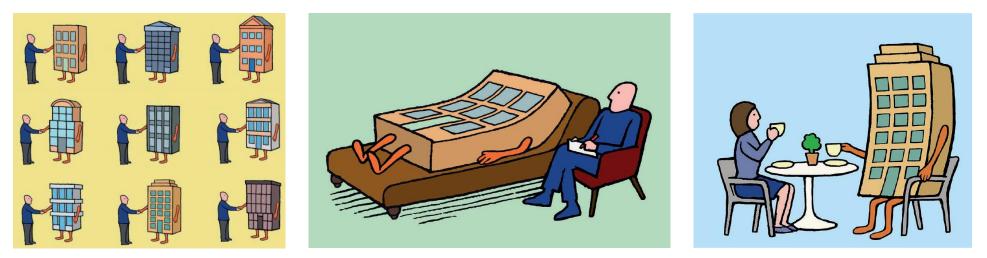


ASSET MANAGEMENT

This is a marketing communication

## The Montanaro Smaller Companies Chartbook 30 June 2025

"No one knows Smaller Companies like we do"



Montanaro Asset Management Ltd 53 Threadneedle Street, London EC2R 8AR www.montanaro.co.uk <u>enquiries@montanaro.co.uk</u> Tel: +44 (0)20 7448 8600 Follow us on LinkedIn: @MontanaroAssetManagement in

#### **Q2 Highlights** (all returns in GBP)

- A highly volatile quarter that started with Trump's "Liberation Day" :
  - steep equity losses were swiftly reversed as tariffs were paused for 90 days
  - several markets have since reached new all-time highs
- Europe outperformed the US once again, fuelled by further rate cuts (cf pages 7 & 8):
  - ECB and BoE cut rates by 25bp (8<sup>th</sup> time and 4<sup>th</sup> this cycle respectively) no cuts by the Fed this year
  - Europe marginally ahead of the US in Q2 but leading by more than 15% in H1
  - the US underperformed all key regions in H1 (Europe, UK, China, Frontier Markets)
  - … and the US Dollar tumbled 10% in H1\*, the worst start to a year since 1973
- Is the AI / Mag 7 story really over?
  - the Mag 7 came back with a roar: +14% in Q2 (Nvidia made new all-time highs)
- NATO's 5% pledge supports Aerospace, Defence & Cyber:
  - > NATO members have committed to increasing defence spending from 2% to 3.5%
  - > ... and an additional 1.5% on cybersecurity and infrastructure
  - this has resulted in further gains for the sector (+36% return in Q2 for World Small A&D)

Source: Internal, MSCI, Factset.

<sup>\*</sup> Deutsche Bank Trade-weighted US Dollar spot.

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## Q2 Highlights – Continued (all returns in GBP)

- SmallCap is firmly back on the map in Europe:
  - strong returns in Q2 / H1: MSCI Europe ex-UK SmallCap +17.9% YTD
  - ... led by Germany, France, Italy and Spain (all up between 19% and 29% in H1) \*
  - SmallCap has outperformed in 4 of the last 5 quarters in Continental Europe (5 / 5 in the Nordics)
  - > ... and outflows have slowed dramatically in recent months (see page 13)
- ... but no clear momentum shift in the US or the UK:
  - UK SmallCap had a strong Q2 (reversing Q1) but is still lagging LargeCap by 2% YTD \*\*
  - > ... as flows remain negative (in all UK equity segments)
  - US SmallCap continued to suffer from Large and MegaCap dominance c.11% behind in H1 \*\*
- SmallCap valuations are still at highly attractive levels including in Europe:
  - Europe ex-UK SmallCap on a 6% P/E discount v. the market (vs a long-term average of +16%)
  - in the US, SmallCap is on a 36% discount to LargeCap similar levels to the late 1990s (TMT boom) \*\*\*
- BUT: SmallCap returns in Europe & the UK remain driven by Value sectors:
  - SmallCap Value outperformed Growth by c.6% in H1 in Europe and the UK \*\*\*\*
  - ... driven by Aerospace & Defence, Banks, Insurance, Telecoms, Metals & Mining

Source: Internal, MSCI, Factset. \* Based on the MSCI Germany SmallCap, France SmallCap, Italy SmallCap and Spain SmallCap indices. \*\* UK: Based on the Numis Smaller Companies (ex-IC) vs LargeCap index // US: based on the S&P 600 Small vs S&P 100 Large. \*\*\* Based on the S&P 600 Small vs S&P 100. \*\*\*\* Based on MSCI Europe Small Cap Value & Growth indices.



### Contents

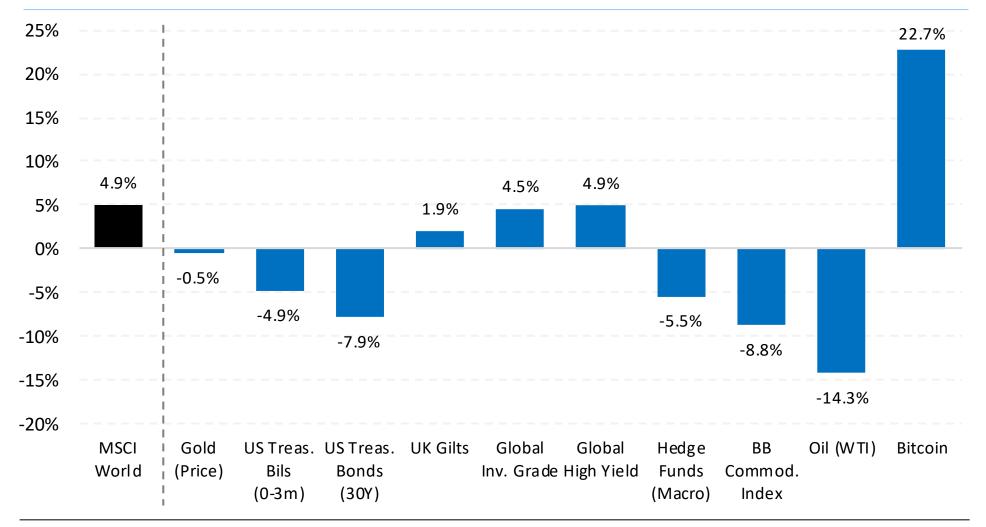
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$\triangleright$	Returns by <b>Region</b>	Page 7
$\succ$	SmallCap Markets	Page 9
	Earnings	Page 11
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#### Montanaro

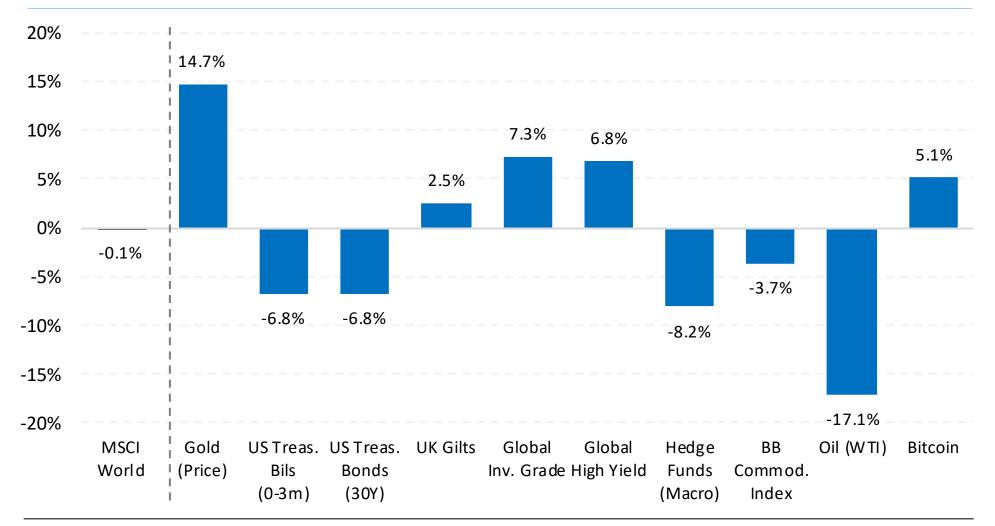
## Contents (cont.)

	GLOBAL Small & MidCap	<b>USA</b> Small & MidCap	<b>UK</b> Small & MidCap	PAN-EUROPE Small & MidCap	EUROPE ex-UK Small & MidCap
Size	Page 15	Page 43	Page 53	Page 86	Page 114
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Sectors	Page 25	n/a	Page 64	Page 96	Page 124
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#### Returns by Asset Class – Q2 2025 (Total Returns in GBP)

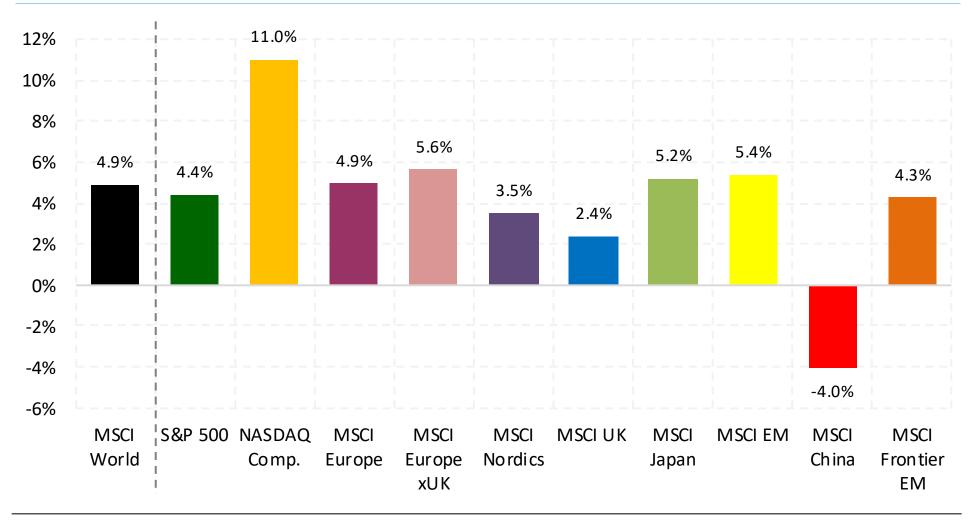


### Returns by Asset Class – H1 2025 (Total Returns in GBP)

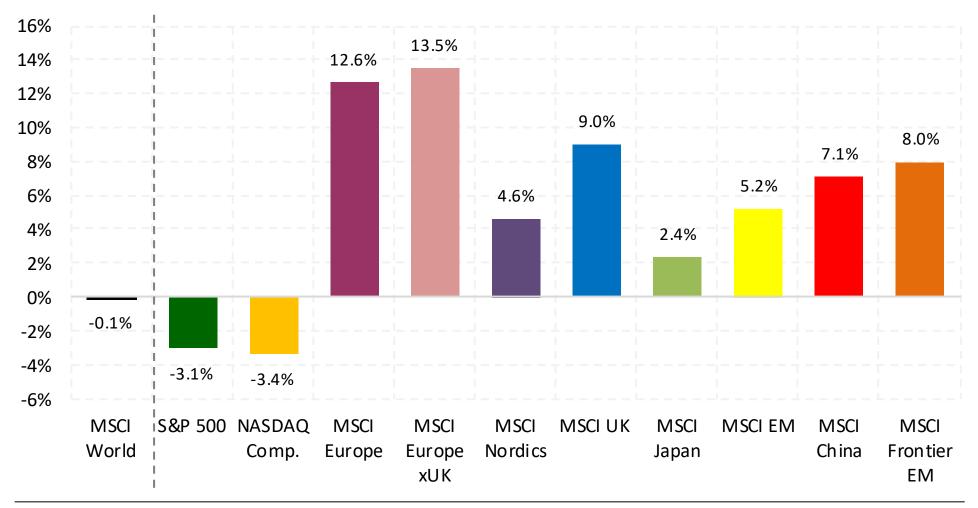


Source: Internal, MSCI.

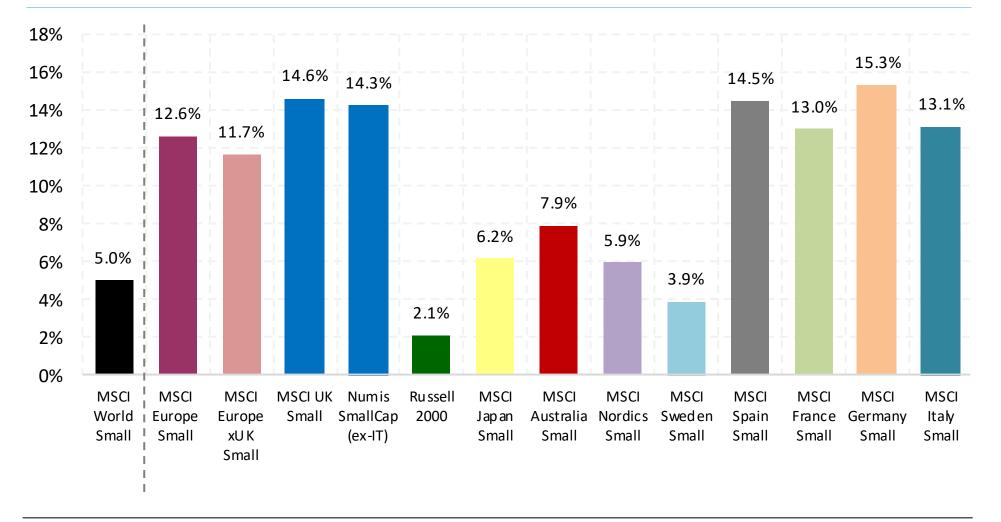
## Equity Returns by <u>Region</u> – Q2 2025 (Total Returns in GBP)



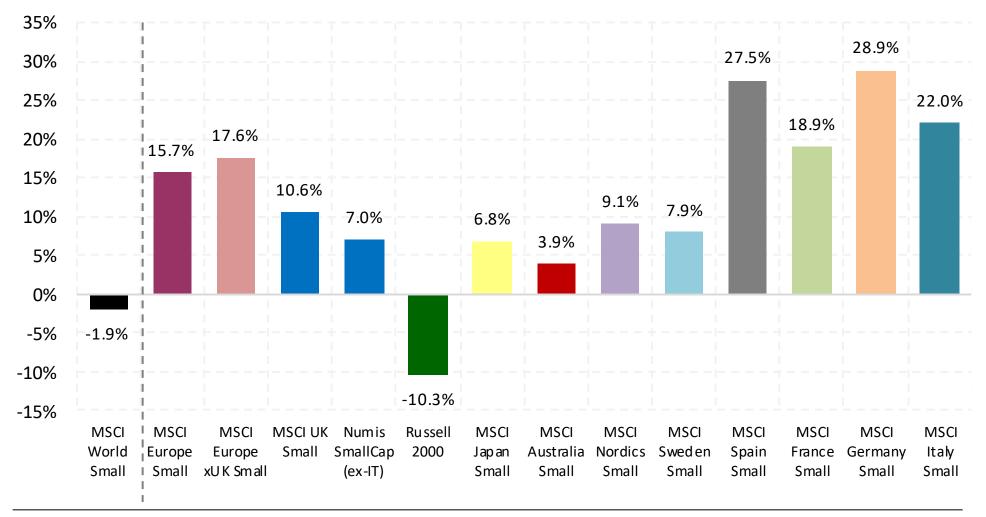
## Equity Returns by <u>Region</u> – H1 2025 (Total Returns in GBP)



## SmallCap Returns by <u>Region</u> – Q2 2025 (Total Returns in GBP)



## SmallCap Returns by <u>Region</u> – H1 2025 (Total Returns in GBP)



Source: Internal, MSCI, Numis.

## **Earnings Growth – by Region**

(Consensus E	(Consensus EPS Growth in US\$)		2025e	2026e	2027e
	MSCI World Small	-6%	+27%	+19%	+15%
GLOBAL	MSCI World SMID	-0%	+20%	+16%	+13%
	MSCI World Large	+10%	+11%	+12%	+12%
	S&P 600 Small	-8%	+6%	+20%	+16%
USA	S&P 400 Mid	+0%	+0%	+17%	+13%
	S&P 100 (Large)	+15%	+11%	+14%	+13%
	MSCI Europe Small	-19%	+36%	+16%	+11%
PAN- EUROPE	MSCI Europe SMID	-13%	+28%	+15%	+10%
	MSCI Europe Large	-3%	+10%	+11%	+11%
	MSCI Europe ex-UK Small	-26%	+39%	+16%	+11%
EUROPE ex- UK	MSCI Europe ex-UK SMID	-16%	+30%	+15%	+10%
	MSCI Europe ex-UK	-3%	+15%	+12%	+11%
UK	FTSE 250	-9%	+8%	+17%	+10%
	FTSE 100	-2%	+6%	+11%	+12%

### Valuations

#### **P/E** (12m Fwd)

WORLD		USA		UK		EUROPE		EUROPE ex-UK		
MSCI World	19.7	S&P 500	22.2	MSCI UK	12.7	MSCI Europe	14.4	MSCI Europe xUK	15.0	
MSCI World EQUAL-WGT	15.9	S&P 500 EQUAL-WGT	16.9	MSCI UK EQUAL-WGT	12.9	MSCI Europe EQUAL-WGT	13.7	MSCI Europe xUK EQUAL-WGT	13.9	
MSCI World LARGE	20.2	S&P 100	23.6	MSCI UK LARGE	12.4	MSCI Europe LARGE	14.6	MSCI Europe xUK LARGE	16.4	
MSCI World MID	16.9	S&P 400 MID	18.1	MSCI UK MID	14.5	MSCI Europe MID	13.8	MSCI Europe xUK MID	14.9	
MSCI World SMID	16.7	S&P 1000 SMID	n.a.	MSCI UK SMID	13.7	MSCI Europe SMID	13.8	MSCI Europe xUK SMID	13.8	
MSCI World SMALL	16.4	S&P 600 SMALL	15.2	MSCI UK SMALL	13.7	MSCI Europe SMALL	13.8	MSCI Europe xUK SMALL	14.1	
MSCI World MICRO	n.a.	DJ MICRO CAP	n.a.	MSCI UK MICRO	13.2	MSCI Europe MICRO	18.4	MSCI Europe xUK MICRO	n.a.	

#### P/Book (12m Trail.)

WORLD		USA		UK		EUROPE		EUROPE ex-UK		
MSCI World	3.61	S&P 500	5.01	MSCI UK	1.98	MSCI Europe	2.12	MSCI Europe xUK	2.17	
MSCI World EQUAL-WGT	2.07	S&P 500 EQUAL-WGT	2.93	MSCI UK EQUAL-WGT	1.93	MSCI Europe EQUAL-WGT	n.a.	MSCI Europe xUK EQUAL-WGT	n.a.	
MSCI World LARGE	3.98	S&P 100	5.97	MSCI UK LARGE	1.93	MSCI Europe LARGE	2.21	MSCI Europe xUK LARGE	n.a.	
MSCI World MID	2.36	S&P 400 MID	2.37	MSCI UK MID	2.34	MSCI Europe MID	1.77	MSCI Europe xUK MID	n.a.	
MSCI World SMID	2.08	S&P 1000 SMID	n.a.	MSCI UK SMID	1.95	MSCI Europe SMID	1.66	MSCI Europe xUK SMID	1.61	
MSCI World SMALL	1.81	S&P 600 SMALL	1.62	MSCI UK SMALL	1.95	MSCI Europe SMALL	1.51	MSCI Europe xUK SMALL	1.49	
MSCI World MICRO	0.91	DJ MICRO CAP	n.a.	MSCI UK MICRO	1.28	MSCI Europe MICRO	1.11	MSCI Europe xUK MICRO	n.a.	

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#### **Flows** (UK domiciled Funds)

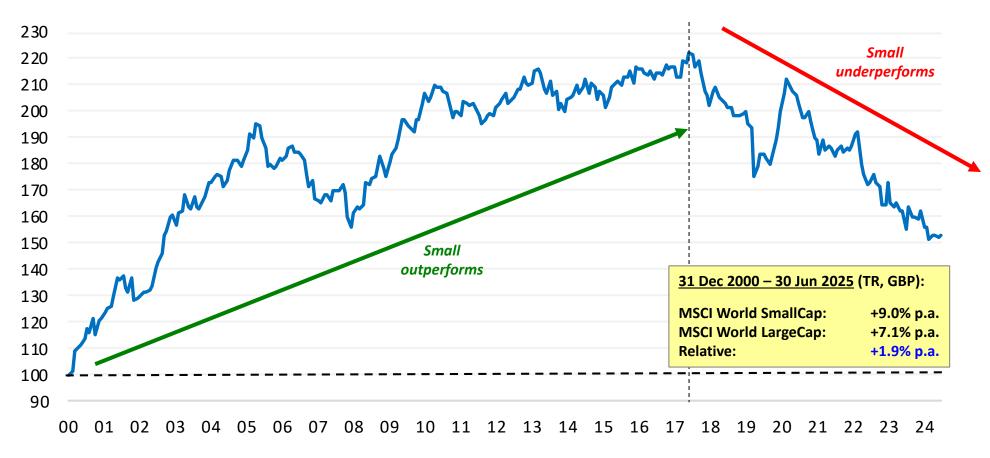
(£ million)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
UK SmallCap	-57	-50	-94	-22	-11	-100	-133	-125	-86	-207	-90	-137	-82
EUROPE SmallCap	-64	-12	18	-3	2	-15	-56	-17	-23	-37	-7	-5	-1
NORTH AMERICA SmallCap	-13	-78	-3	95	62	-45	-52	162	240	174	81	-128	-130
TOTAL	-134	-140	-79	70	54	-160	-241	20	131	-70	-17	-270	-214
(£ million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
UK SmallCap	859	-48	-178	-490	162	92	-398	-222	647	-1,490	-1,088	-928	-516
EUROPE SmallCap	639	-732	974	-328	244	-449	-531	-426	21	-479	-235	-205	-50
NORTH AMERICA SmallCap	n.a.	n.a.	n.a.	107	21	118	-92	194	867	-416	-26	650	-3
TOTAL	1,498	-780	796	-711	427	-239	-1,020	-454	1,534	-2,385	-1,349	-483	-570



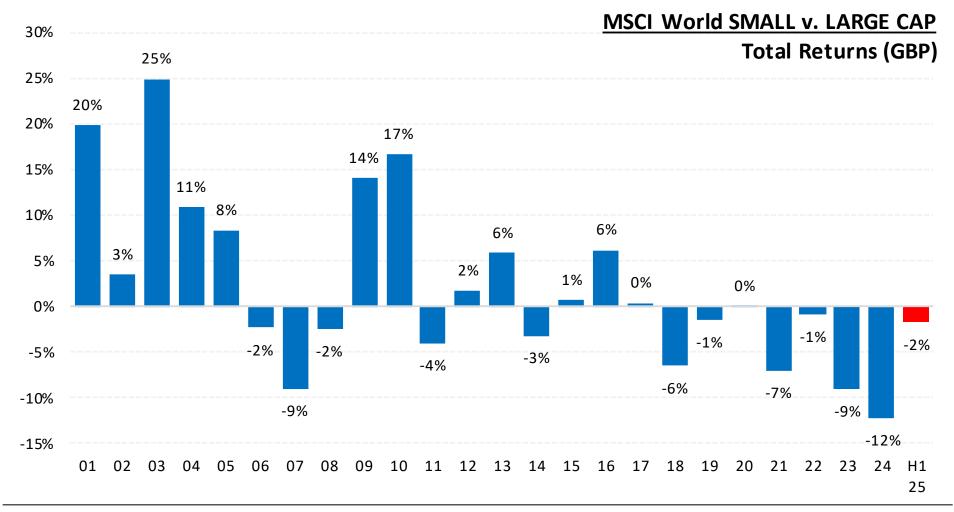


## Global Small v. LargeCap - The long-term record

MSCI World SMALL v. LARGE CAP - Total Returns since 31 Dec 2000 (GBP)

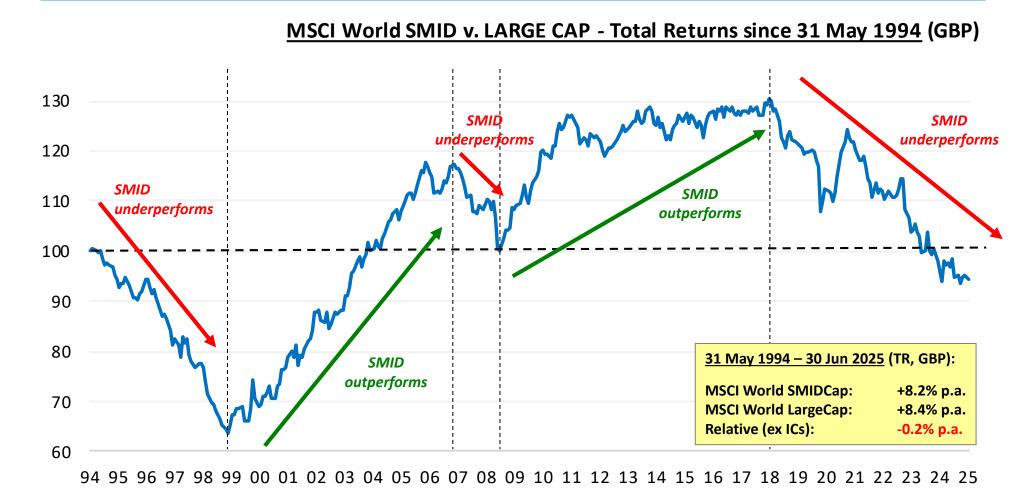


#### **Global Small v. LargeCap - Annual**

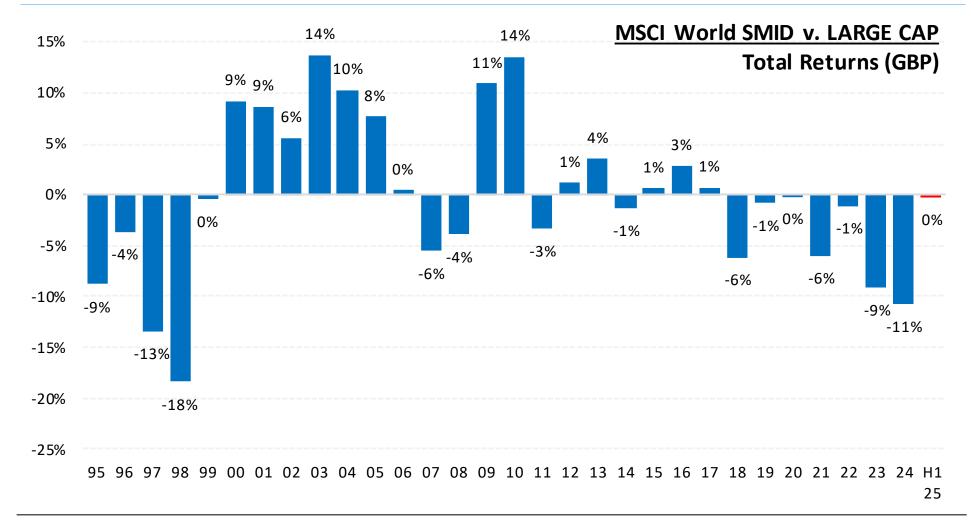


Source: Internal, MSCI.

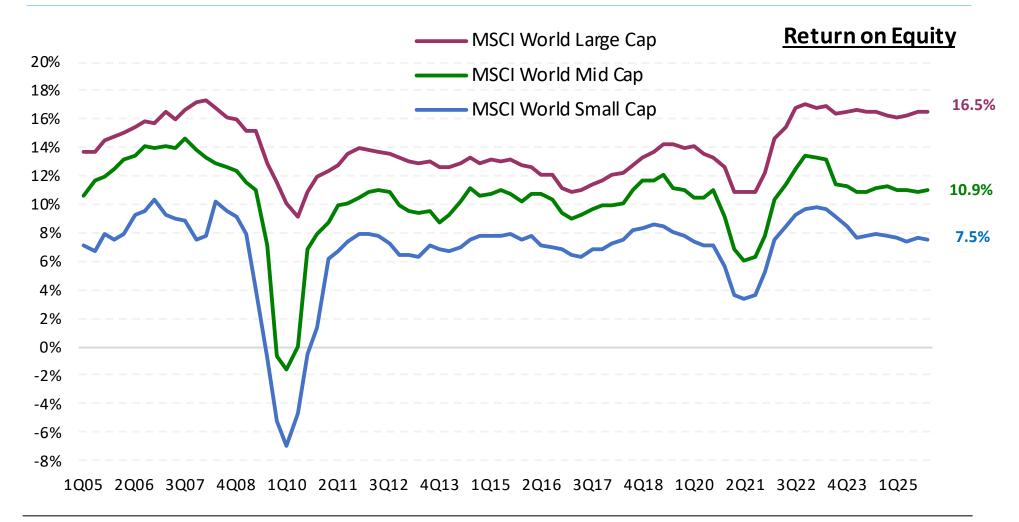
### Global SMID v. LargeCap - The long-term record



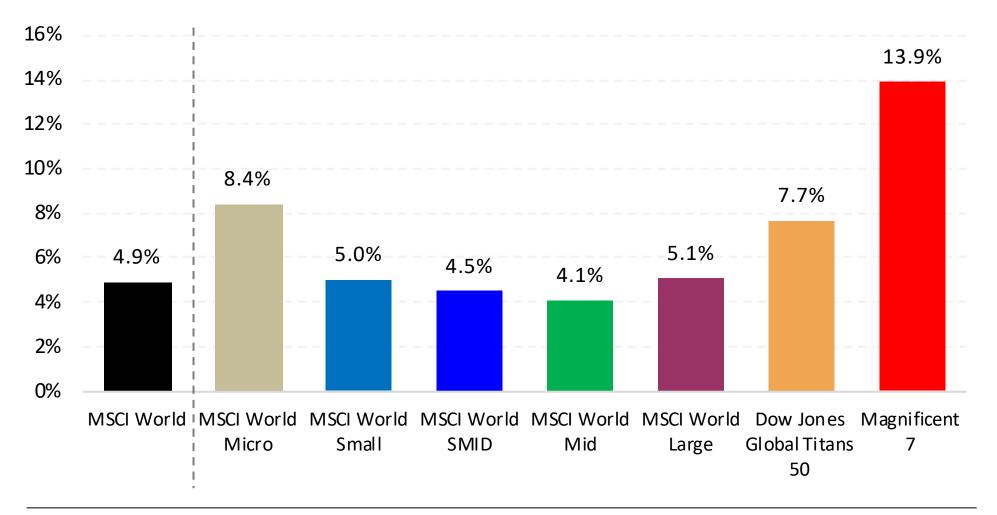
#### **Global SMID v. LargeCap - Annual**



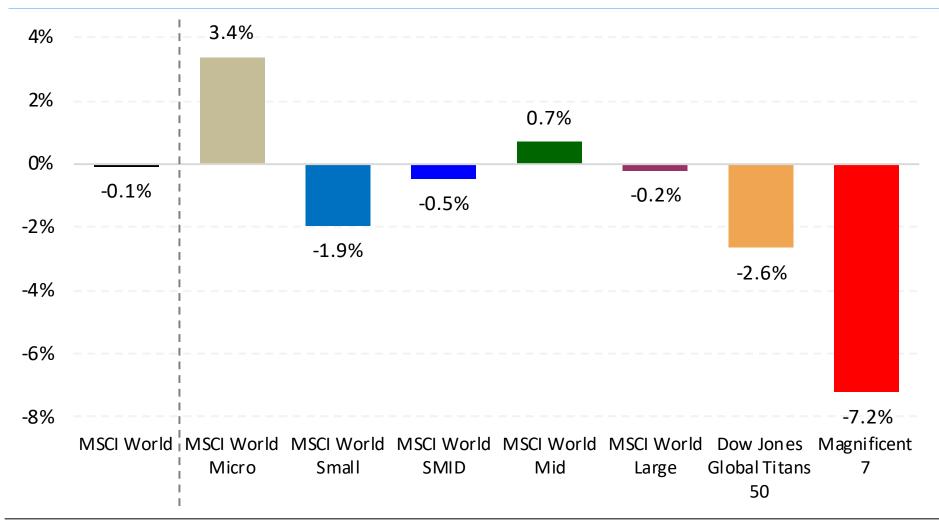
#### RoE – Global Small, Mid & LargeCap



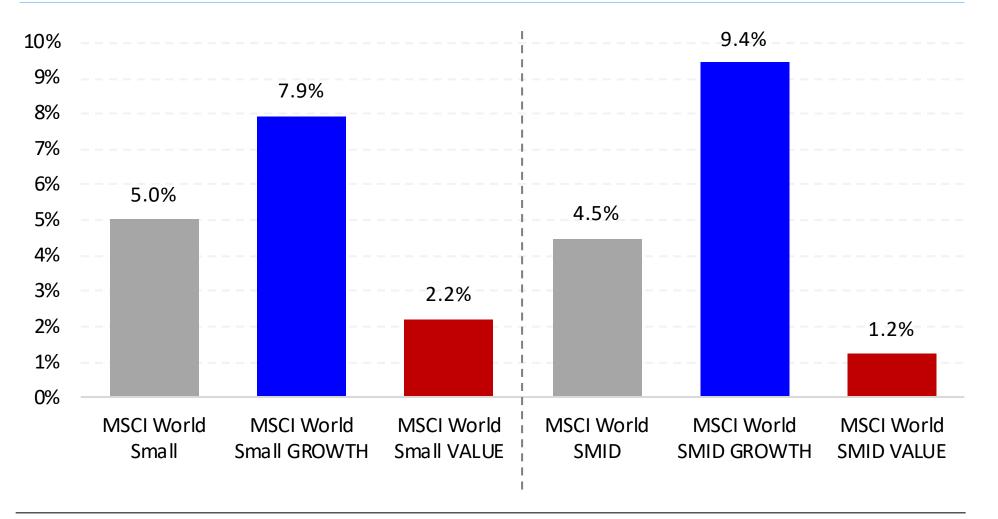
## Size Returns // Global – Q2 2025 (Total Returns in GBP)



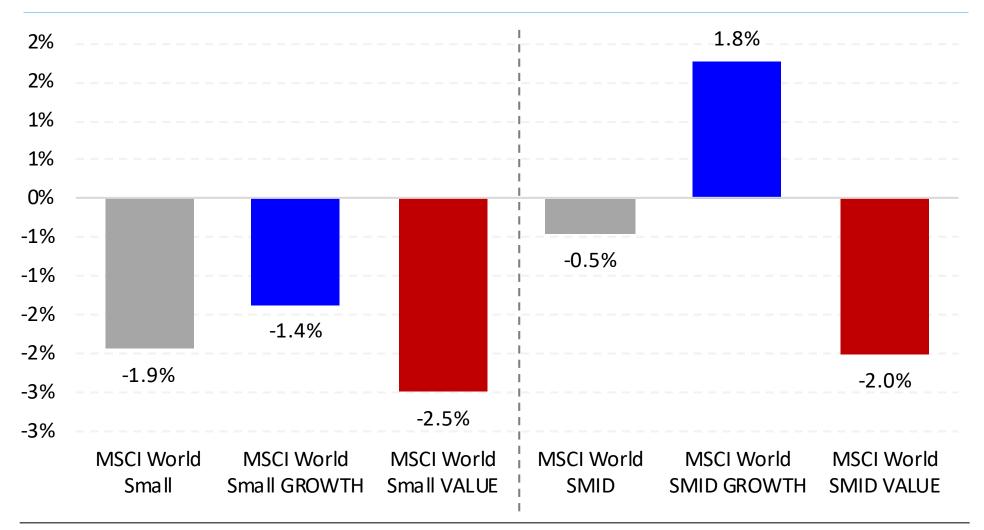
## Size Returns // Global – H1 2025 (Total Returns in GBP)



## Style Returns // Global – Q2 2025 (Total Returns in GBP)



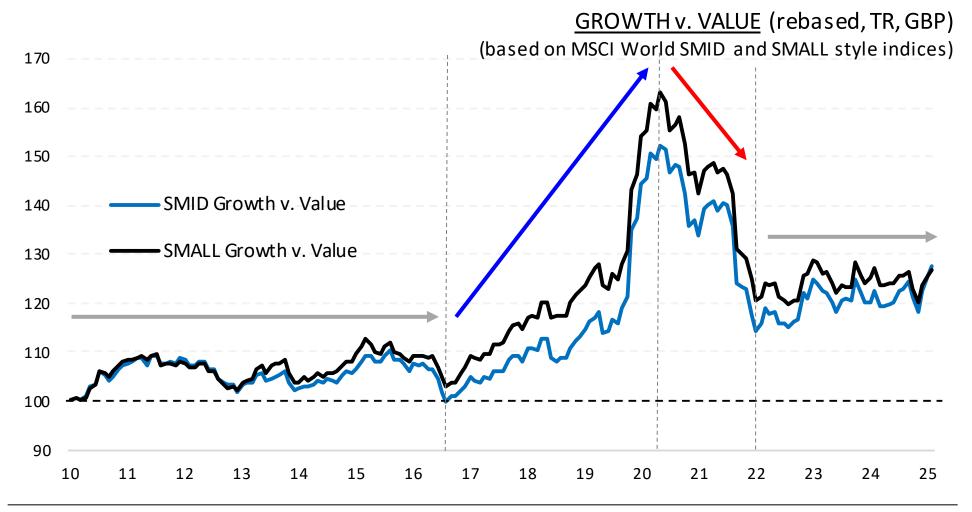
## Style Returns // Global – H1 2025 (Total Returns in GBP)



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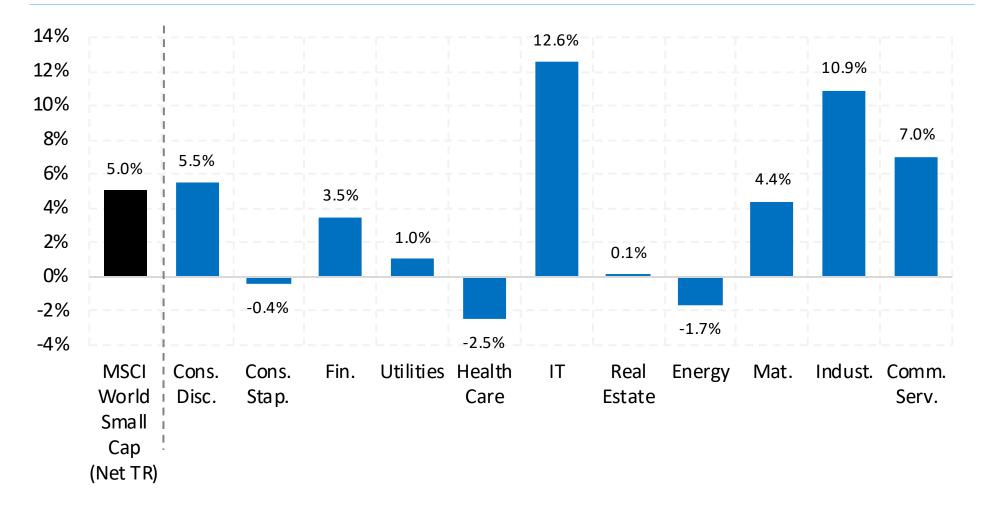
Data as at 30 June 2025 unless stated otherwise

## **Style Cycles // Global**

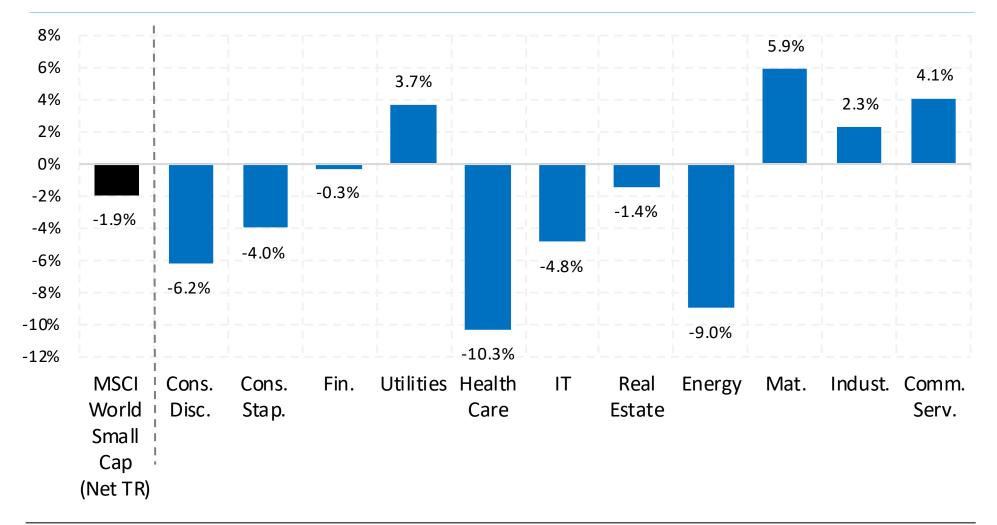


Source: Internal, MSCI.

## Sector Returns // Global – Q2 2025 (Total Returns in GBP)



## Sector Returns // Global – H1 2025 (Total Returns in GBP)



## **Sector Returns // Global SmallCap**

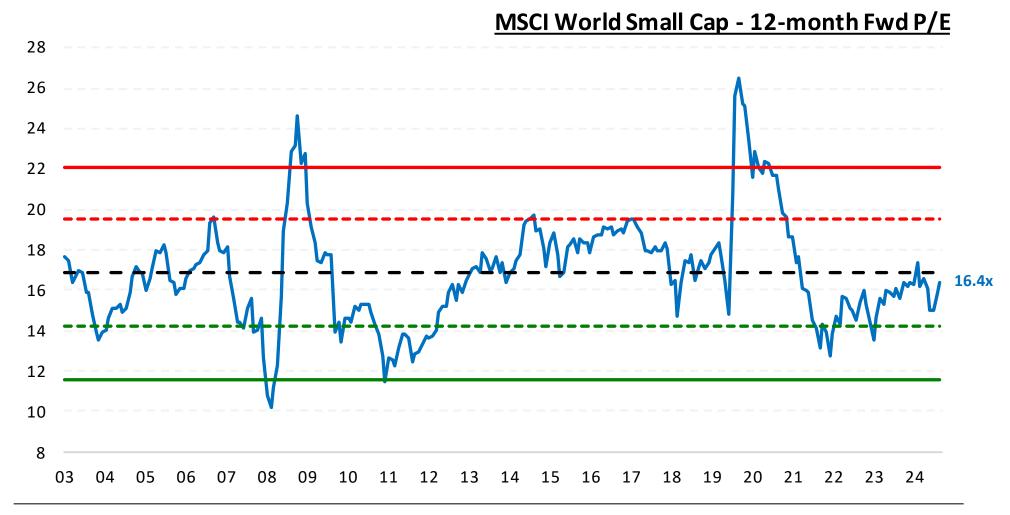
WORLD (Dev. Mkts)											
(All Total Returns in GBP)	1Y	3Y	5Y	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
MSCI World Small Cap (Net TR)	5.5%	25.3%	<b>51.9%</b>	-0.4%	<b>7.6%</b>	<b>5.6%</b>	- <b>2.9</b> %	3.2%	4.3%	-6.6%	5.0%
Cons. Disc.	1.7%	27.3%	47.0%	-1.3%	9.4%	7.2%	-6.4%	4.1%	4.2%	-11.0%	5.5%
Cons. Stap.	3.2%	19.7%	30.1%	3.8%	3.3%	5.3%	-1.2%	3.7%	3.6%	-3.6%	-0.4%
Fin.	18.9%	42.1%	96.5%	5.5%	10.8%	5.4%	-1.3%	6.7%	11.7%	-3.6%	3.5%
Utilities	10.8%	2.5%	30.8%	-7.8%	3.8%	-0.8%	2.1%	5.9%	0.9%	2.7%	1.0%
Health Care	-8.3%	-6.2%	-17.3%	-9.2%	8.5%	5.0%	-3.5%	2.6%	-0.4%	-8.0%	-2.5%
IT	1.9%	36.4%	50.7%	-3.2%	9.7%	5.1%	0.0%	-3.2%	10.6%	-15.5%	12.6%
Real Estate	4.1%	-4.3%	11.1%	-1.9%	11.1%	-1.7%	-3.8%	10.8%	-4.7%	-1.5%	0.1%
Energy	-14.5%	14.7%	184.6%	20.7%	-8.3%	11.5%	-1.0%	-11.9%	6.7%	-7.4%	-1.7%
Mat.	6.6%	24.3%	57.0%	-2.2%	7.9%	3.4%	-3.5%	4.4%	-3.6%	1.5%	4.4%
Indust.	9.7%	48.2%	93.7%	-0.7%	7.2%	9.3%	-4.2%	3.1%	4.0%	-7.7%	10.9%
Comm. Serv.	18.4%	11.4%	14.9%	-3.1%	5.5%	-0.9%	-2.0%	6.6%	6.7%	-2.7%	7.0%

Source: Internal, MSCI, Factset.



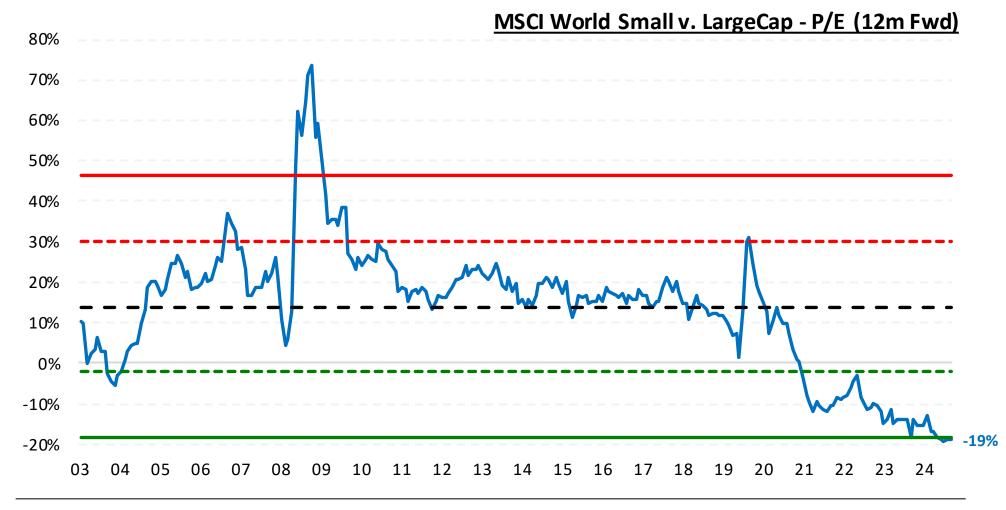
# Valuations Global SmallCap

#### Global SmallCap – P/E



Source: Internal, MSCI, Factset.

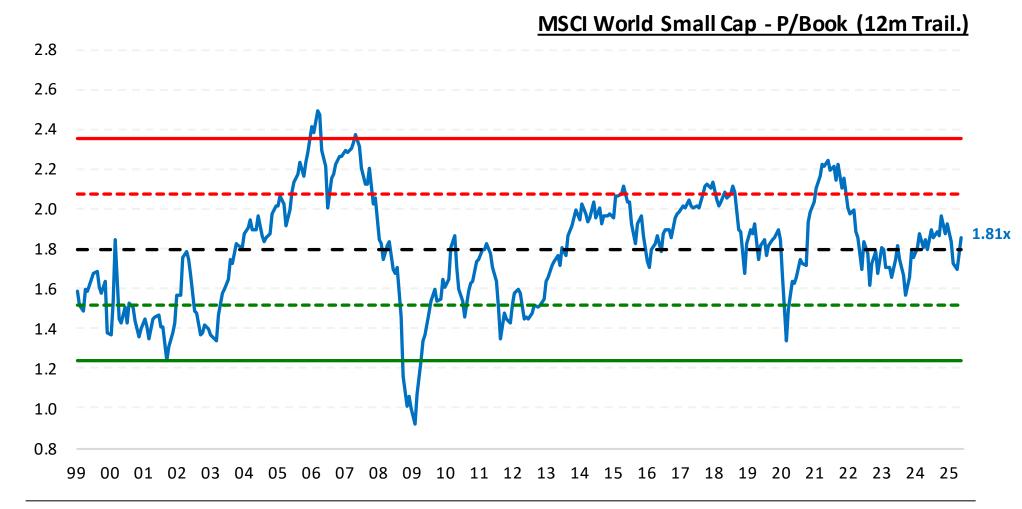
## Global Small v. LargeCap – P/E



Source: Internal, MSCI, Factset.

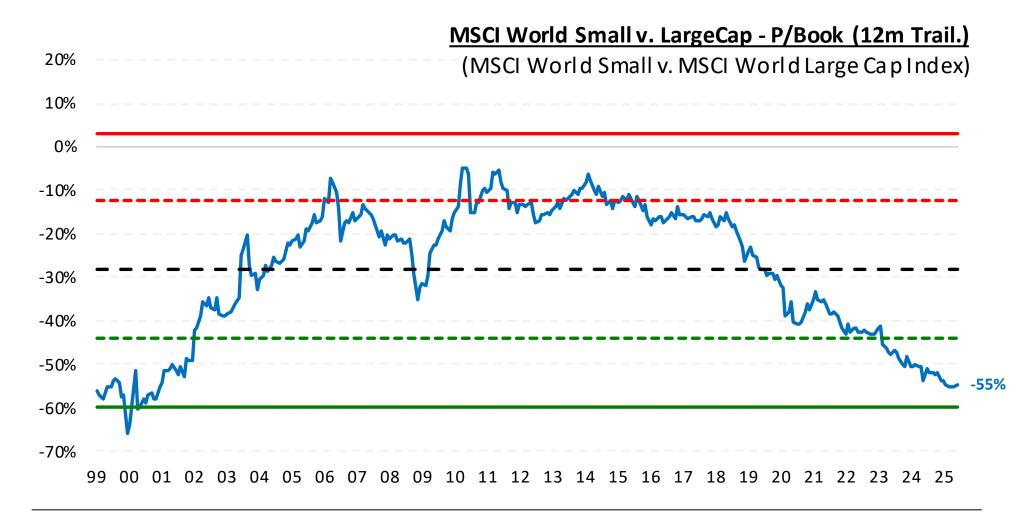
Data as at 30 June 2025 unless stated otherwise

#### **Global SmallCap – P/Book**



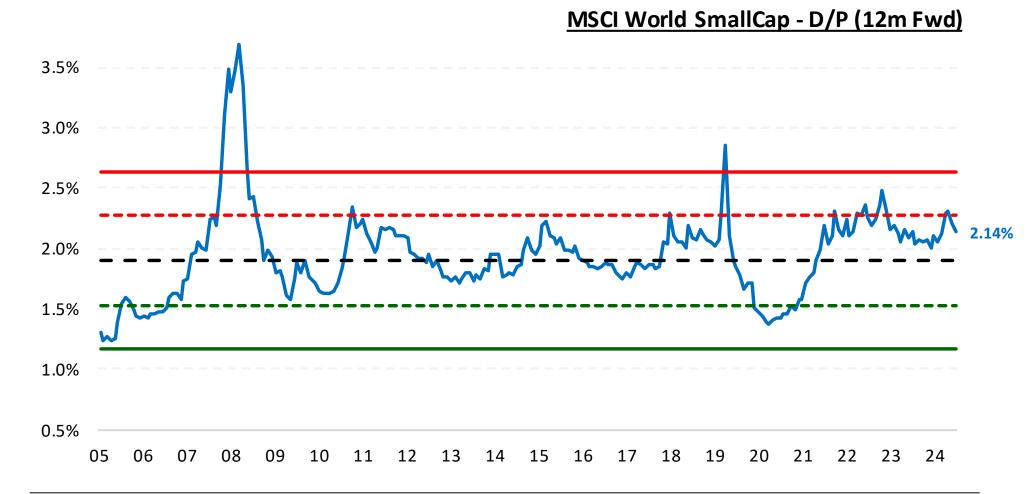
Source: Internal, MSCI, Factset.

## Global Small v. LargeCap – P/Book



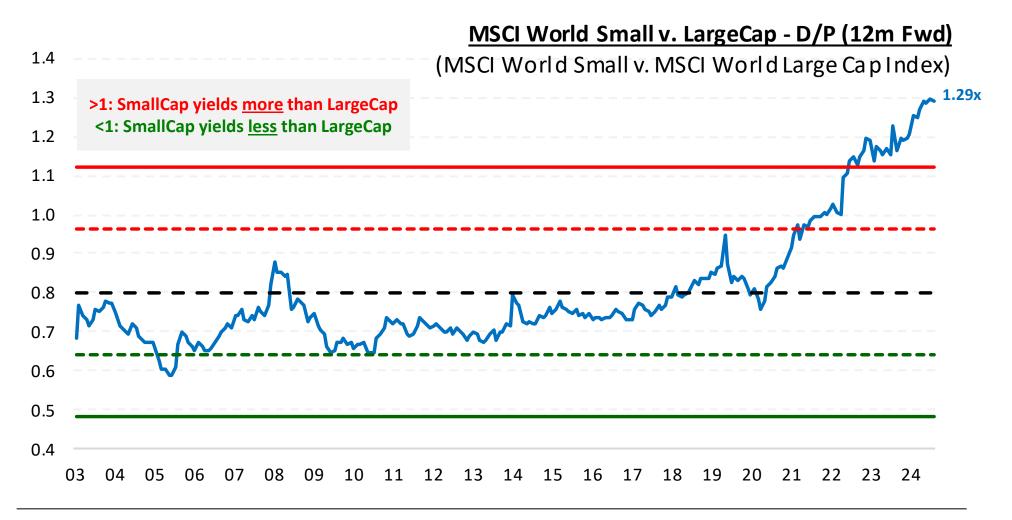
Source: Internal, MSCI, Factset.

### **Global SmallCap – Dividend Yield**



Source: Internal, MSCI, Factset.

### Global Small v. LargeCap – Dividend Yield



Source: Internal, MSCI, Factset.



# Valuations Global SMID Cap

#### Global SMIDCap – P/E



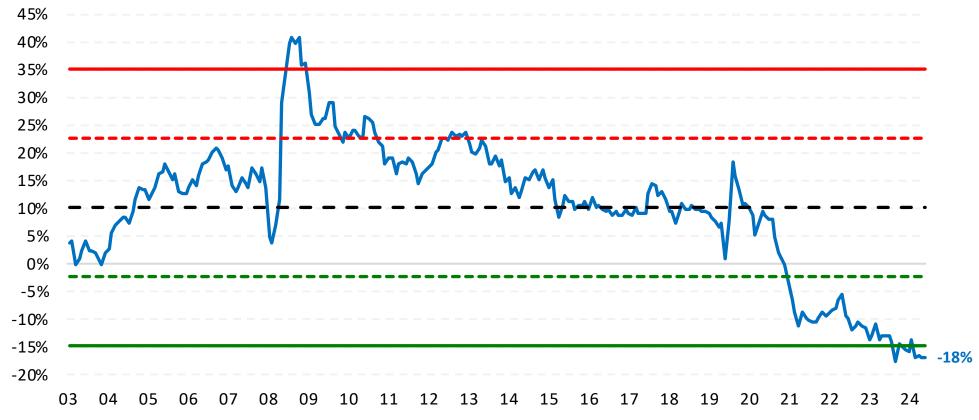


Source: Internal, MSCI, Factset.

### Global SMID v. LargeCap – P/E

#### MSCI World SMID v. LargeCap - P/E (12m Fwd)

(MSCI World SMID v. MSCI World Large Cap Index)



Source: Internal, MSCI, Factset.

#### Global SMIDCap – P/Book

MSCI World SMID Cap - P/Book (12m Trail.)



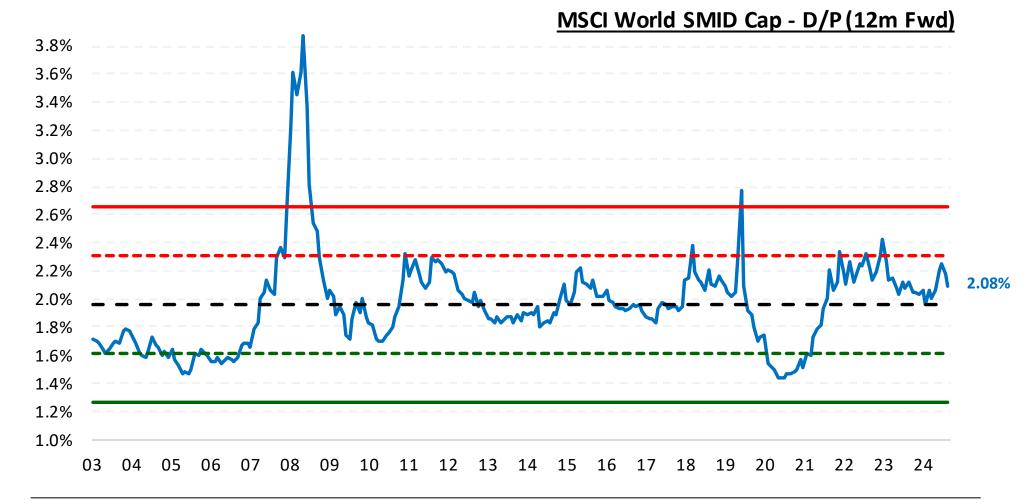
Source: Internal, MSCI, Factset.

### Global SMID v. LargeCap – P/Book



Source: Internal, MSCI, Factset.

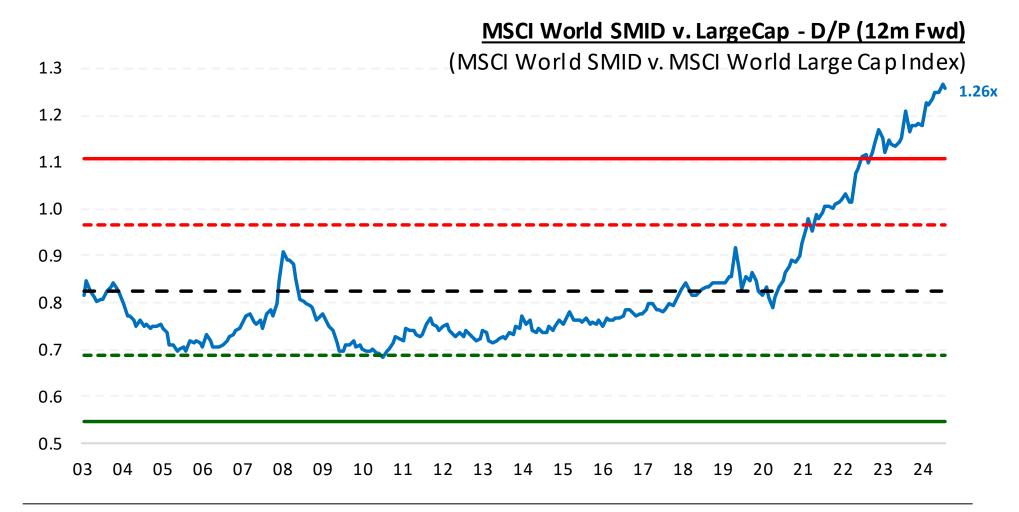
#### **Global SMIDCap – Dividend Yield**



Source: Internal, MSCI, Factset.



#### Global SMID v. LargeCap – Dividend Yield

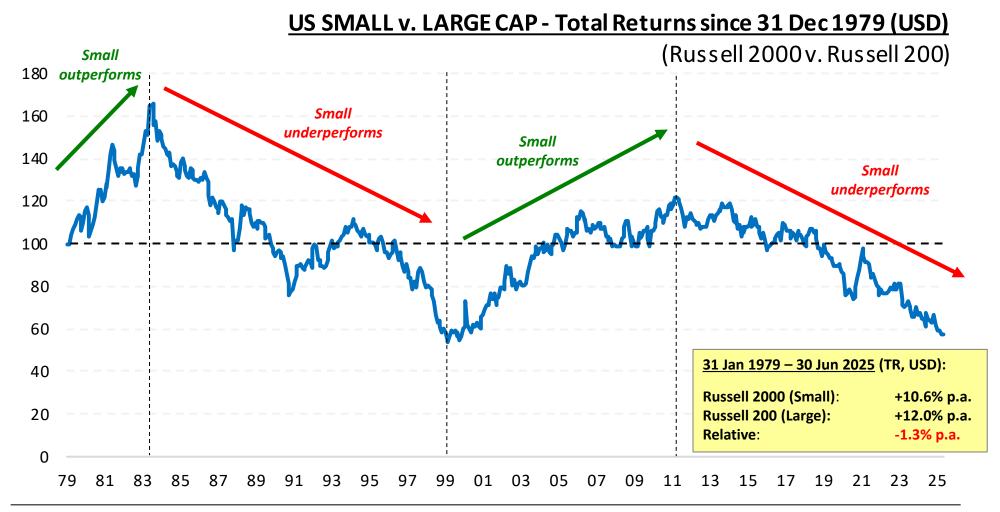


Source: Internal, MSCI, Factset.



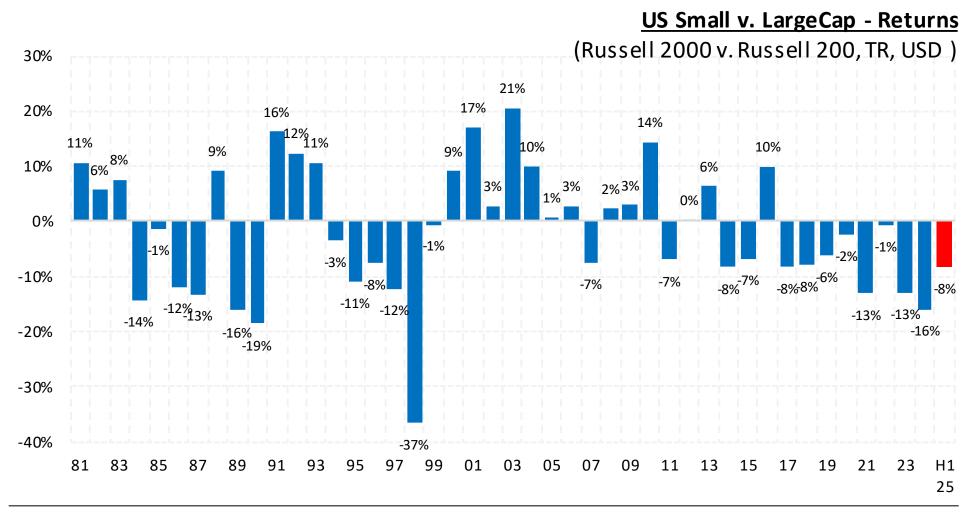


### US Small v. LargeCap - The long-term record



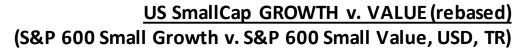
Source: Internal, Russell.

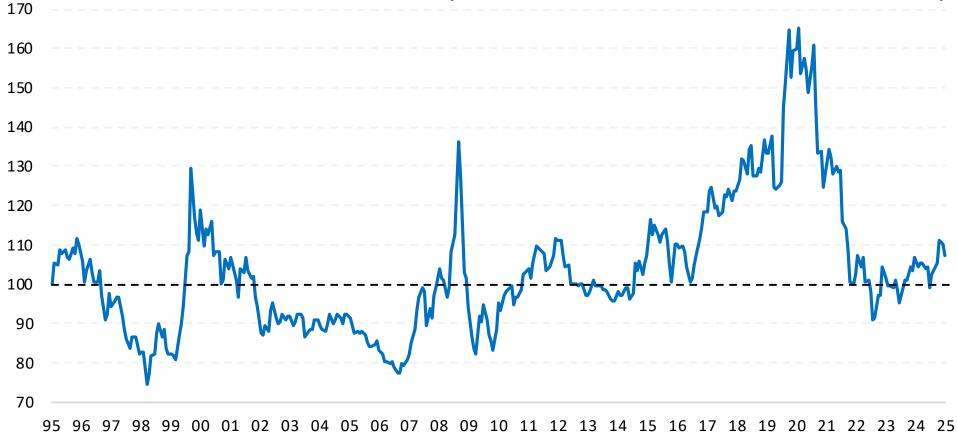
#### US Small v. LargeCap - Annual



Source: Internal, Russell.

### **Style Cycles // US**





#### US SmallCap – P/E

<u>S&P 600 Small - P/E 12m Fwd</u>



Source: Internal, MSCI, Factset.

#### US Small v. LargeCap – P/E

#### US Small v. LargeCap - P/E (12m Fwd) (S&P 600 Small v. S&P 100 Index)



Source: Internal, MSCI, Factset.

Data as at 30 June 2025 unless stated otherwise

#### US SmallCap – P/Book

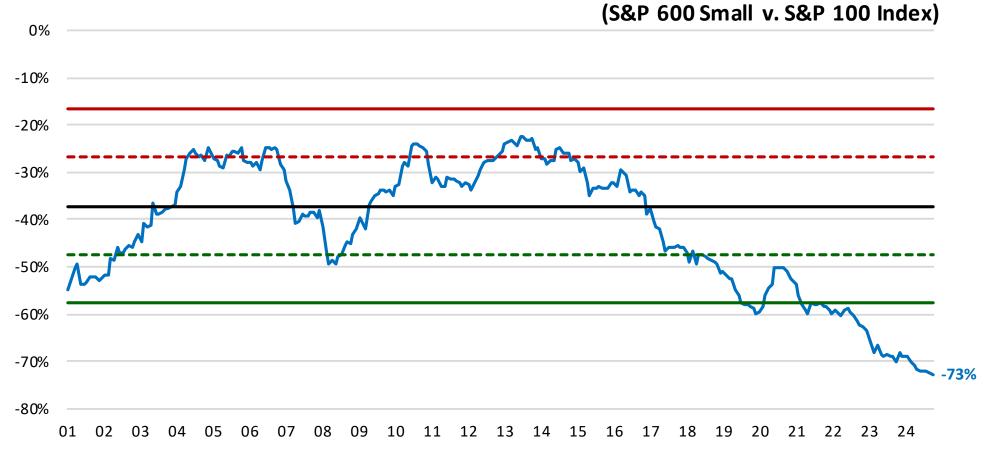
<u>S&P 600 Small - P/Book 12m Trail.</u>



Source: Internal, MSCI, Factset.

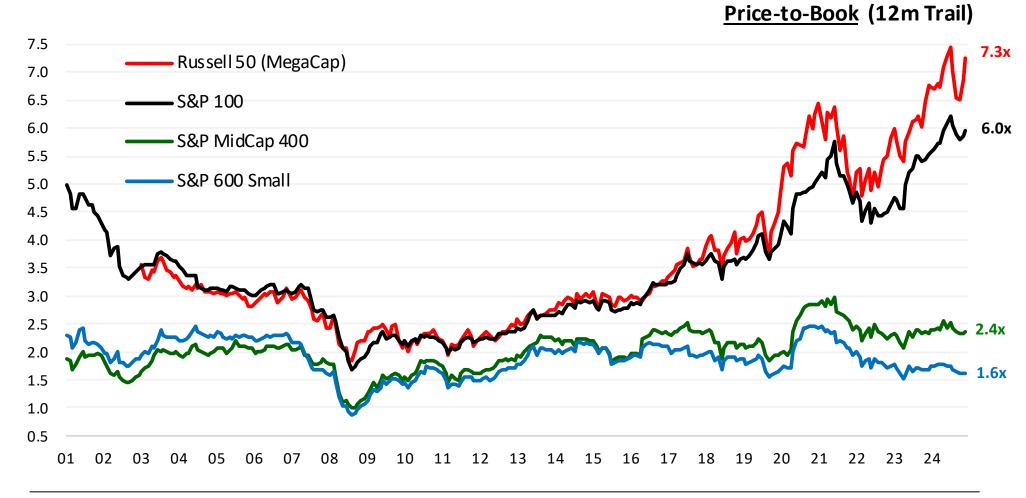
#### US Small v. LargeCap – P/Book

# US Small v. LargeCap - P/B (12m Trail.)

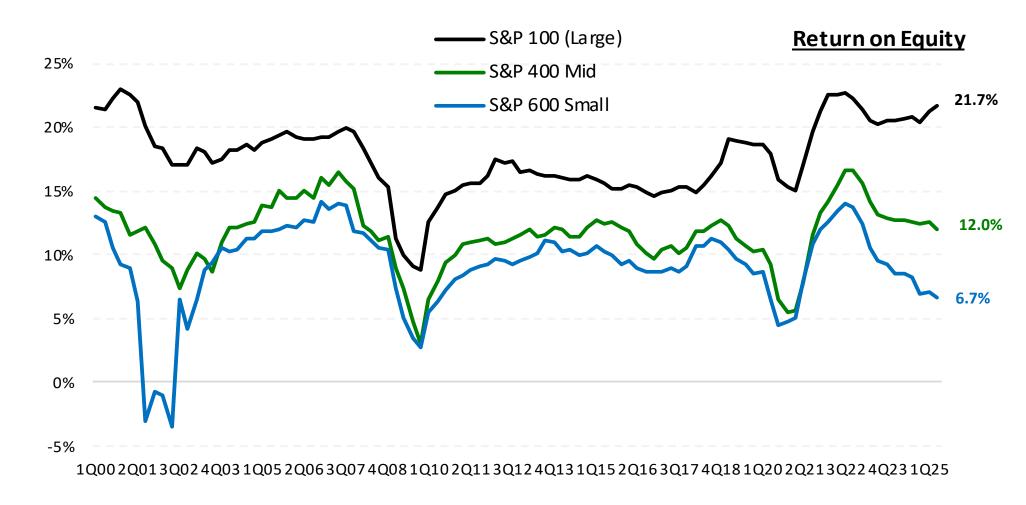


Source: Internal, MSCI, Factset.

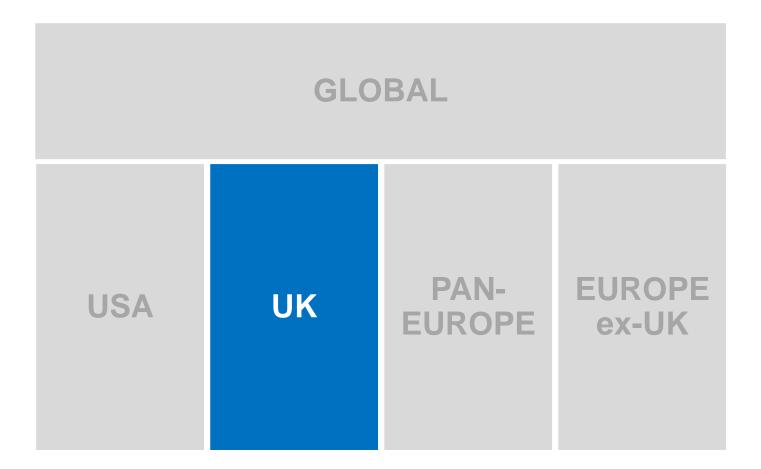
#### P/Book Valuations – Small, Mid, Large & MegaCap



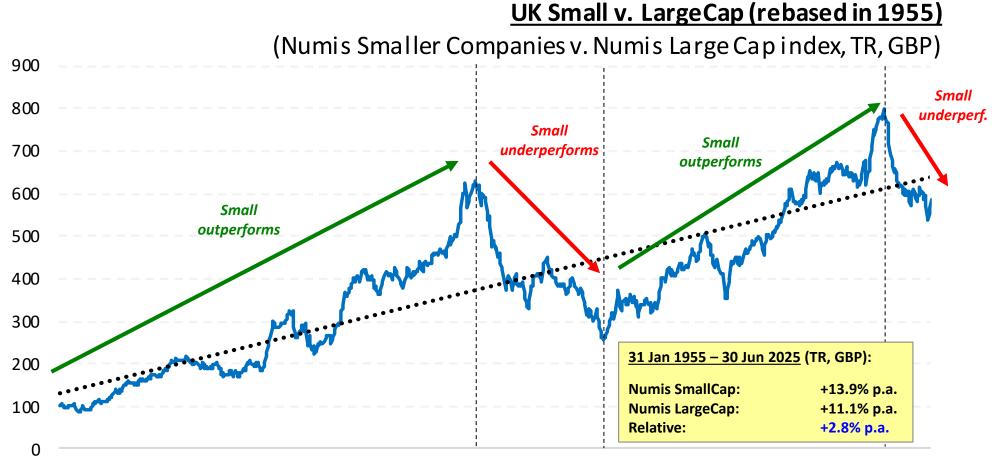
#### RoE – Small, Mid & LargeCap





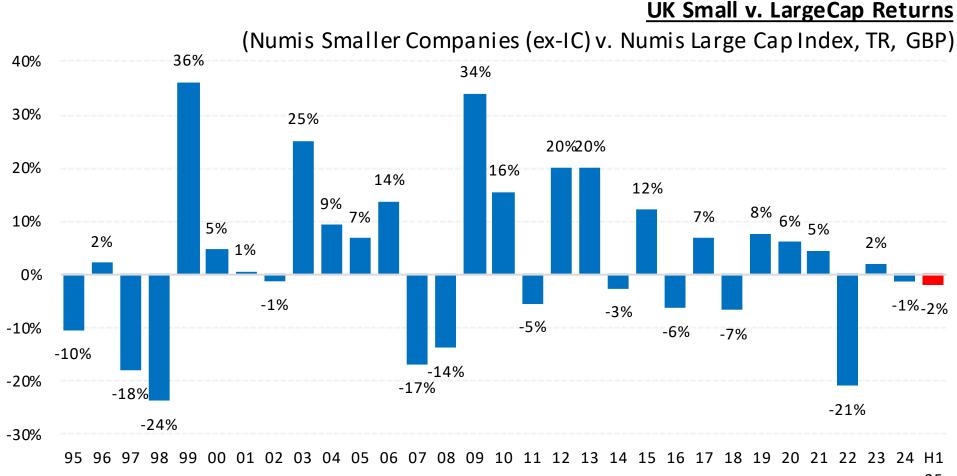


#### UK Small v. LargeCap - The long-term record



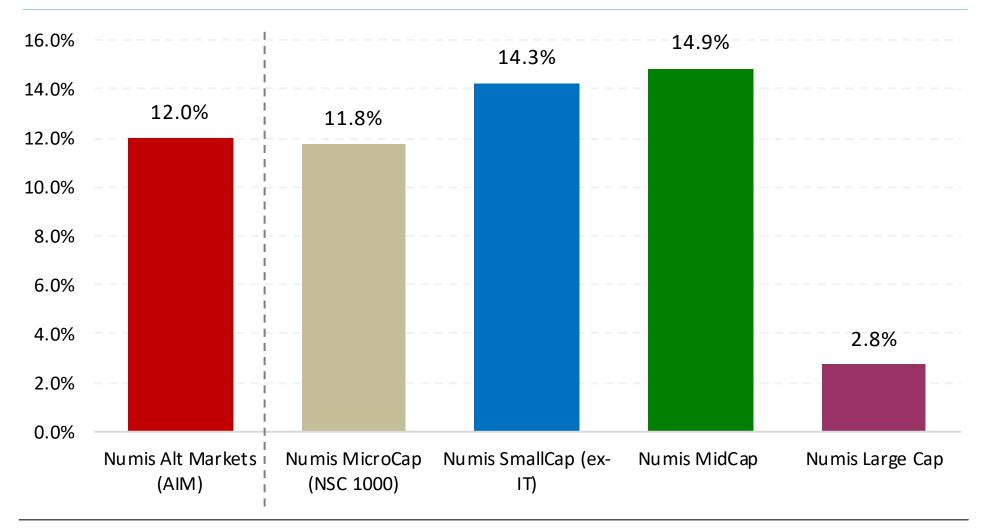
55 57 59 61 63 65 67 69 71 73 75 77 79 81 83 85 87 89 91 93 95 97 99 01 03 05 07 09 11 13 15 17 19 21 23 25

#### UK Small v. LargeCap - Annual

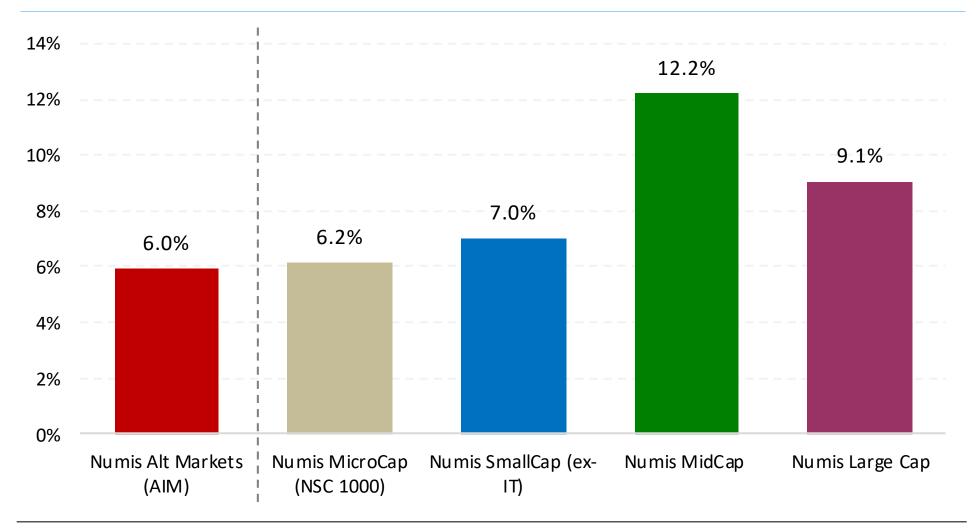


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### Size Returns // UK (Numis) – Q2 2025 (Total Returns in GBP)

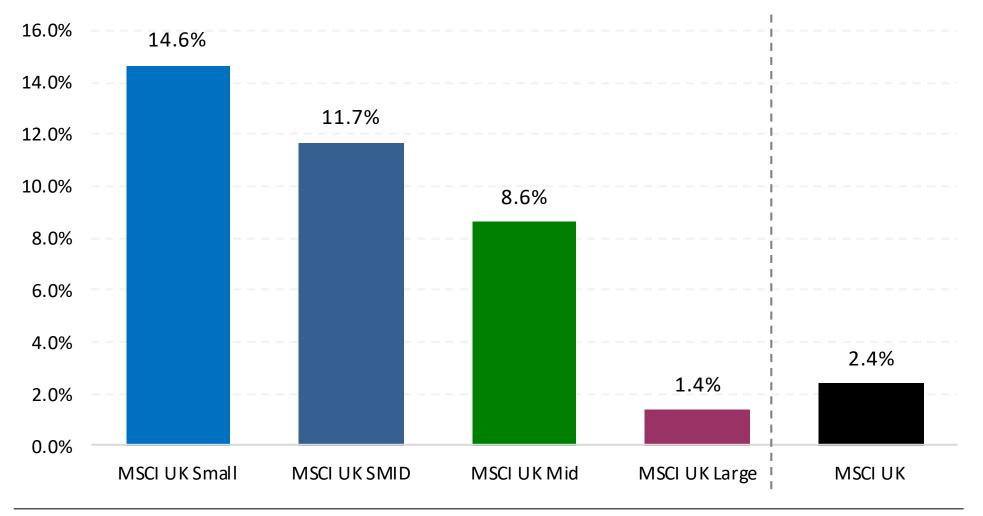


## Size Returns // UK (Numis) – H1 2025 (Total Returns in GBP)

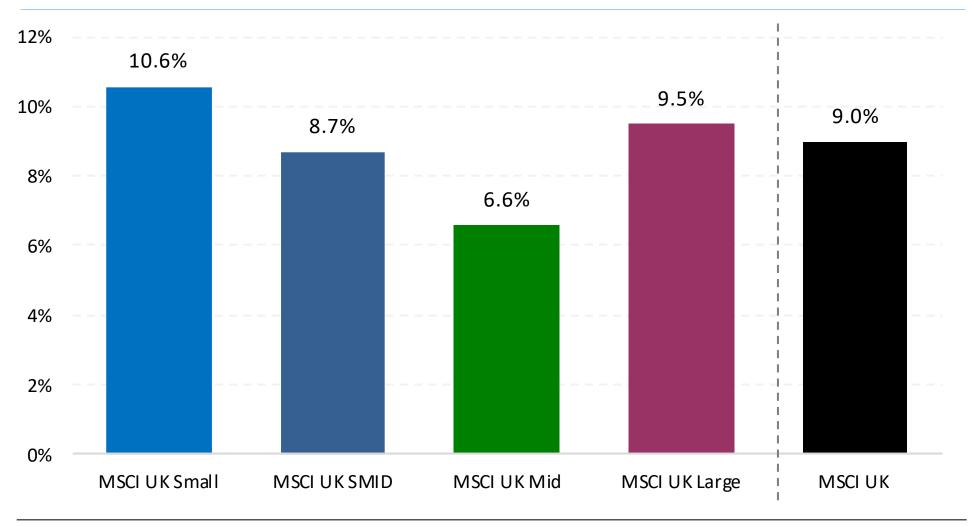


Data as at 30 June 2025 unless stated otherwise

## Size Returns // UK (MSCI) – Q2 2025 (Total Returns in GBP)

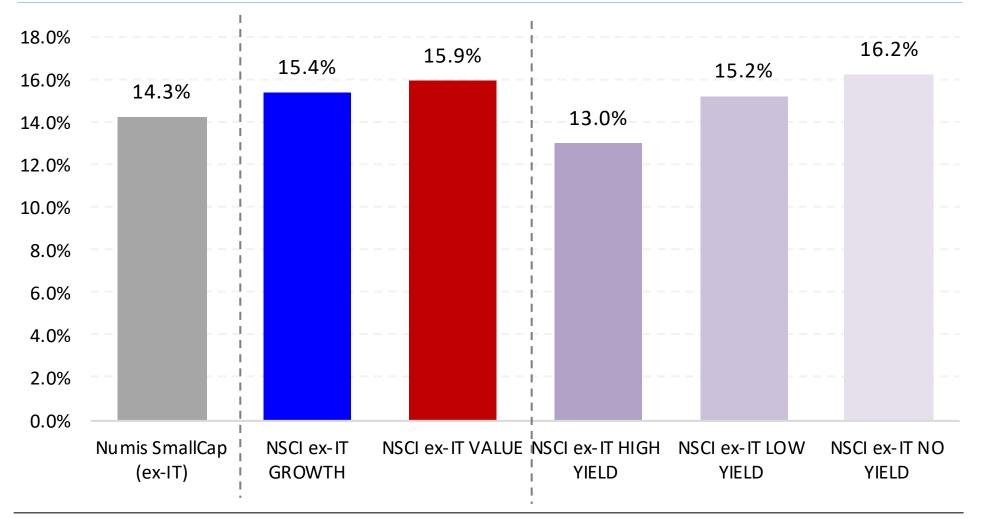


### Size Returns // UK (MSCI) – H1 2025 (Total Returns in GBP)



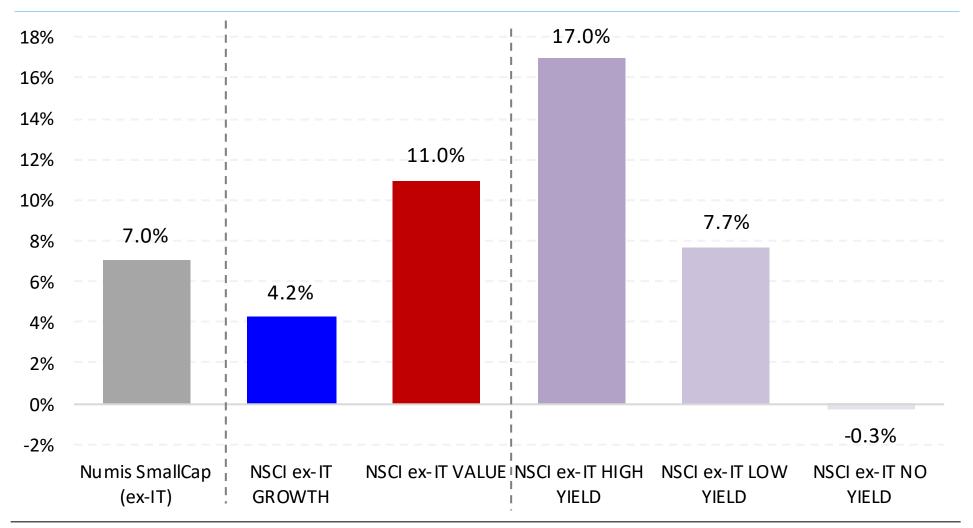
59

## Style Returns // UK (Numis) – Q2 2025 (Total Returns in GBP)



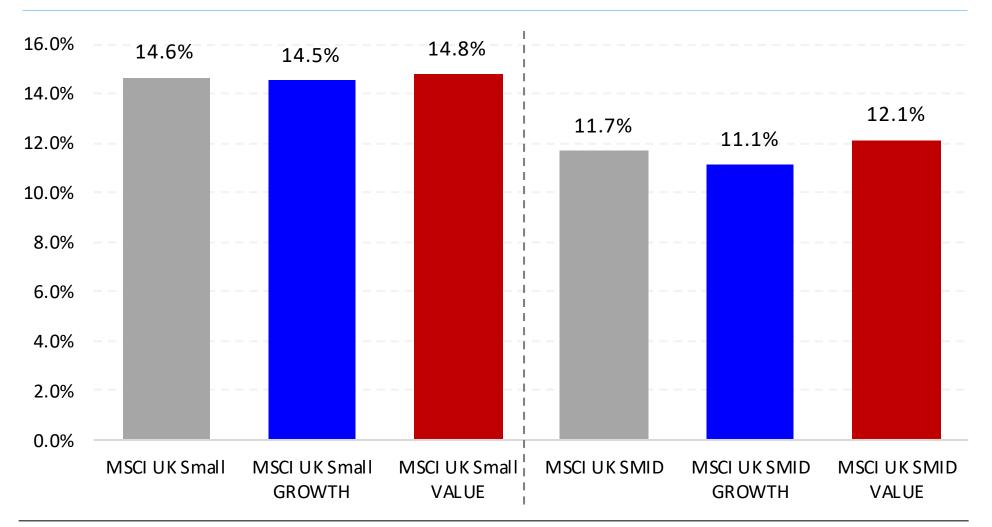
Source: Internal, Numis. <u>Notes from Numis</u>: Value is measured by ranking stocks by their ratio of book value of equity to market value of equity and grouping them into value (the 40 percent highest book-to-market) and growth (the 40 percent lowest). Income returns are based on ranking stocks by yield, and dividing them into zero yielders, high yielders (the 30% of dividend payers with the highest yield), and low yielders (the 30% of dividend payers with the highest yield).

## Style Returns // UK (Numis) – H1 2025 (Total Returns in GBP)



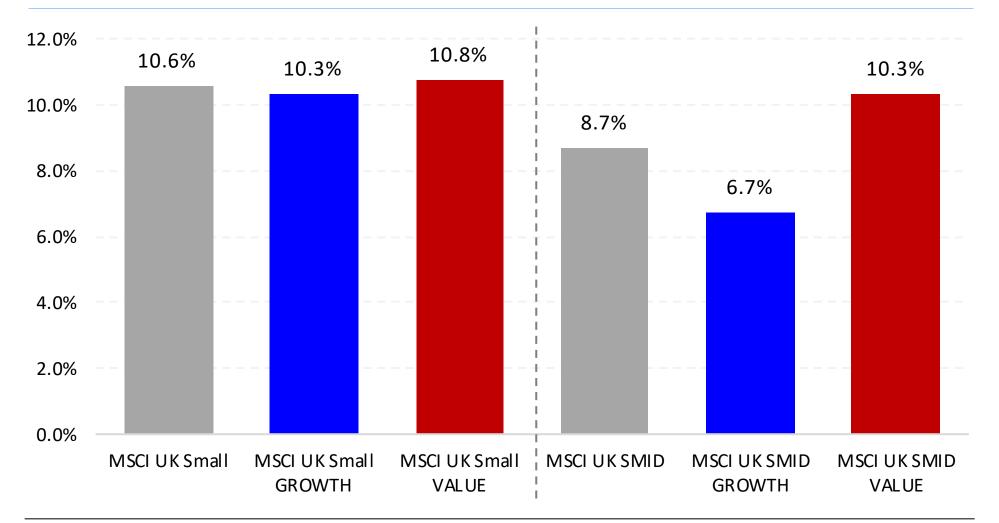
Source: Internal, Numis. <u>Notes from Numis</u>: *Value is measured by ranking stocks by their ratio of book value of equity to market value of equity, and grouping them into value (the 40 percent highest book-to-market) and growth (the 40 percent lowest). Income returns are based on ranking stocks by yield, and dividing them into zero yielders, high yielders (the 30% of dividend payers with the highest yield), and low yielders (the 30% of dividend payers with the highest yield).* 

# Style Returns // UK (MSCI) – Q2 2025 (Total Returns in GBP)



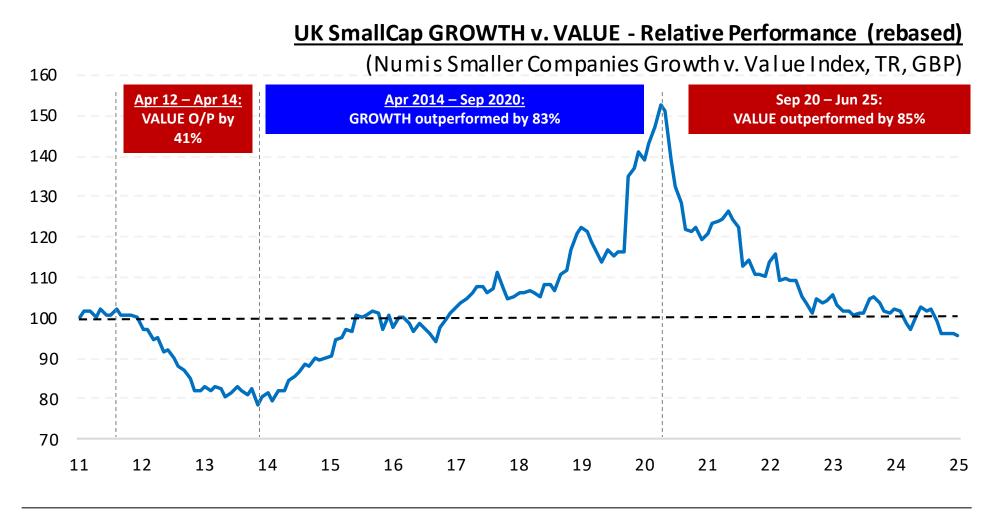
Source: Internal, MSCI, Factset. Note: MSCI use a different Growth / Value framework to Numis. The MSCI framework is 2-dimensional and includes metrics such as P/Book, P/E, Dividend Yield (for Value) and Historical Long-term EPS Growth, Long-term forward EPS Growth, Short-term forward EPS Growth, Internal Growth Rate, Historical Long-term Sales per Share Growth.

# Style Returns // UK (MSCI) – H1 2025 (Total Returns in GBP)

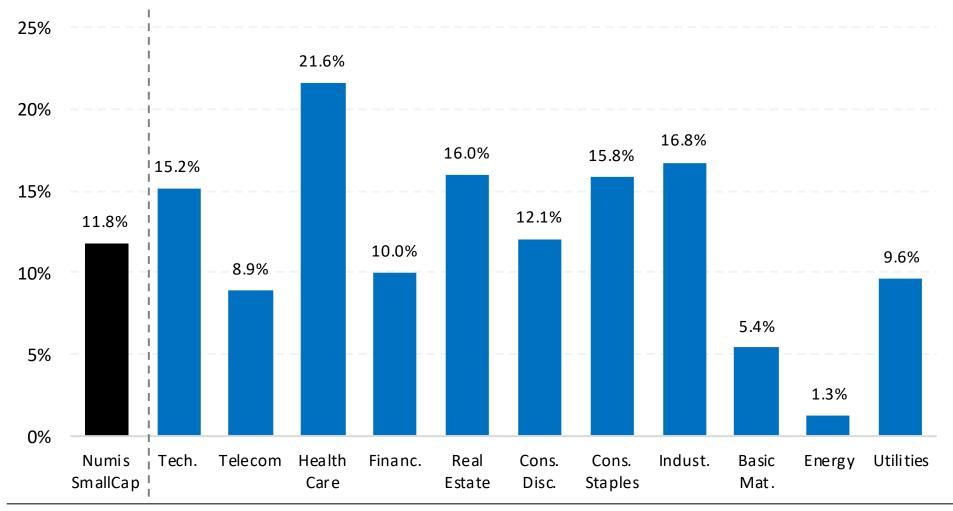


Source: Internal, MSCI, Factset. Note: MSCI use a different Growth / Value framework to Numis. The MSCI framework is 2-dimensional and includes metrics such as P/Book, P/E, Dividend Yield (for Value) and Historical Long-term EPS Growth, Long-term forward EPS Growth, Short-term forward EPS Growth, Internal Growth Rate, Historical Long-term Sales per Share Growth.

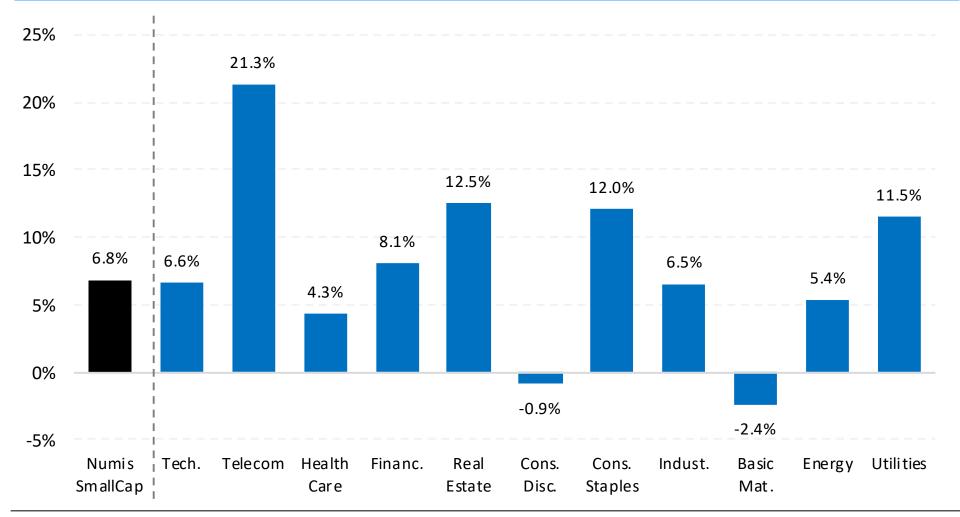
## Style Cycles // UK



## Sector Returns // UK – Q2 2025 (Total Returns in GBP)



## Sector Returns // UK – H1 2025 (Total Returns in GBP)



Source: Internal, Numis. Sectors are based on the ICB classification.

## **Sector Returns // UK SmallCap**

UK											
(All Total Returns in GBP)	1Y	3Y	5Y	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Numis SmallCap (ex-IT)	11.1%	<b>32.9%</b>	64.8%	0.3%	<b>8.3</b> %	0.2%	5.2%	5.1%	-1.2%	-6.3%	<b>14.3%</b>
Numis SmallCap	<b>10.2%</b>	24.9%	<b>52.9%</b>	0.0%	7.4%	0.3%	<b>4.6%</b>	<b>4.0%</b>	-0.7%	-4.5%	11.8%
Tech.	13.4%	62.0%	n.a.	-2.0%	13.4%	0.4%	3.0%	5.6%	0.7%	-7.4%	15.2%
Telecom	39.5%	30.3%	n.a.	-17.6%	4.5%	19.1%	9.9%	13.1%	1.7%	11.4%	8.9%
Health Care	-2.3%	-20.5%	n.a.	-7.2%	-5.0%	9.9%	-13.6%	-9.4%	3.3%	-14.2%	21.6%
Financ.	12.5%	26.0%	n.a.	0.0%	7.3%	0.4%	4.7%	4.3%	-0.1%	-1.7%	10.0%
Real Estate	10.8%	14.1%	n.a.	-0.3%	9.7%	-0.8%	4.4%	7.9%	-8.8%	-3.0%	16.0%
Cons. Disc.	5.2%	12.7%	n.a.	-0.7%	6.5%	-4.4%	3.2%	6.0%	0.1%	-11.6%	12.1%
Cons. Staples	12.4%	36.4%	n.a.	-2.0%	10.2%	2.1%	10.7%	3.9%	-3.5%	-3.3%	15.8%
Indust.	8.0%	34.6%	n.a.	2.4%	8.2%	1.9%	5.8%	3.0%	-1.6%	-8.7%	16.8%
Basic Mat.	1.2%	4.1%	n.a.	-0.1%	6.9%	-0.8%	3.3%	3.4%	0.3%	-7.4%	5.4%
Energy	-13.7%	-24.9%	n.a.	4.2%	-3.9%	-8.0%	11.9%	-15.1%	-3.5%	4.1%	1.3%
Utilities	32.4%	43.9%	n.a.	37.1%	-12.6%	-8.9%	16.1%	-4.6%	24.5%	1.7%	9.6%

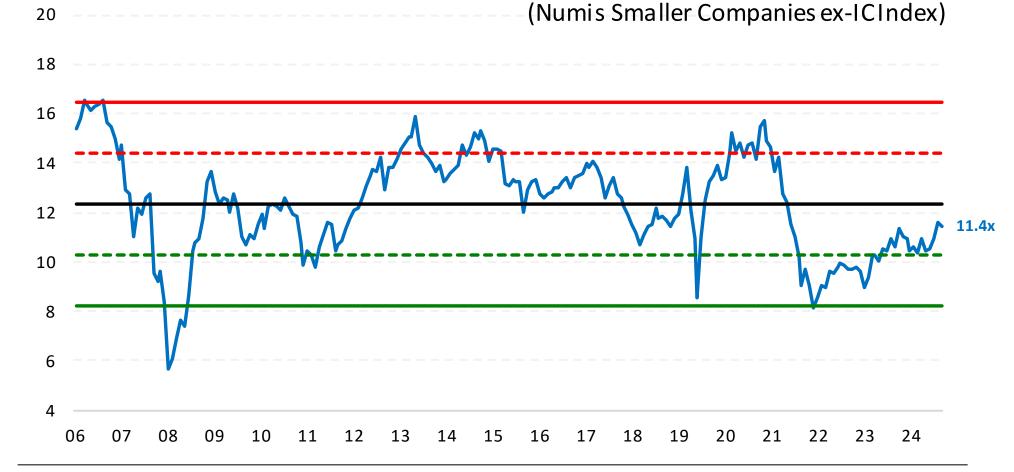
Source: Internal, Numis.



# Valuations UK SmallCap

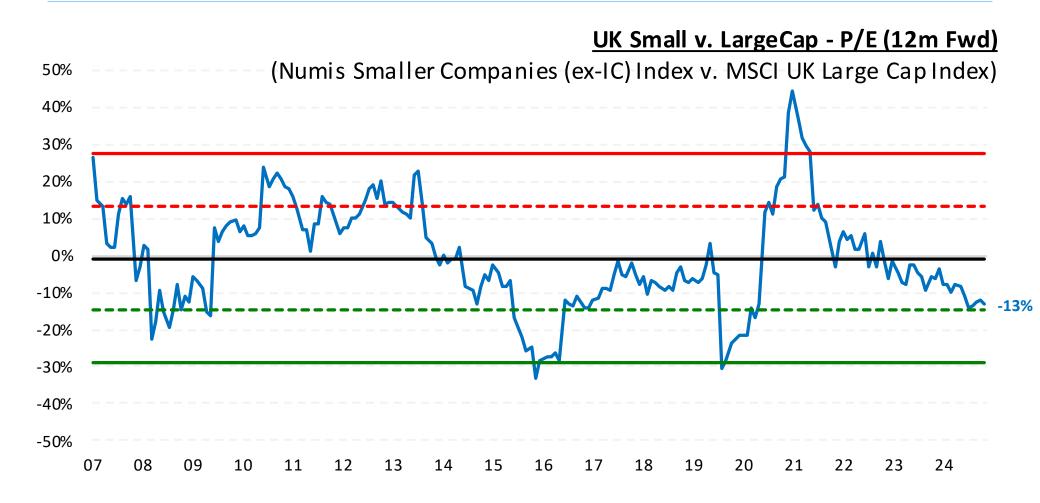
### UK SmallCap (Numis) – P/E

#### UK SmallCap - 12-month Forward P/E



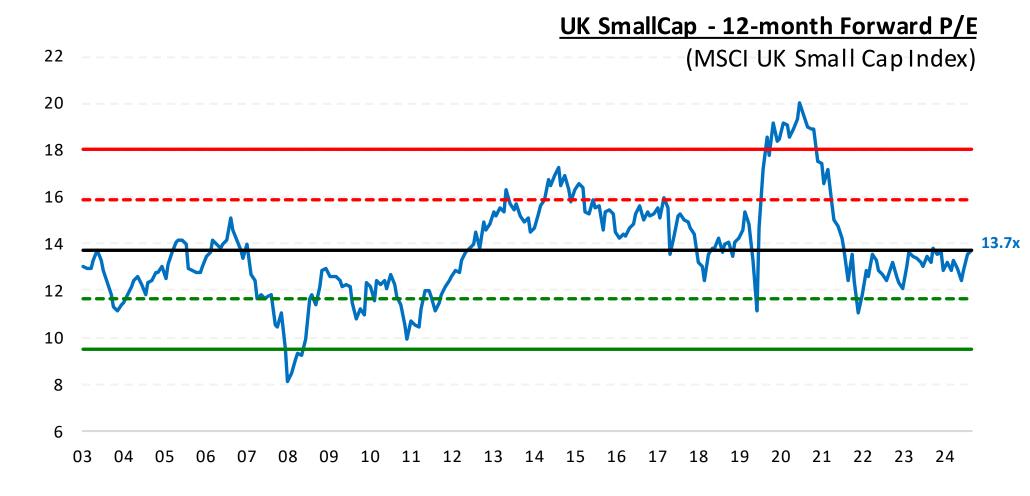
Source: Internal, MSCI, Factset.

## UK Small v. LargeCap (Numis) – P/E



Source: Internal, MSCI, Factset. Note: the MSCI UK Large Cap index is used in the absence of P/E metrics for the Numis Large Cap Index. Note: Dotted black line = Average. Thick red line = Average + 2 Standard Deviations (dotted red line = Ave +1 SD). Thick green line = Average - 2 Standard Deviations (dotted green line = Ave - 1SD).

### UK SmallCap (MSCI) – P/E



Source: Internal, MSCI, Factset.

## UK Small v.LargeCap (MSCI) – P/E

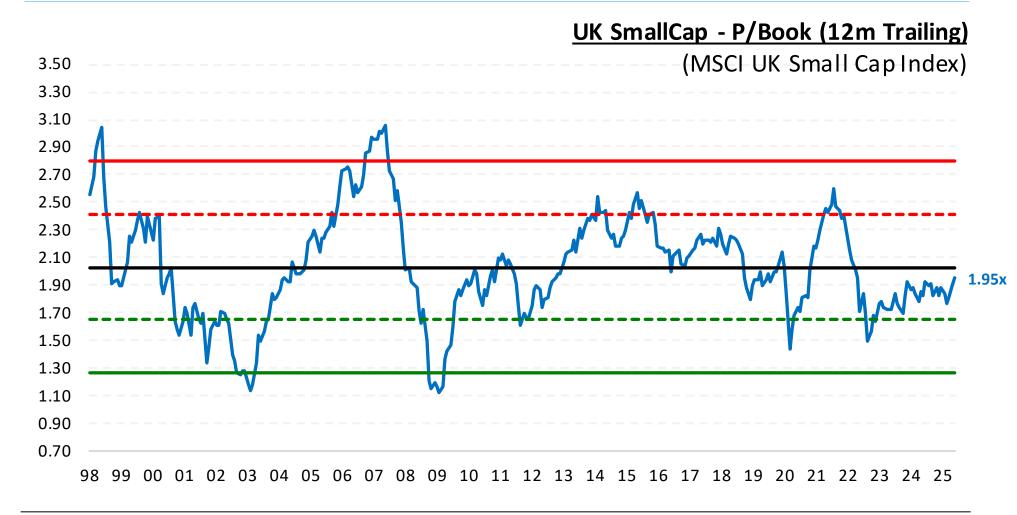


(MSCI UK Small Cap v. MSCI UK Large Cap Index)



Source: Internal, MSCI, Factset.

## UK SmallCap – P/Book

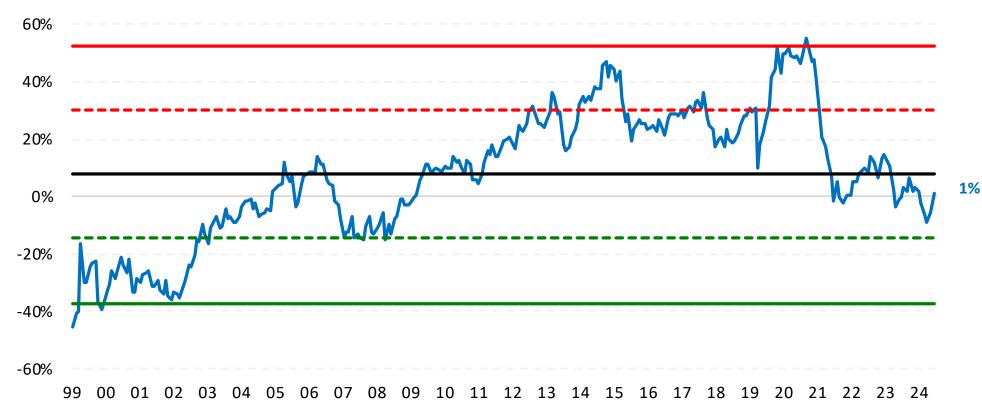


Source: Internal, MSCI, Factset.

## UK Small v. LargeCap – P/Book

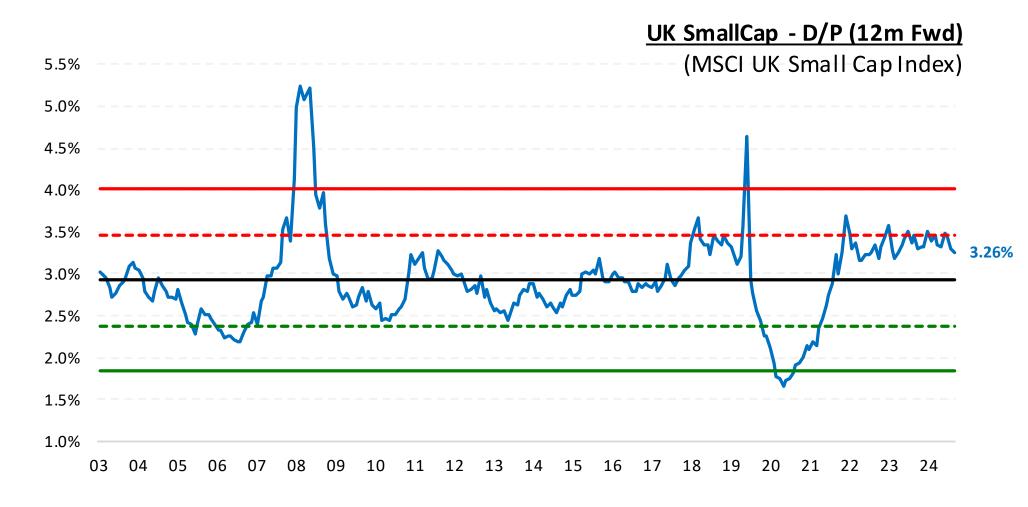
#### UK Small v. LargeCap - P/Book (12m Trailing)

(MSCI UK Small Cap v. MSCI UK Large Cap Index)



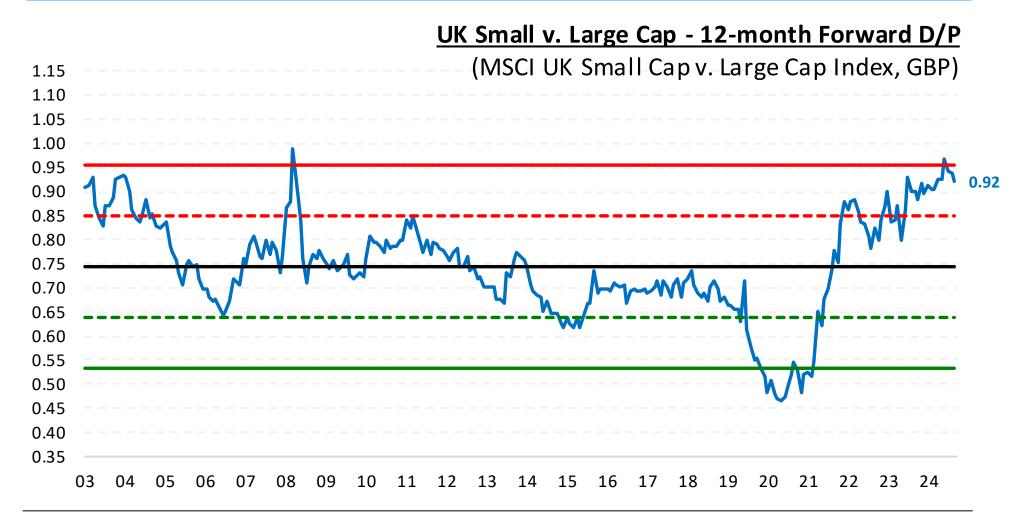
Source: Internal, MSCI, Factset.

## UK SmallCap (MSCI UK Small Cap) – Dividend Yield



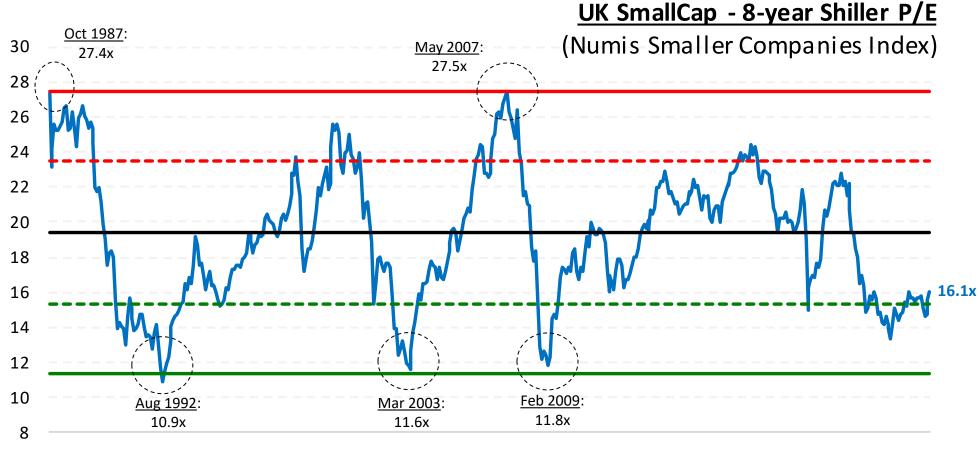
Source: Internal, MSCI, Factset.

## UK Small v. LargeCap (MSCI UK Small Cap) – Dividend Yield



Source: Internal, MSCI, Factset.

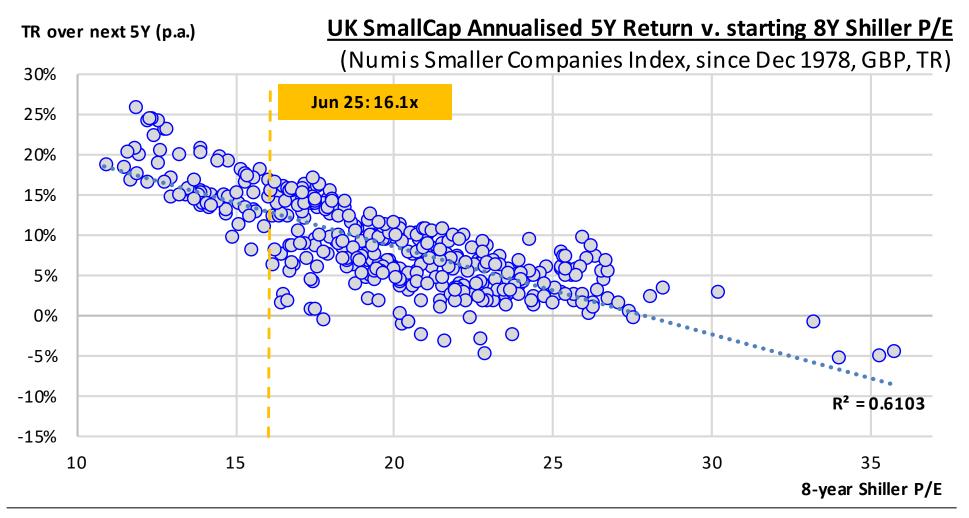
### UK SmallCap – 8 Year Shiller P/E



87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

Source: Internal, MSCI, Factset.

## UK SmallCap – 8 Year Shiller P/E v. returns over the next 5 years



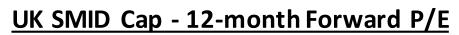
Source: Internal, MSCI, Factset. Rolling 5-year monthly returns.



# Valuations UK SMIDCap



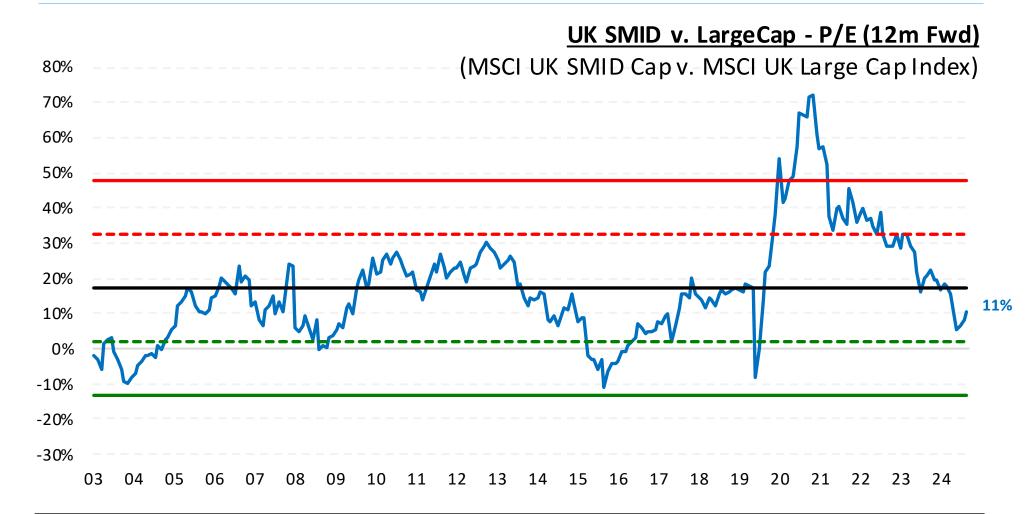
## UK SMIDCap – P/E





Source: Internal, MSCI, Factset.

#### UK SMID v. LargeCap – P/E



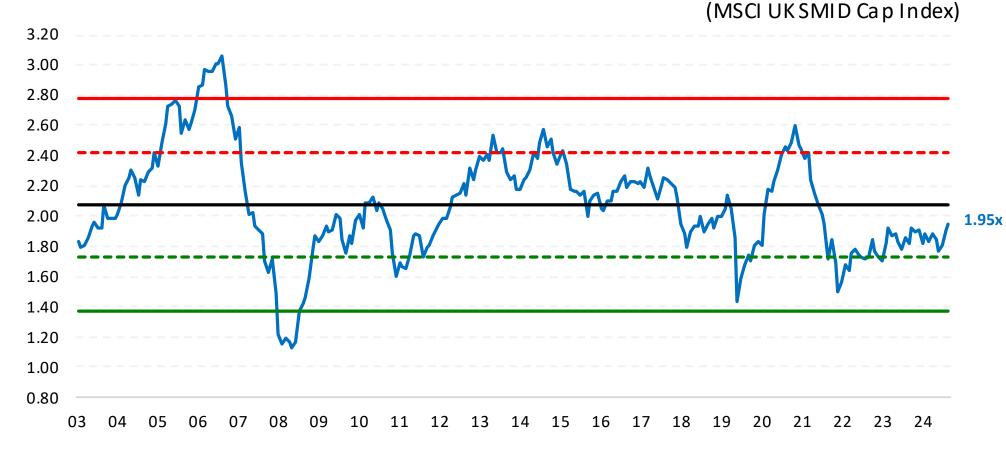
Source: Internal, MSCI, Factset.



Data as at 30 June 2025 unless stated otherwise

#### UK SMIDCap – P/Book

#### UK SMID Cap - P/Book (12m Trailing)



Source: Internal, MSCI, Factset.

## UK SMID v.LargeCap – P/Book



(MSCI UK SMID Cap v. MSCI UK Large Cap Index)



Source: Internal, MSCI, Factset.

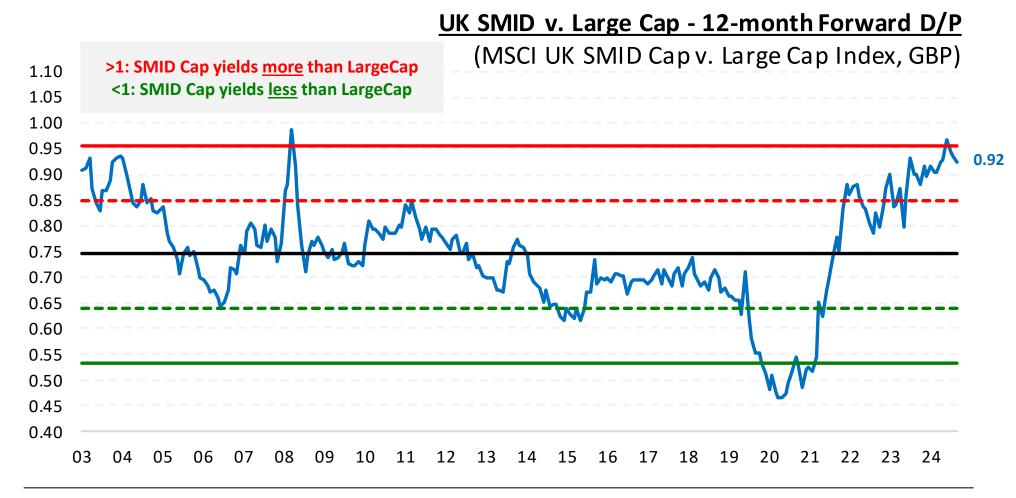
### UK SMIDCap – Dividend Yield



MSCI UK SMID Cap - 12-month Forward D/P

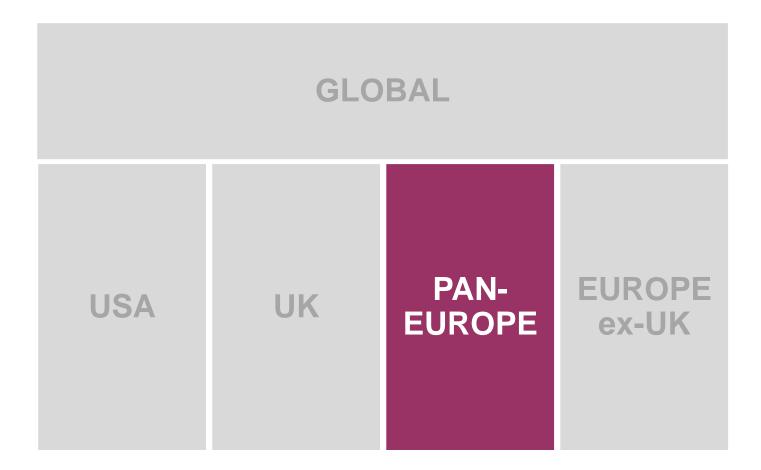
Source: Internal, MSCI, Factset.

## UK SMID v. LargeCap – Dividend Yield

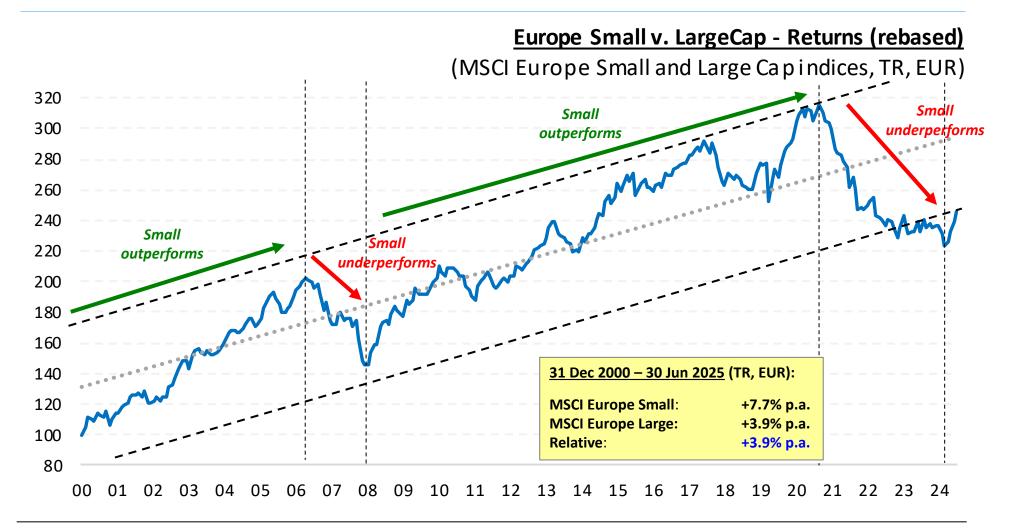


Source: Internal, MSCI, Factset.

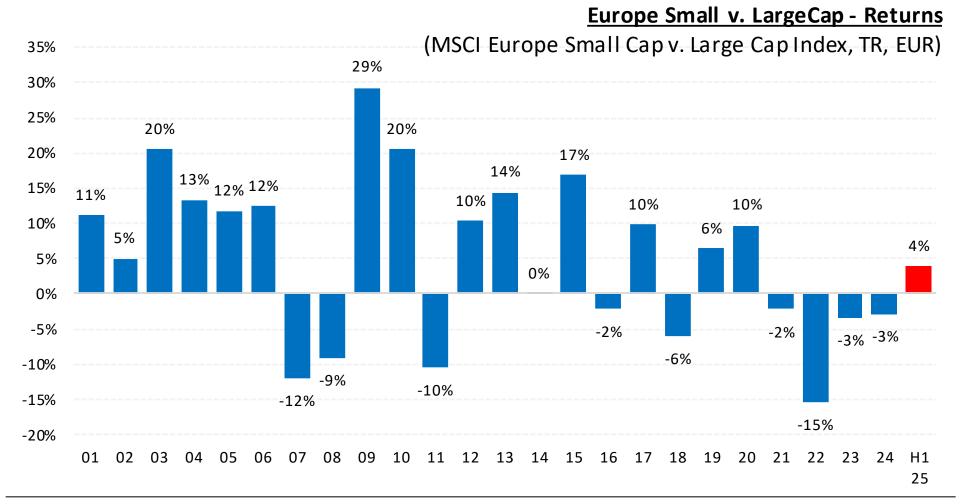




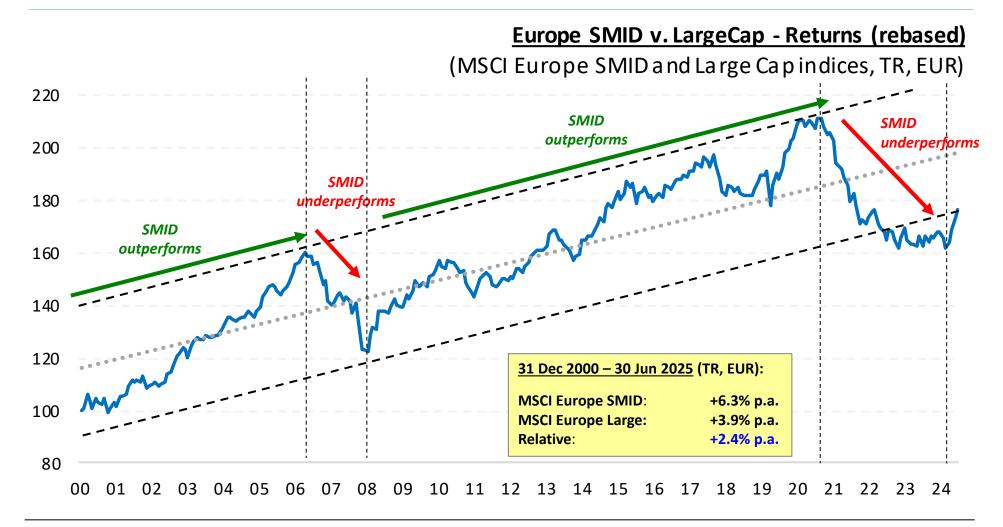
### Pan-Europe Small v. LargeCap - The long-term record



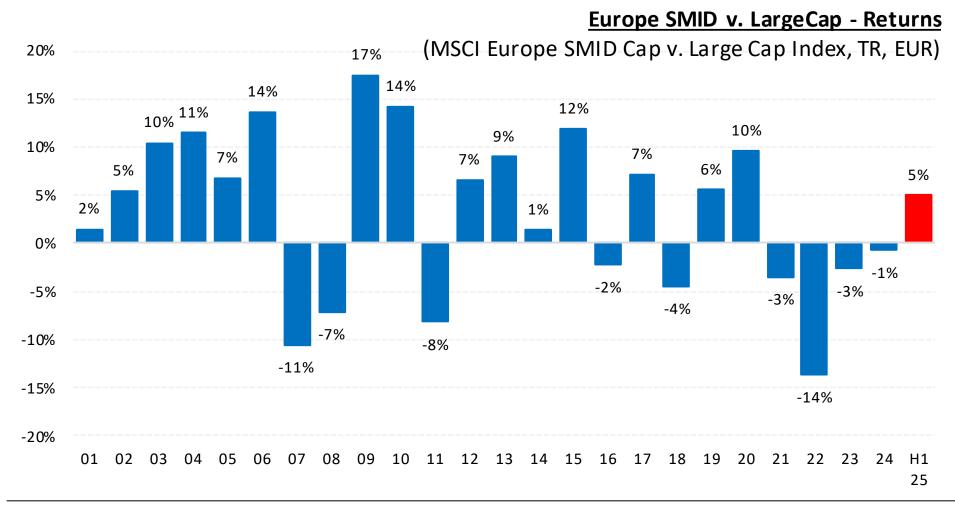
#### Pan-Europe Small v. LargeCap - Annual



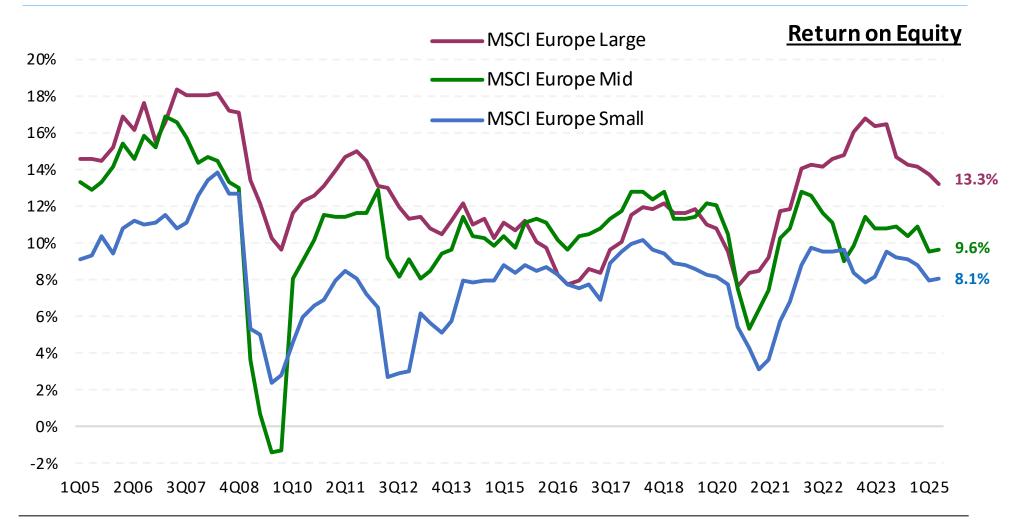
## Pan-Europe SMID v. LargeCap – The long-term record



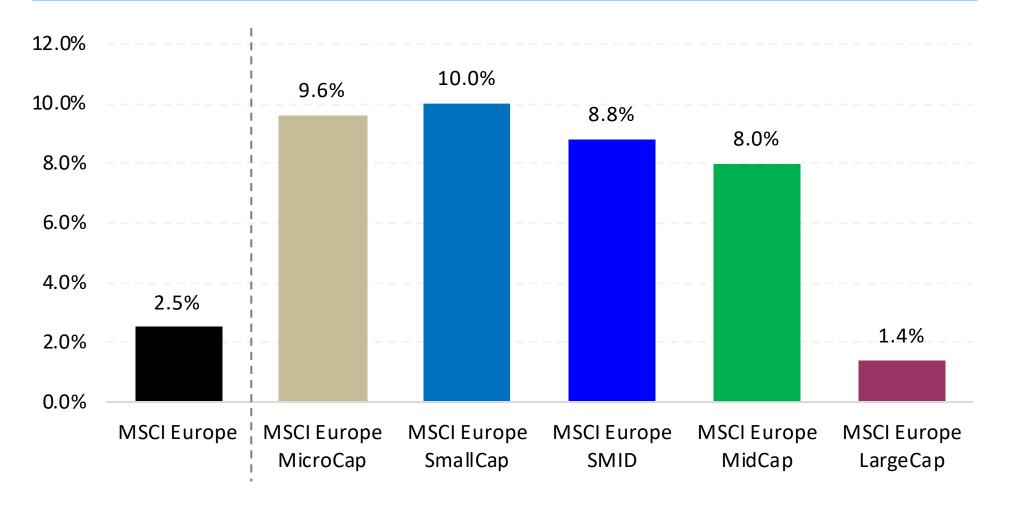
#### Pan-Europe SMID v. LargeCap - Annual



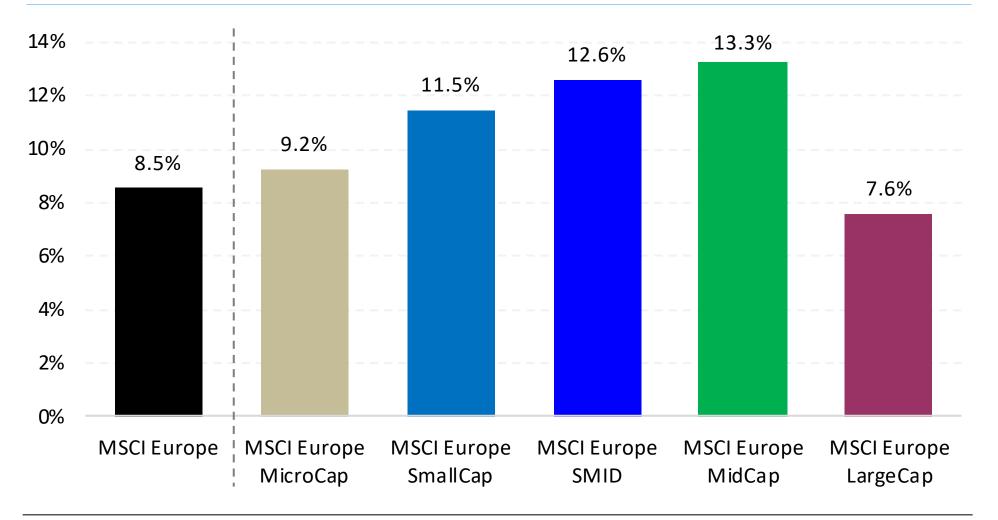
#### RoE – Pan-European Small, Mid & LargeCap



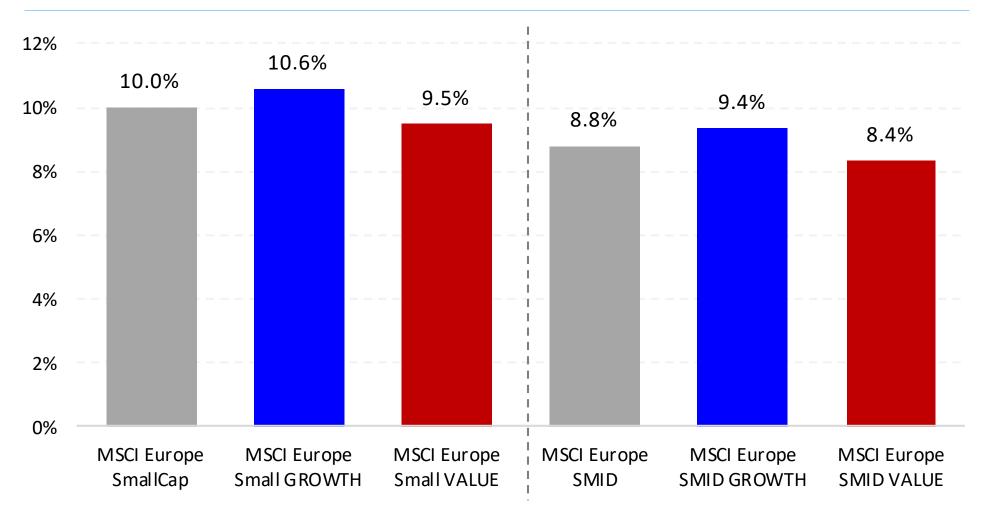
## Size Returns // Pan-Europe – Q2 2025 (Total Returns in EUR)



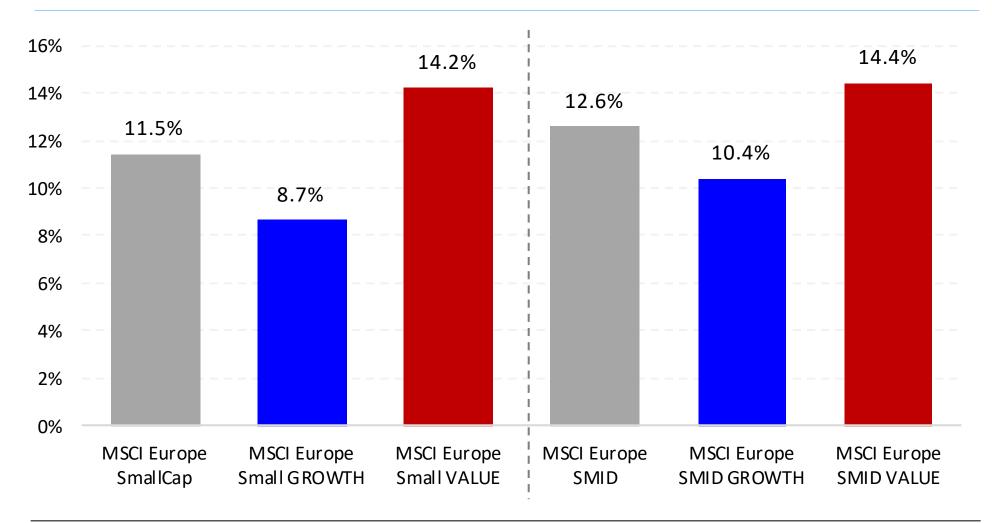
## Size Returns // Pan-Europe – H1 2025 (Total Returns in EUR)



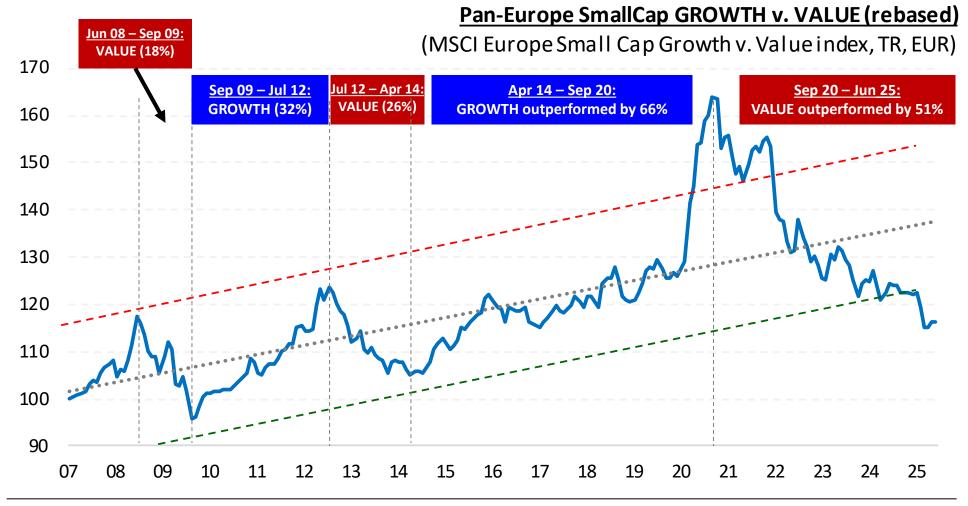
## Style Returns // Pan-Europe – Q2 2025 (Total Returns in EUR)



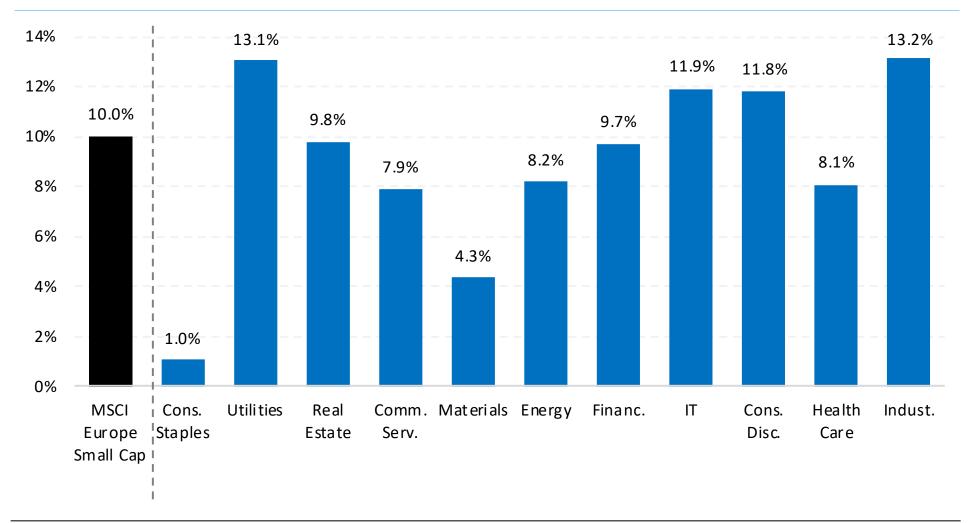
## Style Returns // Pan-Europe – H1 2025 (Total Returns in EUR)



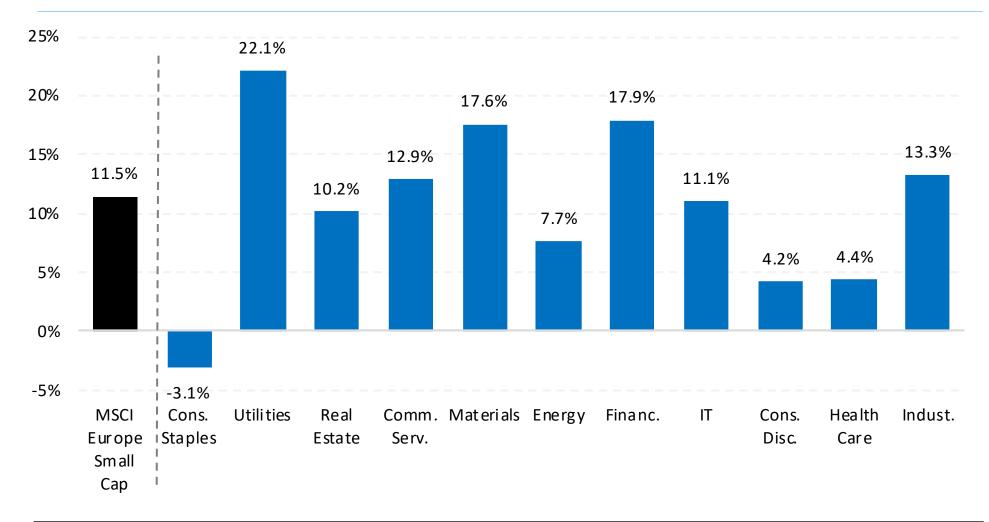
## **<u>Style</u>** Cycles // Pan-Europe



## Sector Returns // Pan-Europe – Q2 2025 (Total Returns in EUR)



## Sector Returns // Pan-Europe – H1 2025 (Total Returns in EUR)



## **Sector** Returns // Pan-Europe SmallCap

PAN-EUROPE											
(All Total Returns in EUR)	1Y	3Y	5Y	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
MSCI Europe Small Cap (Net TR)	<b>12.2%</b>	<b>34.1%</b>	<b>57.8%</b>	- <b>2.8</b> %	9.7%	3.5%	1.5%	4.4%	- <b>3.6%</b>	<b>1.3%</b>	10.0%
Cons. Staples	0.1%	12.0%	23.1%	1.4%	3.9%	3.4%	2.0%	9.5%	-5.6%	-4.1%	1.0%
Utilities	26.4%	40.5%	68.8%	-8.2%	14.6%	-2.4%	5.0%	8.4%	-4.5%	8.0%	13.1%
Real Estate	8.3%	3.0%	10.3%	1.2%	20.3%	-3.5%	0.7%	11.4%	-11.7%	0.4%	9.8%
Comm. Serv.	10.0%	19.8%	29.2%	1.8%	7.9%	5.4%	1.6%	2.5%	-5.0%	4.6%	7.9%
Materials	12.9%	32.2%	63.7%	-2.8%	9.9%	2.8%	-0.9%	0.6%	-4.6%	12.7%	4.3%
Energy	-1.8%	38.8%	97.4%	13.1%	1.2%	5.2%	9.4%	-10.1%	1.4%	-0.5%	8.2%
Financ.	32.2%	94.6%	161.3%	0.2%	8.2%	11.9%	5.2%	5.6%	6.1%	7.5%	9.7%
IT	-1.5%	12.1%	21.2%	-7.0%	9.4%	-5.5%	1.7%	-3.1%	-8.5%	-0.8%	11.9%
Cons. Disc.	9.8%	22.4%	23.3%	-6.7%	9.1%	0.5%	-4.4%	6.1%	-0.7%	-6.8%	11.8%
Health Care	0.3%	1.2%	-0.7%	-6.1%	10.0%	3.4%	0.8%	3.7%	-7.4%	-3.4%	8.1%
Indust.	13.9%	47.1%	93.9%	-4.6%	9.7%	6.1%	1.1%	5.6%	-4.8%	0.1%	13.2%

Source: Internal, MSCI, Factset.

Sectors are GICS level 1.



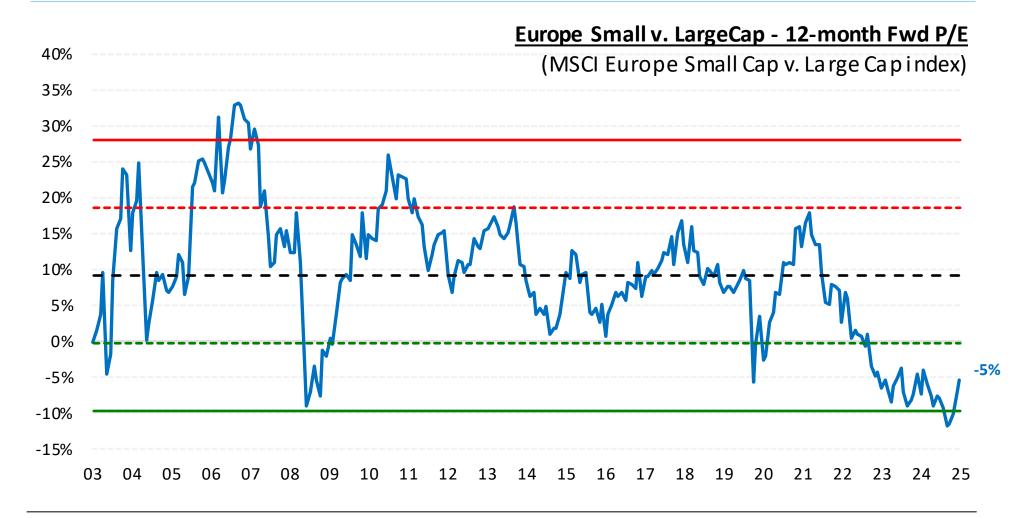
# Valuations PAN-EUROPE SmallCap

# MSCI Europe Small Cap Index - 12-month Fwd P/E 20 18 16 14 13.8x 12 10 8 6 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

## Pan-Europe SmallCap – P/E

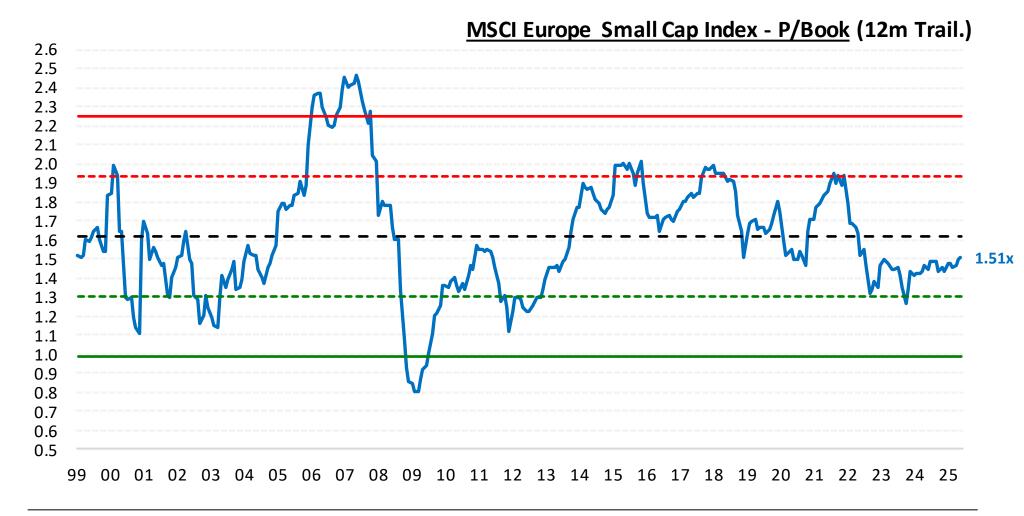
Source: Internal, MSCI, Factset.

## Pan-Europe Small v. LargeCap – P/E



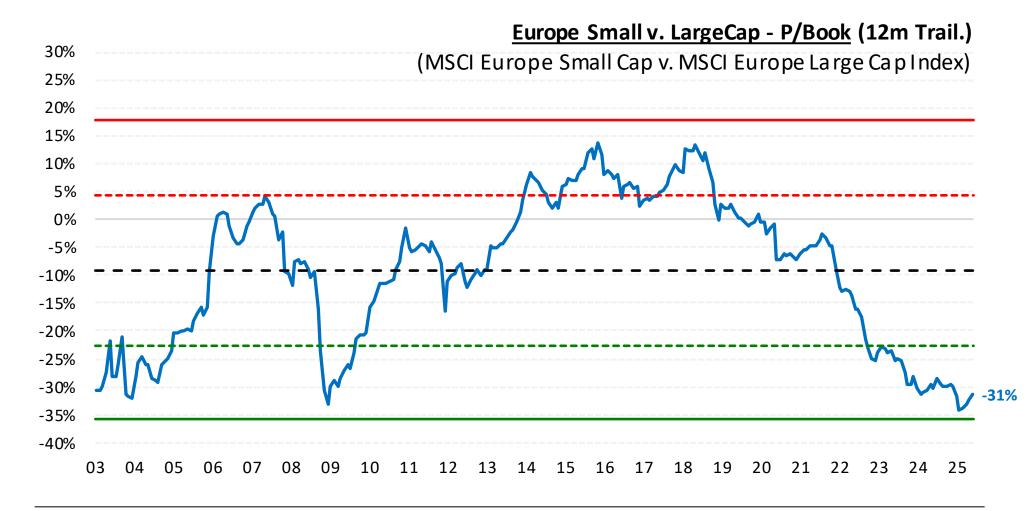
Source: Internal, MSCI, Factset.

## Pan-Europe SmallCap – P/Book



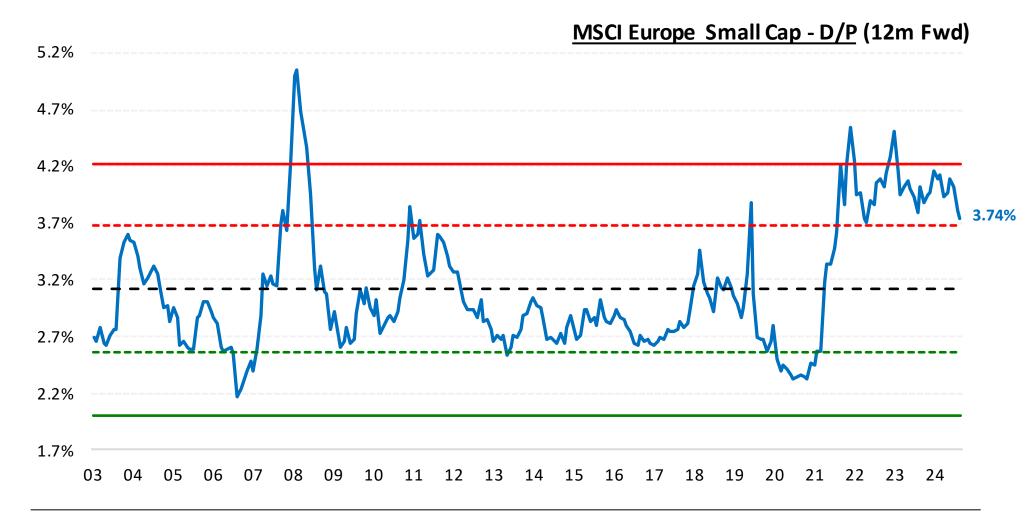
Source: Internal, MSCI, Factset.

## Pan-Europe Small v. LargeCap – P/Book



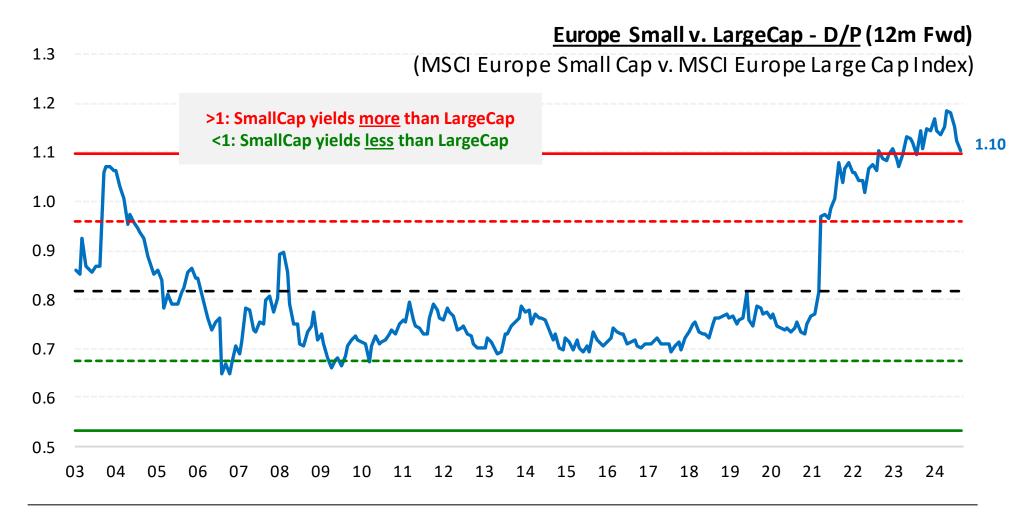
Source: Internal, MSCI, Factset.

## Pan-Europe SmallCap – Dividend Yield



Source: Internal, MSCI, Factset.

## Pan-Europe Small v. LargeCap – Dividend Yield

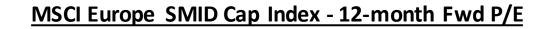


Source: Internal, MSCI, Factset.



# Valuations PAN-EUROPE SMID Cap

## Pan-Europe SMIDCap – P/E

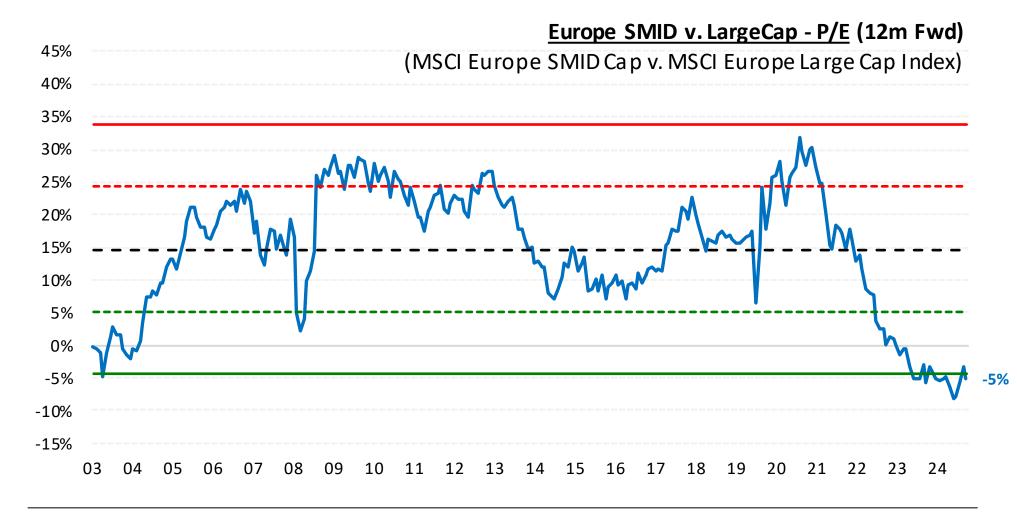




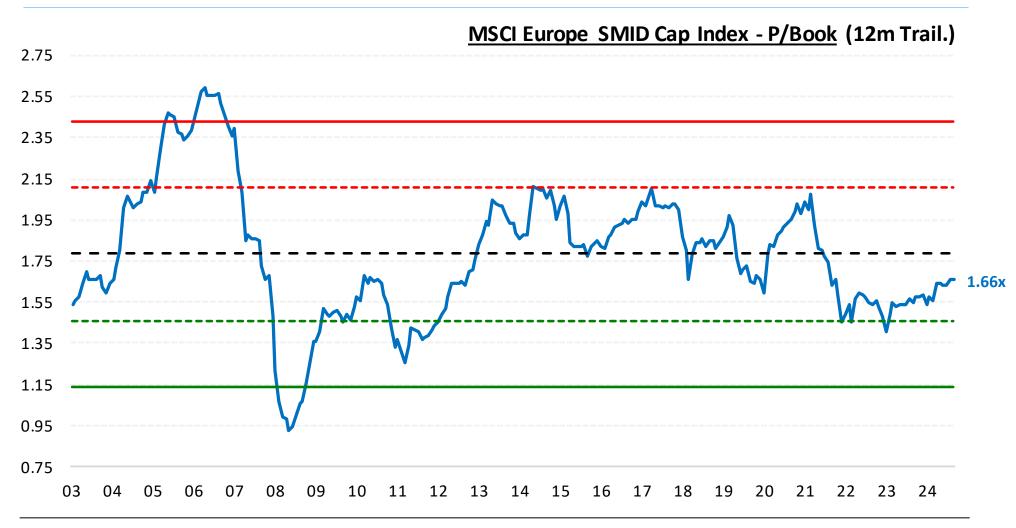
Source: Internal, MSCI, Factset.



### Pan-Europe SMID v. LargeCap – P/E



Source: Internal, MSCI, Factset.

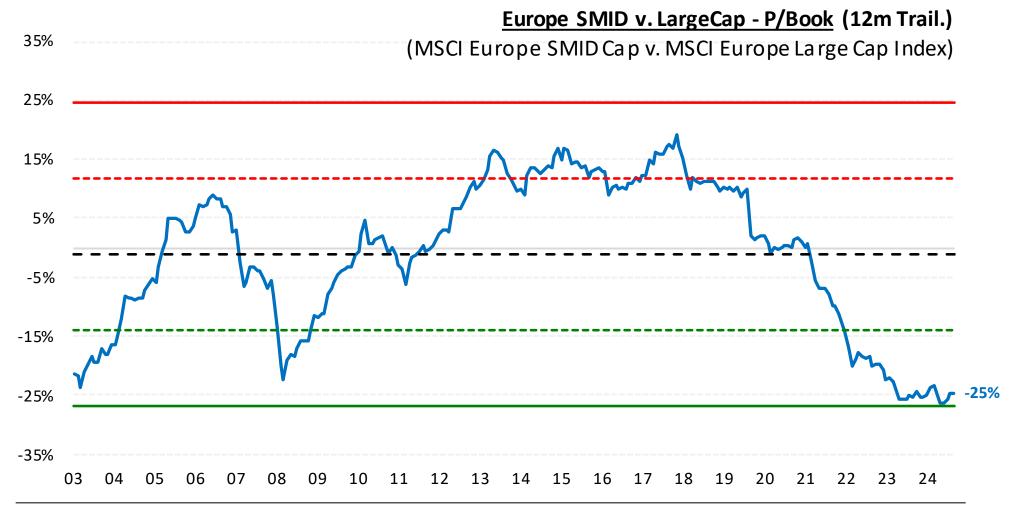


### Pan-Europe SMIDCap – P/Book

Source: Internal, MSCI, Factset.

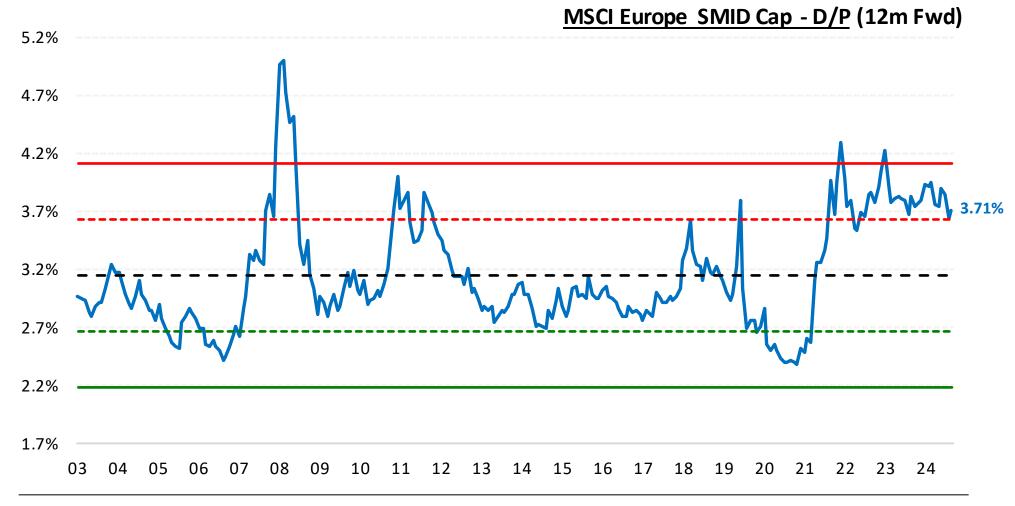
#### MONTANARO

### Pan-Europe SMID v. LargeCap – P/Book



Source: Internal, MSCI, Factset.

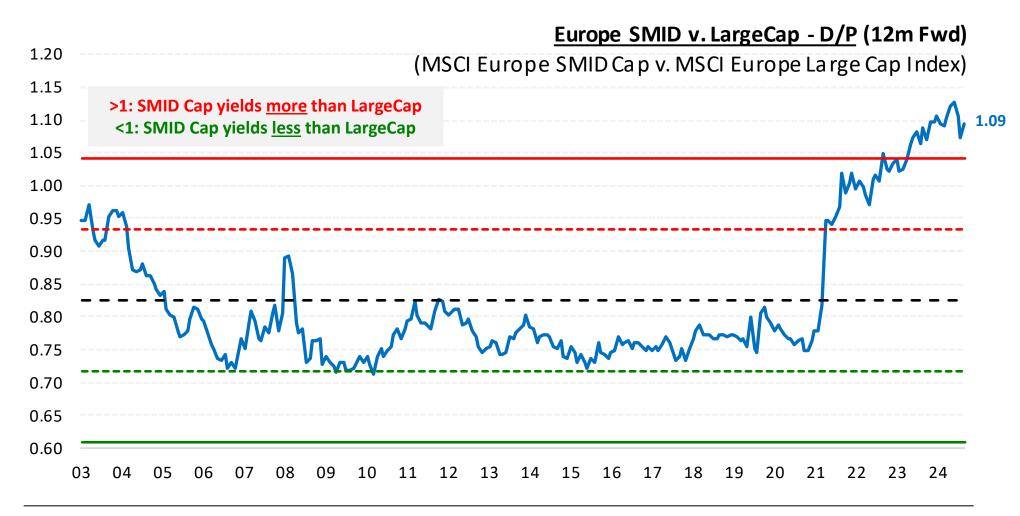
### **Pan-Europe SMIDCap – Dividend Yield**



Source: Internal, MSCI, Factset.

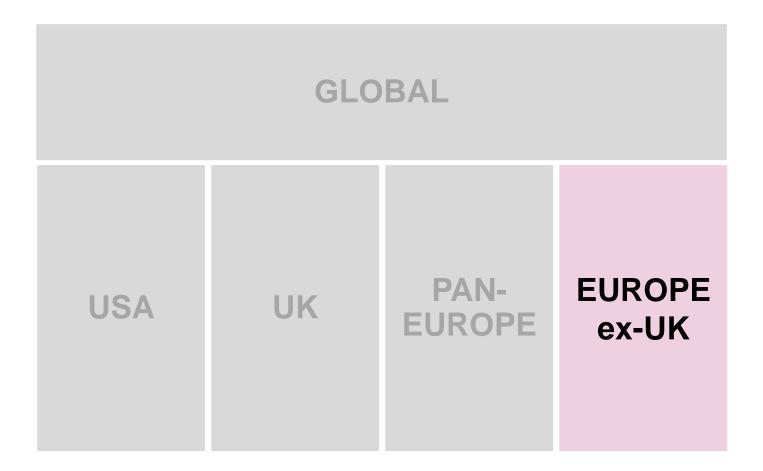


### Pan-Europe SMID v. LargeCap – Dividend Yield

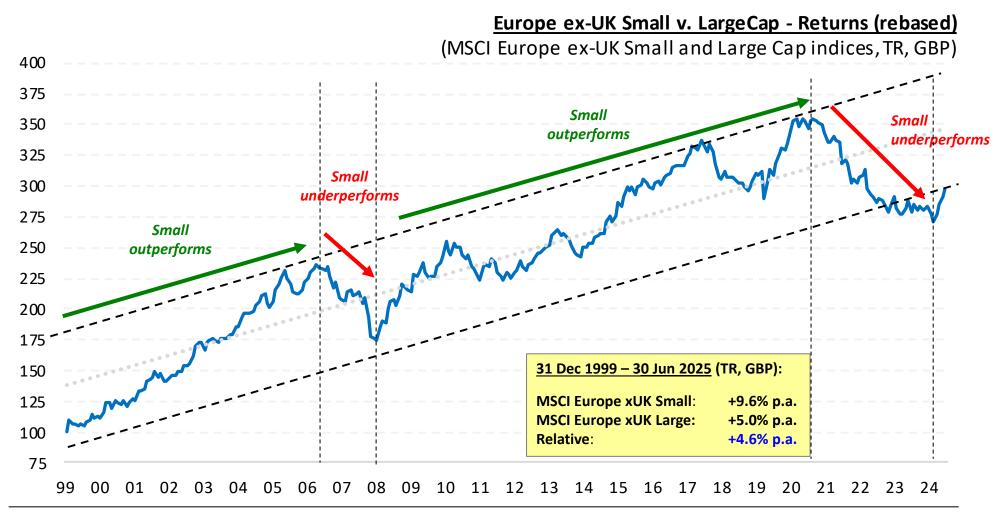


Source: Internal, MSCI, Factset.

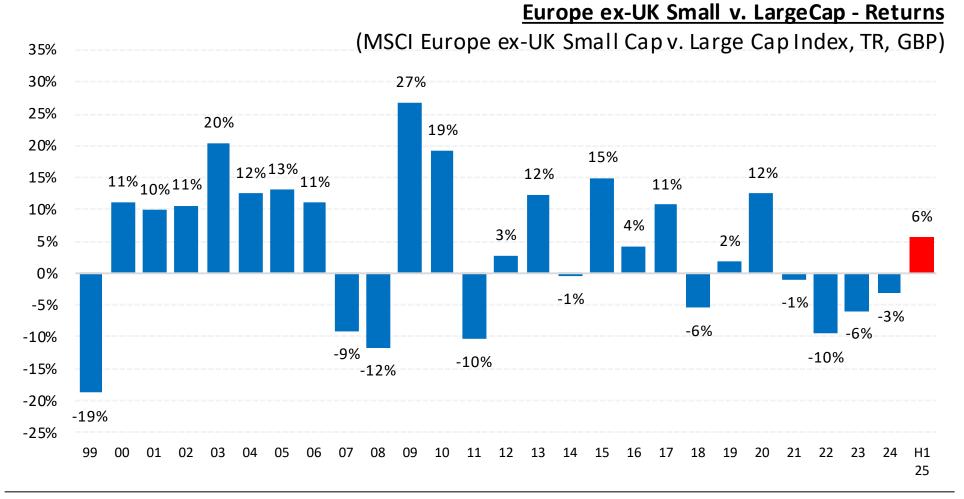




### Europe ex-UK Small v. LargeCap - The long-term record



### **Europe ex-UK Small v. LargeCap - Annual**



Source: Internal, MSCI.



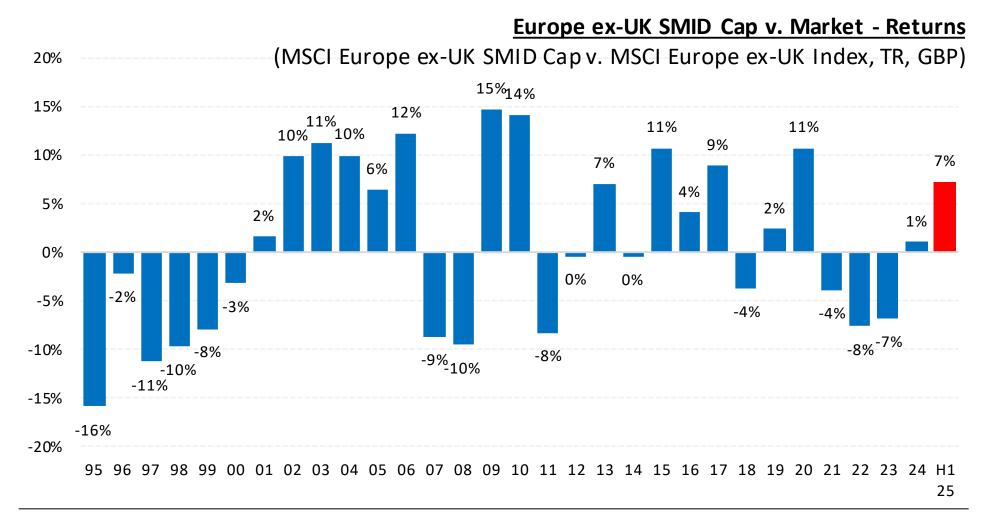
### Europe ex-UK SMID v. LargeCap - The long-term record



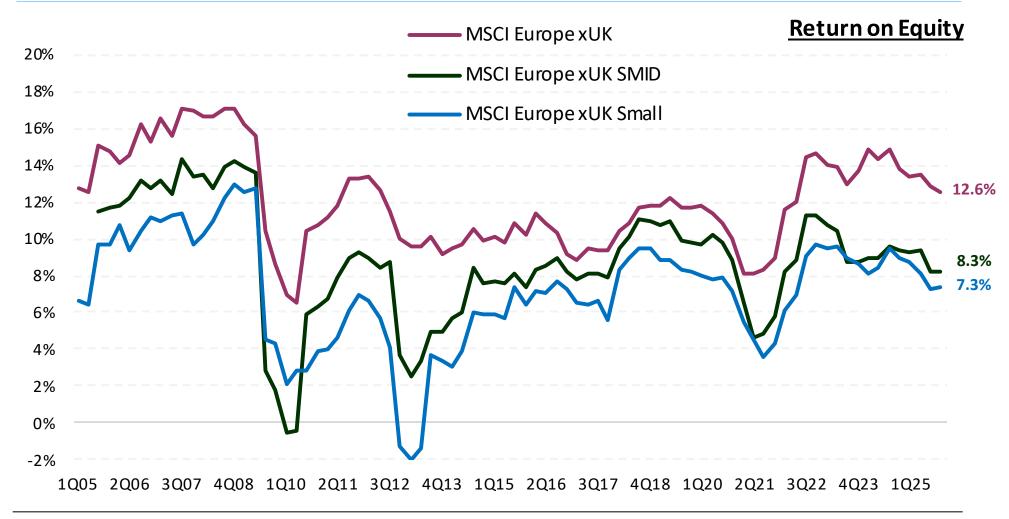
(MSCI Europe ex-UK SMID and Large Cap indices, TR, GBP)



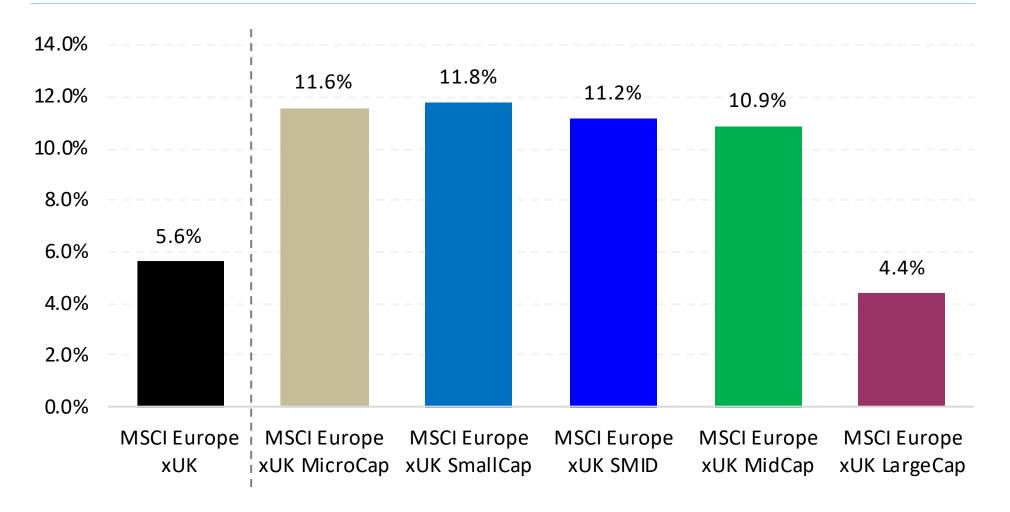
### **Europe ex-UK SMID v. Market - Annual**



### RoE – Europe ex-UK Small, SMid & AllCap

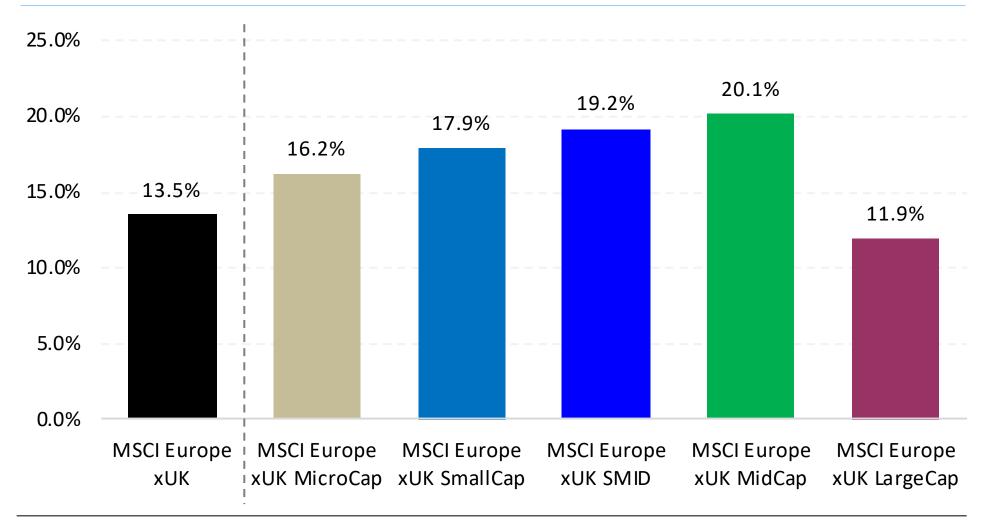


# Size Returns // Europe ex-UK – Q2 2025 (Total Returns in GBP)

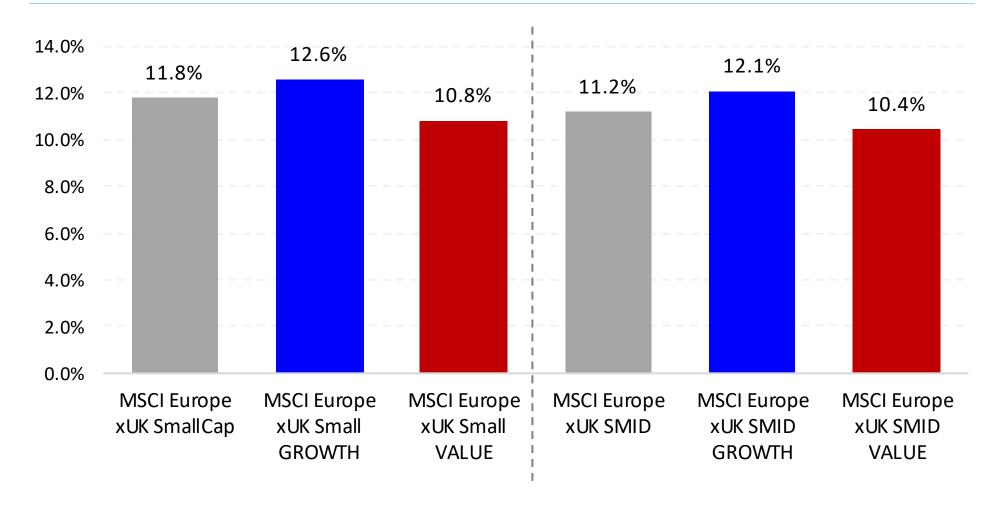


### MONTANARO

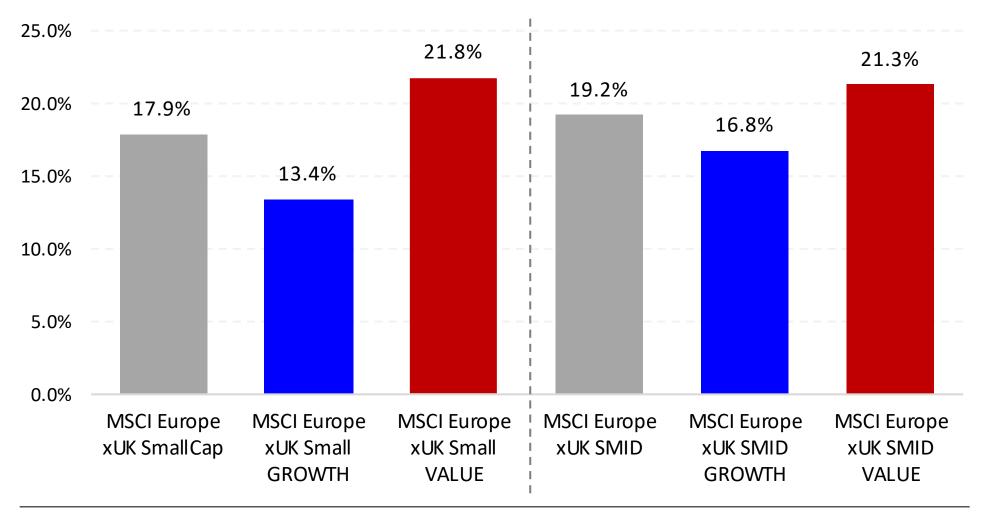
### Size Returns // Europe ex-UK – H1 2025 (Total Returns in GBP)



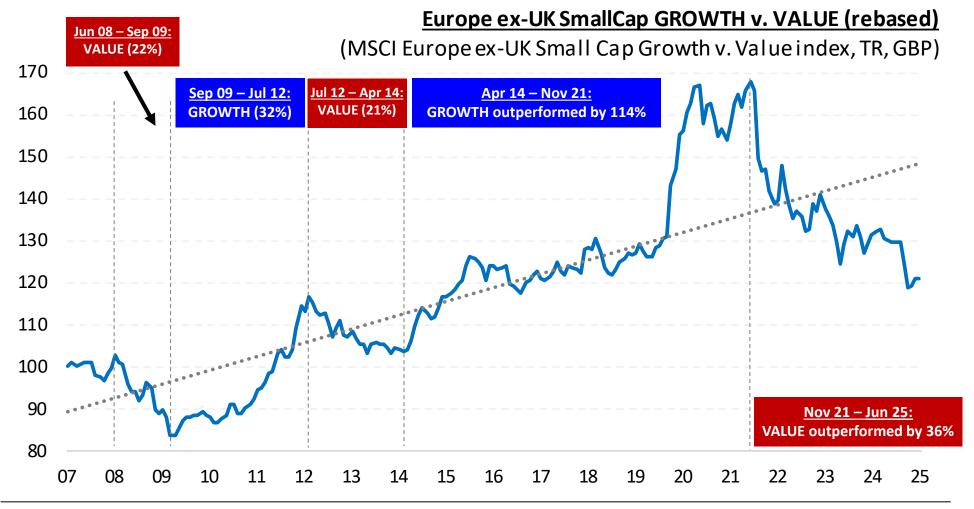
# Style Returns // Europe ex-UK – Q2 2025 (Total Returns in GBP)



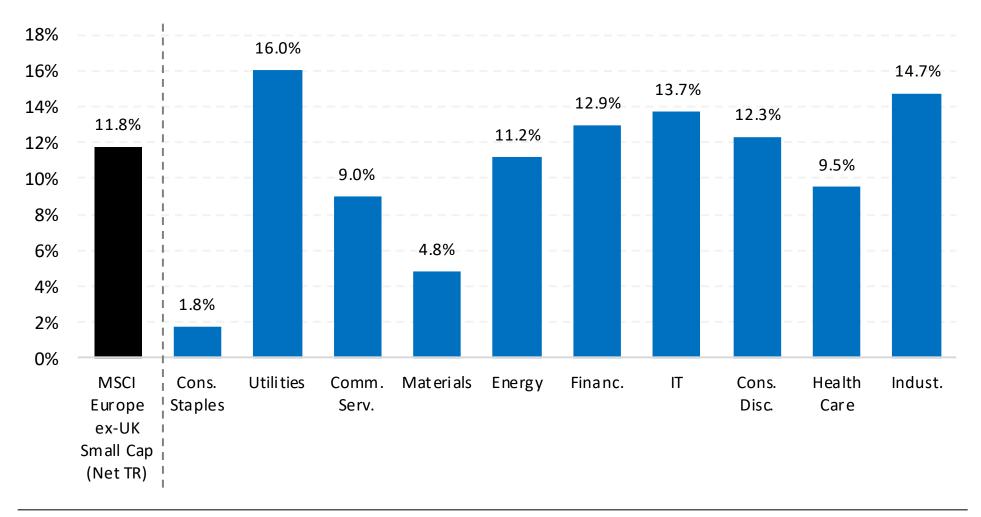
# Style Returns // Europe ex-UK – H1 2025 (Total Returns in GBP)



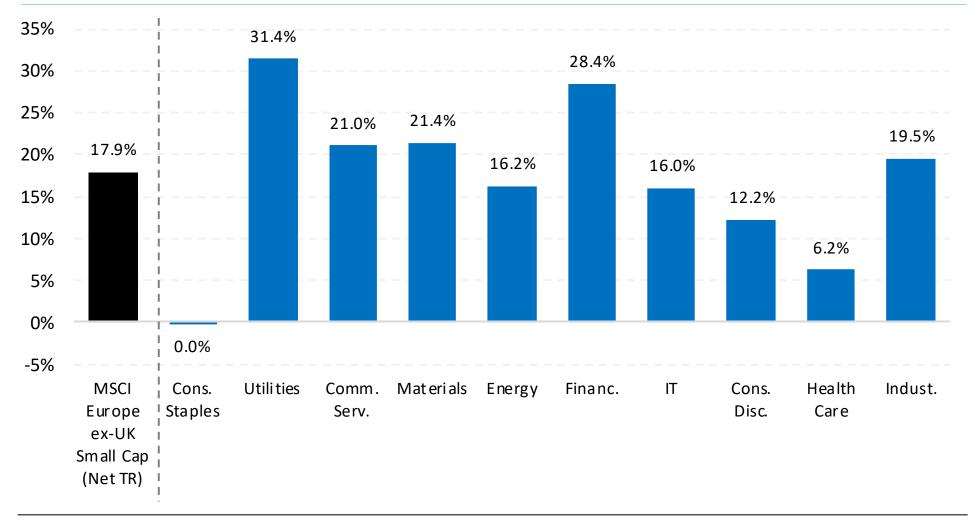
# **<u>Style</u>** Cycles // Europe ex-UK



### Sector Returns // Europe ex-UK – Q2 2025 (Total Returns in GBP)



### Sector Returns // Europe ex-UK – H1 2025 (Total Returns in GBP)



# **Sector** Returns // Europe ex-UK SmallCap

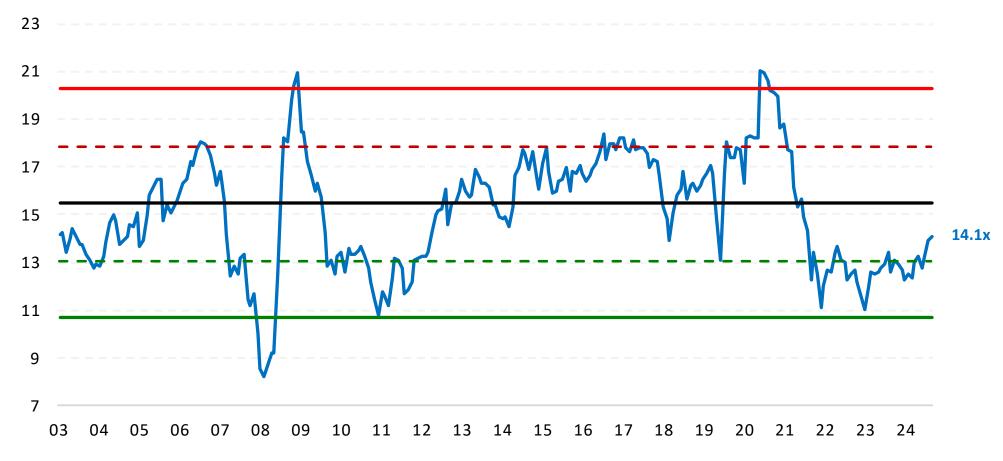
EUROPE ex-UK (Total Returns in GBP)											
(All Total Returns in GBP)	1Y	3Y	5Y	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
MSCI Europe ex-UK Small Cap (Net TR)	1 <b>3.</b> 1%	34.8%	<b>52.3%</b>	-2.9%	1 <b>0</b> .1%	2.1%	<b>0.1%</b>	0.9%	-4.8%	5.3%	<b>11.8%</b>
Cons. Staples	-5.8%	-5.0%	2.5%	0.7%	2.4%	2.7%	-2.3%	2.3%	-8.0%	-1.8%	1.8%
Utilities	28.0%	37.1%	38.8%	-4.5%	13.9%	-3.7%	5.6%	3.8%	-6.1%	13.2%	16.0%
Comm. Serv.	10.5%	23.8%	27.1%	4.5%	8.7%	5.0%	-0.1%	-1.6%	-7.2%	11.0%	9.0%
Materials	6.6%	21.7%	61.8%	-3.2%	9.4%	-0.7%	-3.0%	-4.4%	-8.2%	15.8%	4.8%
Energy	4.6%	68.0%	124.9%	15.2%	1.4%	6.6%	7.8%	-11.4%	1.5%	4.5%	11.2%
Financ.	39.4%	113.9%	187.9%	1.5%	6.5%	12.5%	4.4%	1.4%	7.1%	13.7%	12.9%
IT	-1.1%	6.9%	12.5%	-6.4%	10.4%	-8.5%	-1.5%	-4.7%	-10.6%	2.0%	13.7%
Cons. Disc.	13.8%	24.8%	27.8%	-9.9%	12.6%	-1.4%	-6.7%	0.8%	0.6%	-0.1%	12.3%
Health Care	-0.6%	-0.4%	-15.9%	-7.3%	12.7%	1.9%	2.2%	2.1%	-8.4%	-3.0%	9.5%
Indust.	15.7%	46.0%	83.0%	-5.7%	10.2%	4.7%	-0.7%	3.3%	-6.3%	4.2%	14.7%



# Valuations EUROPE ex-UK SmallCap

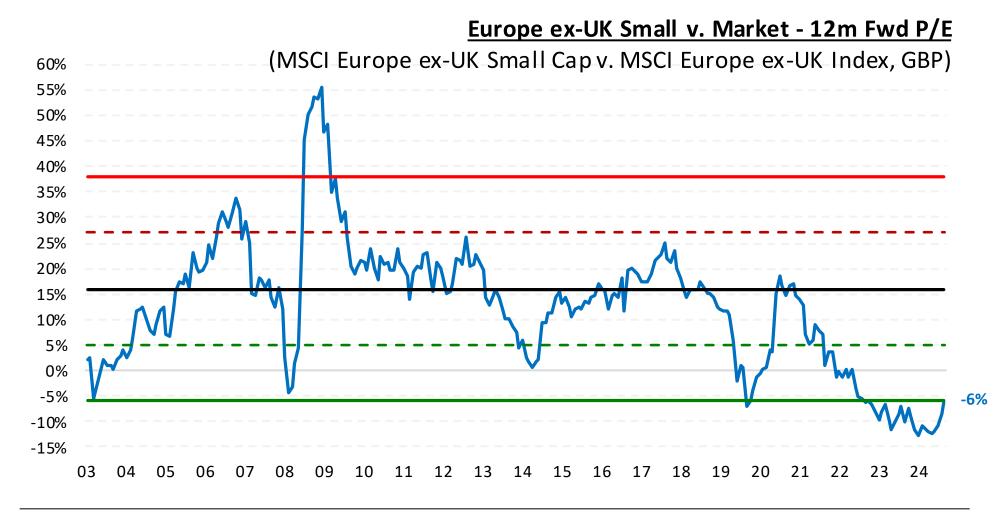
### **Europe ex-UK SmallCap – P/E**

### MSCI Europe ex-UK Small Cap - 12m Fwd P/E



Source: Internal, MSCI, Factset.

### Europe ex-UK SmallCap v. Market – P/E



Source: Internal, MSCI, Factset.

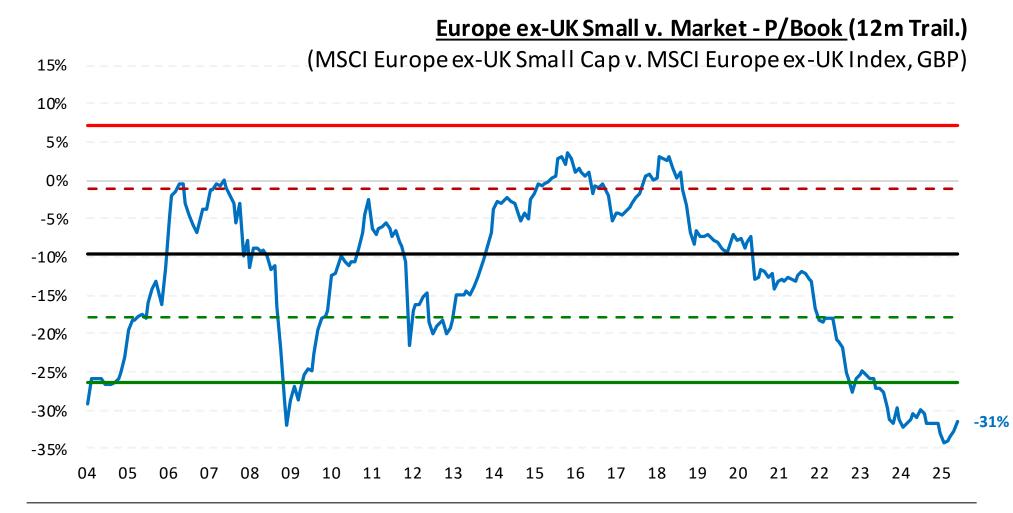
### **Europe ex-UK SmallCap – P/Book**





Source: Internal, MSCI, Factset.

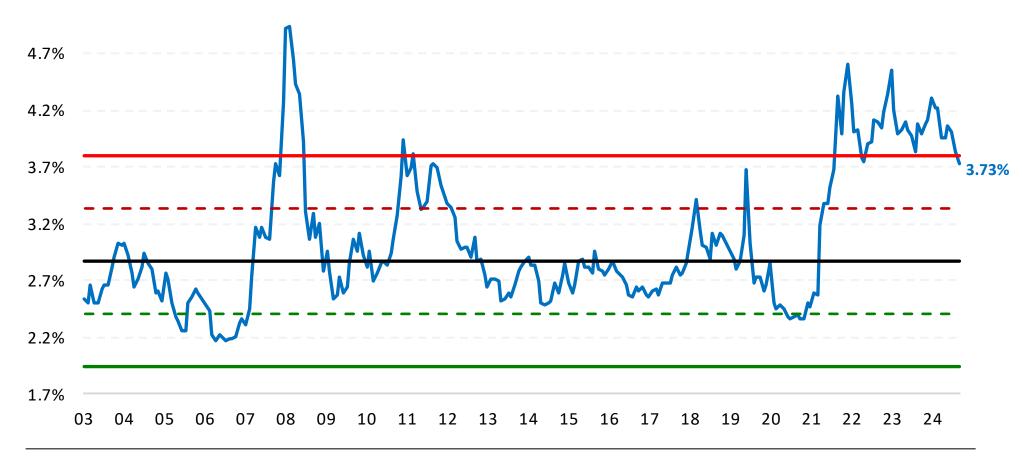
### **Europe ex-UK SmallCap v. Market – P/Book**



Source: Internal, MSCI, Factset.

### **Europe ex-UK SmallCap – Dividend Yield**

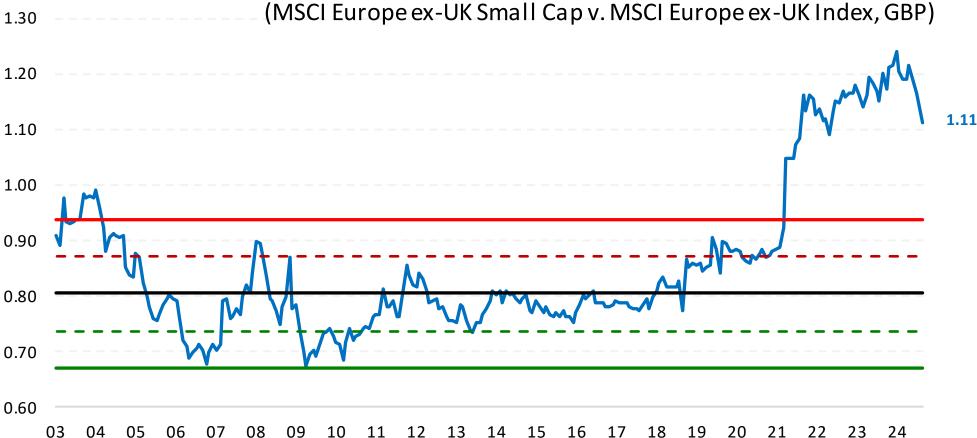
### MSCI Europe ex-UK Small Cap - Dividend Yield (12m Fwd)



Source: Internal, MSCI, Factset.

### **Europe ex-UK SmallCap v. Market – Dividend Yield**

Europe ex-UK Small v. Market - Dividend Yield (12m Fwd)



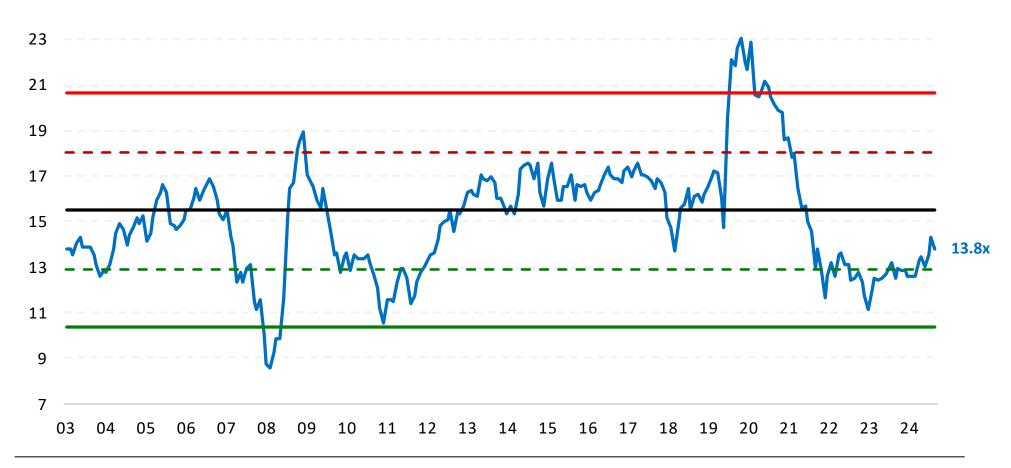
Source: Internal, MSCI, Factset.



# Valuations EUROPE ex-UK SMIDCap

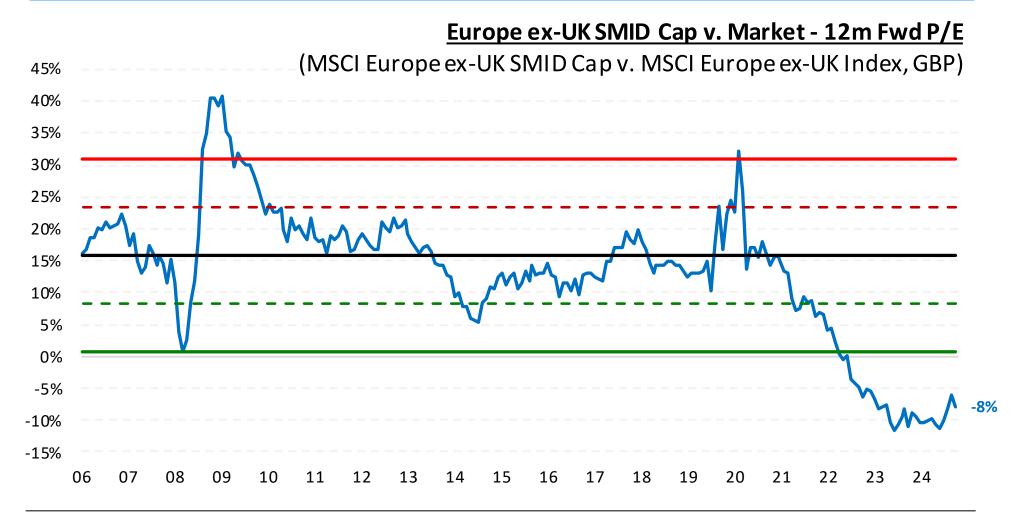
### **Europe ex-UK SMIDCap – P/E**





Source: Internal, MSCI, Factset.

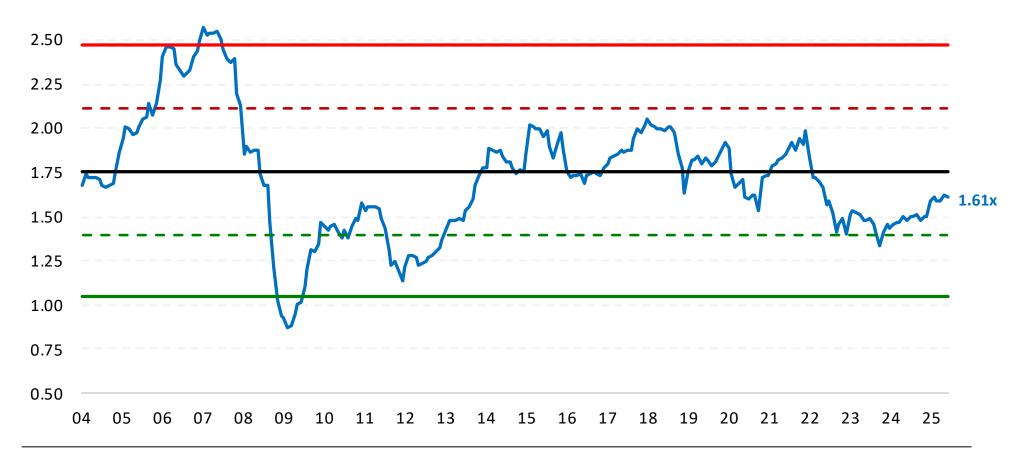
### Europe ex-UK SMIDCap v. Market – P/E



Source: Internal, MSCI, Factset.

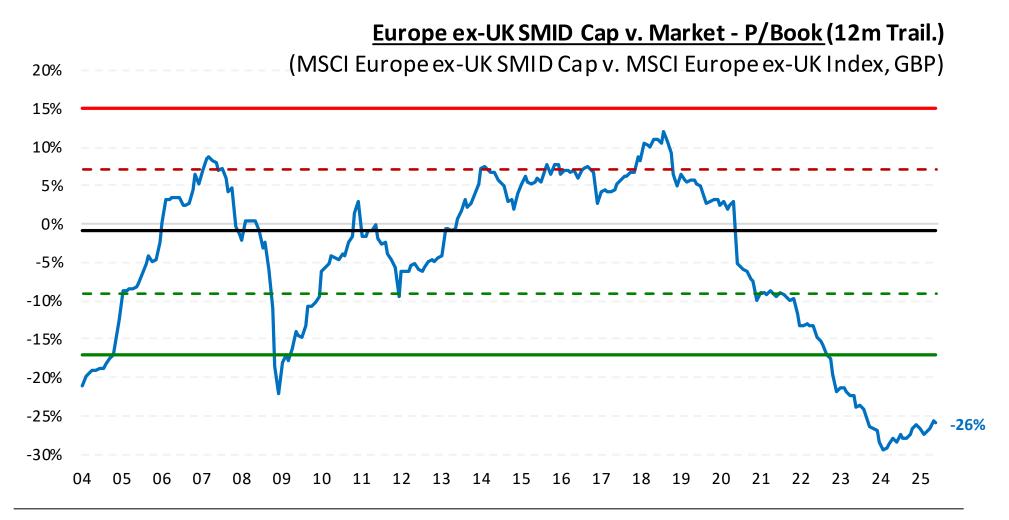
### **Europe ex-UK SMIDCap – P/Book**

### MSCI Europe ex-UK SMID Cap - P/Book (12m Trail.)



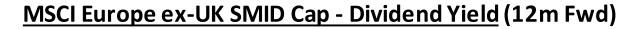
Source: Internal, MSCI, Factset.

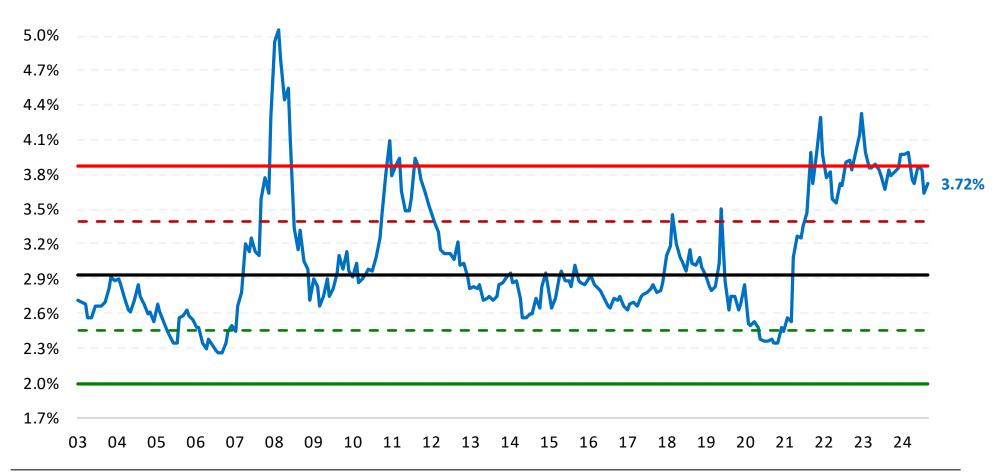
### Europe ex-UK SMIDCap v. Market – P/Book



Source: Internal, MSCI, Factset.

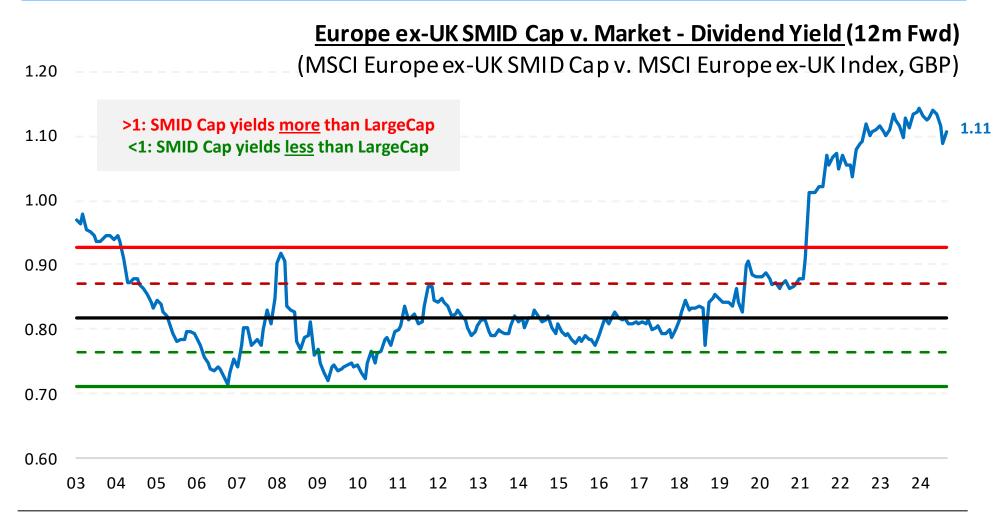
### **Europe ex-UK SMIDCap – Dividend Yield**





Source: Internal, MSCI, Factset.

### **Europe ex-UK SMIDCap v. Market – Dividend Yield**



Source: Internal, MSCI, Factset.

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