

NORTH ATLANTIC SMALLER COMPANIES INVESTMENT TRUST PLC

INTERIM MANAGEMENT STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2007

Investment Objective

The objective of North Atlantic Smaller Companies Investment Trust PLC ("the Company") is to provide capital appreciation through investment in a portfolio of smaller companies principally based in countries bordering the North Atlantic Ocean.

Financial Highlights

	As at 31 October 2007	Cumulative performance				
		3 months %	6 months %	1 year %	3 years %	5 years %
NAV *						
Basic	1,753p	(0.2)	(1.0)	1.1	40.6	65.1
Diluted	1,312p	(0.2)	7.0	10.3	63.0	103.1
Mid-market price	1,196.0p	2.2	4.9	6.5	60.5	165.8
Discount to diluted NAV *	8.8%					
Standard & Poor's 500 Composite Index **	745.8	4.1	0.6	3.2	20.9	31.7
Russell 2000 **	398.6	4.4	(2.1)	(0.9)	25.1	67.0
FTSE All-Share Index	3,454.1	5.0	2.9	10.0	50.3	78.2
US Dollar/Sterling exchange rate	2.0774	(2.2)	(3.9)	(8.9)	(13.4)	(32.8)

* Excluding retained revenue for the period.

** Sterling adjusted.

Material Events

There were no material events to report during the period under review.

Material Transactions

There were no material transactions during the quarter ended 31 October 2007.

TWENTY LARGEST INVESTMENTS AT 31 OCTOBER 2007

		%
Castle Support Services PLC	UK Quoted on AIM	9.5
Oryx International Growth Fund Limited *	UK Listed	8.6
Nationwide Accident Repair Services PLC	UK Quoted on AIM	5.5
Inspired Gaming Group PLC	UK Quoted on AIM	5.3
Gleeson (MJ) Group PLC	UK Listed	4.6
BBA Aviation Group PLC	UK Listed	4.5
Hampton Trust Group	UK Unquoted	4.1
Motherwell Bridge Limited	UK Unquoted	3.8
W-H Energy Services Inc.	USA Listed	3.2
Georgica PLC	UK Quoted on AIM	3.0

Ashtead Group PLC	UK Listed	2.9
Trident Private Equity II LP	Cayman Islands Unquoted	2.5
Worldport Communications Inc.	USA Unquoted	2.5
Sterling Construction Inc.	USA Listed	2.2
Cardpoint PLC**	UK Quoted on AIM	2.1
Communis PLC	UK Listed	2.1
RPC Group PLC	UK Listed	2.1
Martley	France Unquoted	2.1
Whatman PLC	UK Listed	2.0
Rileys Press	UK Unquoted	1.6
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% of total portfolio		74.2
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* Incorporated in Guernsey

**Now known as Payzone PLC following merger

SECTOR ANALYSIS OF INVESTMENTS AT FAIR VALUE AS AT 31 OCTOBER 2007

	United States	United Kingdom	Europe	Total
	%	%	%	%
Support Services	0.8	12.7	-	13.4
Investment Companies	0.2	12.0	-	12.2
General Industrials	-	11.6	-	11.6
Real Estate	-	6.6	2.1	8.7
Travel & Leisure	-	8.3	-	8.3
Construction & Materials	2.2	4.6	-	6.9
Industrial Engineering	0.5	6.0	-	6.5
Healthcare, Equipment & Services	0.4	4.4	-	4.8
Industrial Transportation	-	4.5	-	4.5
General Financial	4.2	-	-	4.2
Oil & Gas	3.2	0.7	-	3.9
Consumer Cyclical	-	1.6	-	1.6
Media	-	1.3	-	1.3
Communications	-	1.2	-	1.2
Technology Hardware & Equipment	0.8	-	-	0.8
Food Producers	-	0.5	-	0.5
Manufacturing	0.1	0.1	-	0.2
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Treasury Bills	12.4	76.1	2.1	90.6
	9.4			9.4
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Total at 30 April 2007	21.8	76.1	2.1	100.0
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	36.4	63.3	0.3	

The financial information for the quarter ended 31 October 2007 contained within this Interim Management Statement has not been audited.

By order of the Board

Jenny Hogg for and on behalf of
J O Hambro Capital Management Limited as Company Secretary

20 December 2007