at the Meeting of Stockholders.

Yours faithfully

Enrique Foster Gittes
Chairman

APPENDIX

North Atlantic Smaller Companies Investment Trust plc

Share Buy Back Programme

Summary

1. Reasons for implementing the Buy Back Authority

The Directors are seeking approval to purchase the Company's Ordinary Shares in the market in order to attempt to narrow the discount to net asset value at which the shares are currently trading. The Directors intend to exercise this authority only when, in the light of market conditions prevailing at the time and taking into account investment opportunities, appropriate gearing levels and the overall financial position, they believe that the effect of such purchases will be to increase the underlying value per Ordinary Share having regard to the interests of shareholders and Stockholders generally.

Purchases will be made within guidelines set by the board of Directors and using available reserves. Ordinary Shares purchased will be cancelled and the number of shares in issue reduced accordingly.

2. Market buy back of Ordinary Shares

The Company intends to:

- (a) purchase a maximum number of 1,479,554 Ordinary Shares;
- (b) the maximum price which may be paid for an Ordinary Share will not be more than the higher of:
 - (i) 5% above the average middle market quotation of the shares over the preceding five business days; and
 - (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;in each case exclusive of expenses (if any) payable by the Company; and
- (c) the minimum price for which shall be 5 pence each per Ordinary Share, being the nominal value of each share (exclusive of expenses (if any) payable by the Company).

3. Meeting of Stockholders

The Company is authorised to purchase its own shares, in line with Article 11 of the Company's articles of association. However, under the trust deed dated 26 November 1993 constituting the CULS, the Company also requires the authorisation of the Stockholders in order to obtain the Buy Back Authority. This authority must be passed by way of an "Extraordinary Resolution", which requires a majority of 75% of the votes cast in person or by proxy in respect of the resolution. Accordingly, to give effect to the Buy Back Authority, and permit the Company to purchase Ordinary Shares, it is necessary that the Extraordinary Resolution set out on page 6 of this Circular is duly passed.

The Meeting of Stockholders will be held on Tuesday, 30 June 2009 at 1.00 p.m. (or as soon thereafter as the Annual General Meeting convened for the same day and place shall have been concluded or adjourned). Only Stockholders are entitled to attend and vote at the Meeting of Stockholders.

The Extraordinary Resolution authorises the purchase by the Company of Ordinary Shares, up to a maximum of 1,479,554 Ordinary Shares.

The failure of any person to receive Notice of the Meeting of Stockholders shall not invalidate any aspect of the Meeting of Stockholders.

4. What you need to do

All holders of CULS are invited to vote on the Extraordinary Resolution and to complete and return the Form of Proxy to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. To be valid, Forms of Proxy must arrive no later than 1.00 p.m. on 28 June 2009. The enclosed reply paid envelope should be used for this purpose.

You may appoint the Chairman of the Meeting of Stockholders as a proxy.

No Form of Proxy shall be valid after the expiry of 12 months from the date that it was signed.

A person appointed to act as a proxy need not be a Stockholder.

NORTH ATLANTIC SMALLER COMPANIES INVESTMENT TRUST PLC (the Company)

NOTICE OF MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that a Meeting of Stockholders for the holders of convertible unsecured loan stock 2013 (**CULS**) of the Company will be held on Tuesday, 30 June 2009 at 1.00 p.m. (or as soon thereafter as the Annual General Meeting of the Company convened for the same day and place shall have been concluded or adjourned) in the Board Room, Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB for the purpose of considering and, if thought fit, passing an extraordinary resolution.

The Law Debenture Trust Corporation p.l.c. (the **Trustee**) has not participated in the formulation of the terms of the Extraordinary Resolution or the proposals contemplated thereby and, in accordance with normal practice, expresses no view on their merits and nothing in the Extraordinary Resolution, the proposals, or this Notice should be construed as a recommendation to the holders of CULS (the **Stockholders**) from the Trustee to vote in favour of or against the Extraordinary Resolution. Stockholders should take their own independent financial advice on the merits and on the consequences of voting in favour of, or against, the applicable Extraordinary Resolution, including any tax consequences. However, on the basis of the information contained in the Notice of the Meeting of Stockholders and the Circular containing such notice, the Trustee has stated that the Trustee has no objection to the Extraordinary Resolution being put to the Meeting of the Stockholders for their consideration.

The following Extraordinary Resolution is to be considered and, if thought fit, passed:

EXTRAORDINARY RESOLUTION

1. That, in accordance with clause 8(B) of the trust deed dated 26 November 1993 between the Trustee and the Company, the Stockholders approve that the Company is generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the Companies Act 1985) of Ordinary Shares of 5 pence each in the capital of the Company on such terms and in such manner as may be approved by the members of the Company from time to time and provided that:
 - (a) the maximum number of Ordinary Shares authorised to be purchased is 1,479,554;
 - (b) the minimum price which may be paid for any Ordinary Share is 5p (the nominal value) (exclusive of expenses (if any) payable by the Company);
 - (c) the maximum price which may be paid for any Ordinary Share purchased under this authority is an amount equal to the higher of (i) 105 % of the average of the middle market quotations for an Ordinary Share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased and (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (in each case exclusive of expenses (if any) payable by the Company); and
 - (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution except that the Company may before such expiry make a contract or contracts to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.
2. That the Stockholders, with effect from the date of this Extraordinary Resolution, discharge and exonerate the Trustee from, and the Trustee shall not have or incur, any liability in respect of or in connection with this Extraordinary Resolution, or the proposal and transactions contemplated by this Extraordinary Resolution or the implementation of this Extraordinary Resolution and such proposal and transactions.

3. That the Trustee is authorised and instructed to concur in taking all steps in its sole discretion as it may consider necessary, desirable or expedient in order to carry out and give effect to this Extraordinary Resolution.

Dated 29 May 2009
By Order of the Board,

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J O Hambro Capital Management Limited
Company Secretary

Registered Office:

Ground Floor, Ryder Court
14 Ryder Street
London SW1Y 6QB

Registered No. 1091347

NOTES:

1. Only Stockholders (or their respective proxies or, in the case of Stockholders which are corporations, their duly authorised representatives) are entitled to attend and vote at the meeting.
2. Any Stockholder entitled to attend and vote at this meeting is entitled to appoint a proxy (or, in the case of a Stockholder which is a corporation, a duly authorised representative) to attend and, on a poll, to vote in his stead; a proxy need not be a Stockholder. You may appoint the Chairman of the Meeting of Stockholders as a proxy.
3. A Form of Proxy for use in connection with the Meeting of Stockholders accompanies this Circular. The Form of Proxy must be deposited at the address printed on the Form of Proxy not less than 48 hours before the time appointed for holding the Meeting of Stockholders together with the power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority. Any Form of Proxy must be signed by the Stockholder or his duly authorised attorney or, in the case of a corporation, executed under seal or signed by a duly authorised officer or attorney of the appointor.
4. The quorum for passing an Extraordinary Resolution shall be one or more Stockholders (or their respective proxies or duly authorised representatives) present and holding or representing in the aggregate a clear majority in nominal amount of the CULS for the time being outstanding.
5. If within 15 minutes (or such longer period not exceeding 30 minutes as the chairman may decide) from the time appointed for holding the Meeting of Stockholders a quorum is not present, the meeting shall be adjourned to another day which is not less than 13 days or more than 42 days thereafter and to such place and time as appointed by the chairman.
6. At the Meeting of Stockholders the Extraordinary Resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the chairman or by the Stockholders (or their respective proxies or duly authorised representatives) present and holding or representing not less than one-twentieth in nominal amount of the CULS for the time being outstanding.

7. To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes given on such poll.
8. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.
9. On a show of hands every Stockholder (or their respective proxies or duly authorised representatives) who is present shall have one vote. On a poll every Stockholder (or their respective proxies or duly authorised representatives) who is present shall have one vote in respect of each 10p nominal of CULS of which he is the holder.
10. On a poll votes may be given personally or by proxy or (in the case of a Stockholder which is a corporation) by a Stockholder's duly authorised representative, and a Stockholder entitled to more than one vote need not (if he votes) use all his votes or cast all the votes he uses in the same way.
11. Any resolution passed by the requisite majority of Stockholders at a meeting duly convened and held in accordance with the provisions of the trust deed dated 26 November 1993 between the Company and the Trustee shall be binding upon all the Stockholders whether present or not present at the meeting.
12. The failure of any person to receive a copy of the Notice of the Meeting of Stockholders shall not invalidate any aspect of the Meeting of Stockholders.