

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom.

If you have sold or otherwise transferred all of your Ordinary Shares in Montanaro UK Smaller Companies Investment Trust PLC, you should pass this document as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee, except that this document should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of local securities laws and regulations.

The distribution of this document into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession such documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

---

## **MONTANARO UK SMALLER COMPANIES INVESTMENT TRUST PLC**

*(Incorporated and registered in England and Wales with registered number 03004101 and registered as an investment company within the meaning of Section 833 of the Companies Act 2006)*

### **Circular to shareholders and notice of general meeting in respect of renewal of share buyback authority**

---

Notice of a General Meeting of Montanaro UK Smaller Companies Investment Trust PLC to be held at 53 Threadneedle Street, London EC2R 8AR at 12 noon on 31 March 2025 is set out at the end of this document.

Shareholders are requested to appoint a proxy electronically by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions. **To be valid, the proxy vote must be submitted at [www.signalshares.com](http://www.signalshares.com) as soon as possible and in any event so as to arrive by no later than 12 noon on 27 March 2025.** Alternatively, you may request a Form of Proxy from MUFG Corporate Markets and return it by delivery to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, or in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting and the CREST Manual on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io) and refer to the procedures set out in the Notice of General Meeting. Completion and submission of a proxy appointment will not preclude Shareholders from attending and voting at the General Meeting should they choose to do so.

## LETTER FROM THE CHAIRMAN

# MONTANARO UK SMALLER COMPANIES INVESTMENT TRUST PLC

*(Incorporated and registered in England and Wales with registered number 03004101.  
An investment company within the meaning of section 833 of the Companies Act 2006)*

### Directors:

Arthur Copple (Chairman)  
Catriona Hoare  
Yuuichiro Nakajima  
Barbara Powley

### Registered Office:

53 Threadneedle Street  
London  
EC2R 8AR

7 March 2025

Dear Shareholder

## **Renewal of share buyback authority and notice of general meeting**

### **Introduction**

At the Company's annual general meeting held on 25 July 2024 (the "**2024 AGM**"), the Directors were granted authority to make market purchases of up to 25,090,230 Ordinary Shares, representing 14.99 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at the date of the 2024 AGM. Since the 2024 AGM, as at the Latest Practicable Date, the Company has bought back 23,016,830 Ordinary Shares and the authority granted at the 2024 AGM has been substantially utilised. The Directors have concluded that the remaining capacity may be fully utilised before the Company's next annual general meeting (the "**2025 AGM**"), which is expected to be held in July 2025. The Directors therefore wish to seek approval for a renewal of this authority.

The purpose of this document is to provide further details on the reasons for seeking authority for the renewal and to convene the General Meeting at which the appropriate shareholder authority will be sought. The General Meeting will be held at 12 noon on 31 March 2025 at 53 Threadneedle Street, London EC2R 8AR.

For the reasons set out below, the Directors are unanimous in believing that the renewal is in the best interests of the Company and its Shareholders as a whole.

### **Background to, and reasons for, the proposed renewal of the buyback authority**

As announced on 25 February 2025, the Board regards share buybacks as an important tool in mitigating discount volatility and providing support to the rating of the Company's Ordinary Shares. The Board intends to continue to support Shareholders with an active share buyback policy, with a target of maintaining the discount in single-digit percentage points in normal market conditions.

As at the Latest Practicable Date, the Company has capacity to buy back only a further 2,073,400 Ordinary Shares, which represents 1.4 per cent. of the issued ordinary share capital (excluding treasury shares). The Directors anticipate that the active share buyback policy described above may exhaust the buyback authority prior to the 2025 AGM.

The Directors are therefore proposing to convene the General Meeting to seek the authority from Shareholders to renew the Company's authority to buy back Ordinary Shares, with such renewed authority expiring at the conclusion of the 2025 AGM, at which the Directors intend to seek further renewal of the authority to make market purchases of Ordinary Shares. This renewed authority would provide the Company the necessary flexibility to continue to operate the active share buyback policy.

The Resolution to be considered at the General Meeting will, if passed, give the Directors the authority to make market purchases of up to 21,640,007 Ordinary Shares, or, if fewer, that number of Ordinary Shares which is equal to 14.99 per cent. of the Company's issued ordinary share capital (excluding treasury shares) at the date of the General Meeting.

The Resolution will authorise the Company to make market purchases of Ordinary Shares for a maximum price (excluding expenses) of the higher of (i) 105 per cent. of the average closing market value of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange, for the five business days prior to the date of the market purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid for any number of Ordinary Shares on the London Stock Exchange. The minimum price (excluding expenses) which may be paid for any such Ordinary Share shall be 2 pence.

The Directors intend to use this authority with a target of maintaining the discount in single digits in normal market conditions. All Ordinary Shares purchased pursuant to the authority granted by the Resolution shall be held in treasury upon completion of the purchase.

### **Benefits of the proposal**

If the renewal of the buyback authority is granted, this will allow the Company to continue to buy back Ordinary Shares with a target of maintaining the discount in single digits in normal market conditions. Without such approval, the Directors may not have sufficient authority to continue to buy back Ordinary Shares. In such circumstances, it might be expected that the discount would widen through a fall in the share price relative to the underlying Net Asset Value per Ordinary Share, which would be to the detriment of all existing Shareholders.

### **General Meeting**

The Resolution to be considered at the General Meeting will be proposed as a special resolution to renew the Company's buyback authority. A special resolution requires that a majority of at least 75 per cent. of votes cast to be in favour in order for the resolution to be passed.

All Shareholders are entitled to attend and vote at the General Meeting. In accordance with the Articles of Association, all Shareholders present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Ordinary Share held. In order to ensure that a quorum is present at the General Meeting, it is necessary for two Shareholders entitled to vote to be present, whether in person or by proxy (or, if a corporation, by a representative). In the event that the General Meeting is adjourned and the above-mentioned quorum is not present, at such adjourned General Meeting the quorum shall be one. The formal notice convening the General Meeting is set out on pages 7 to 11 of this document.

### **Action to be taken**

Submission of a proxy appointment will enable your vote to be counted at the General Meeting in the event of your absence.

Shareholders are asked to appoint a proxy electronically by logging on to [www.signalshares.com](http://www.signalshares.com) as soon as possible and, in any event, so as to reach the Company's registrars, MUFG Corporate Markets, by no later than 12 noon on 27 March 2025. Alternatively, you may request a Form of Proxy from MUFG Corporate Markets and return it by delivery to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, or, in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting and the CREST Manual on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). Institutional investors may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io) and refer to the procedures set out in the Notice of General Meeting.

**Shareholders are requested to appoint a proxy whether or not they wish to attend the General Meeting. The submission of a proxy will not prevent Shareholders from attending the General Meeting, or any adjournment thereof, and voting in person should they so wish.**

#### **Recommendation**

The Directors consider the proposal set out in this document to be in the best interests of Shareholders as a whole. Accordingly the Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting. The Directors intend to vote in favour of the Resolution in respect of their holdings of Ordinary Shares amounting to 352,289 Ordinary Shares in aggregate (representing approximately 0.24 per cent. of the issued ordinary share capital of the Company, excluding treasury shares, as at the Latest Practicable Date).

Yours faithfully

**Arthur Copple**

*Chairman*

## DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

|                                                     |    |                                                                                                                                                                          |
|-----------------------------------------------------|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"2024 AGM"</b>                                   |    | means the annual general meeting of the Company held on 25 July 2024;                                                                                                    |
| <b>"2025 AGM"</b>                                   |    | means the annual general meeting of the Company expected to be held in July 2025 or any adjournment thereof;                                                             |
| <b>"Articles of Association"</b>                    |    | means the articles of association of the Company;                                                                                                                        |
| <b>"Board" or "Directors"</b>                       |    | means the directors of the Company or any duly constituted committee thereof;                                                                                            |
| <b>"Chairman"</b>                                   |    | means the Chairman of the Board;                                                                                                                                         |
| <b>"Company"</b>                                    |    | means Montanaro UK Smaller Companies Investment Trust PLC;                                                                                                               |
| <b>"Company Secretary"</b>                          |    | means Juniper Partners Limited;                                                                                                                                          |
| <b>"CREST"</b>                                      |    | means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations;        |
| <b>"CREST Manual"</b>                               |    | means the manual published by Euroclear describing the CREST system, as amended from time to time;                                                                       |
| <b>"CREST Regulations"</b>                          |    | means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);                                                                                                 |
| <b>"CREST Sponsor"</b>                              |    | means a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations);                             |
| <b>"Disclosure Guidance and Transparency Rules"</b> |    | means the disclosure guidance published by the FCA and transparency rules made by the FCA under Section 73A of FSMA;                                                     |
| <b>"Euroclear"</b>                                  |    | means Euroclear UK & International Limited, being the operator of CREST;                                                                                                 |
| <b>"FCA" or "Financial Conduct Authority"</b>       |    | means the Financial Conduct Authority;                                                                                                                                   |
| <b>"Form of Proxy"</b>                              |    | means the form of proxy that may be requested from MUFG Corporate Markets for use by Shareholders in connection with the General Meeting;                                |
| <b>"General Meeting" or "Meeting"</b>               | or | means the general meeting of the Company convened for 12 noon on 31 March 2025 or any adjournment thereof, notice of which is set out on pages 7 to 11 of this document; |
| <b>"Latest Practicable Date"</b>                    |    | means 5 March 2025, being the latest practicable date prior to the publication of this document;                                                                         |

|                                             |                                                                                                                                                                                                |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"London Stock Exchange"</b>              | the London Stock Exchange plc;                                                                                                                                                                 |
| <b>"Net Asset Value"</b>                    | means the net asset value of the Company as calculated in accordance with the Company's normal accounting policies;                                                                            |
| <b>"Net Asset Value per Ordinary Share"</b> | means the net asset value divided by the number of Ordinary Shares in issue (other than any Ordinary Shares held in treasury);                                                                 |
| <b>"Notice of General Meeting"</b>          | means the notice of the General Meeting as set out on pages 7 to 11 of this document;                                                                                                          |
| <b>"Official List"</b>                      | the official list maintained by the Financial Conduct Authority;                                                                                                                               |
| <b>"Ordinary Shares"</b>                    | means ordinary shares of £0.02 each in the capital of the Company;                                                                                                                             |
| <b>"Resolution"</b>                         | means the special resolution to renew the buyback authority of the Company, which will be proposed at the General Meeting and details of which are contained in the Notice of General Meeting; |
| <b>"Shareholder"</b>                        | means a holder of Ordinary Shares and <b>"Shareholders"</b> shall be construed accordingly; and                                                                                                |
| <b>"£"</b>                                  | means the lawful currency of the United Kingdom.                                                                                                                                               |

# NOTICE OF GENERAL MEETING

## MONTANARO UK SMALLER COMPANIES INVESTMENT TRUST PLC

*(Incorporated in England and Wales with registered number 03004101 and registered as an investment company within the meaning of Section 833 of the Companies Act 2006)*

Notice is hereby given that a general meeting (the "**General Meeting**") of Montanaro UK Smaller Companies Investment Trust PLC (the "**Company**") will be held at 53 Threadneedle Street, London EC2R 8AR at 12 noon on 31 March 2025 to consider and, if thought fit, approve the following resolution which will be proposed as a special resolution:

### SPECIAL RESOLUTION

- 1 **THAT**, in substitution for the Company's existing authority to make market purchases of ordinary shares of 2p each in the capital of the Company ("**Ordinary Shares**"), the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "**Act**") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares provided that:
- (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 21,640,007 or if fewer, that number of Ordinary Shares which is equal to 14.99 per cent. of the Company's issued ordinary share capital (excluding treasury shares) at the date of the General Meeting;
  - (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share shall be 2p, being the nominal value per share;
  - (c) the maximum price (excluding expenses) payable by the Company for each Ordinary Share is the higher of (i) 105 per cent. of the average closing market value of the Ordinary Shares in the Company as derived from the Daily Official List of the London Stock Exchange, for the five business days prior to the date of the market purchase and (ii) the higher of the price of the last independent trade of and the highest current independent bid on the London Stock Exchange; and
  - (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2025 unless such authority is renewed prior to such time; and
  - (e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

All Ordinary Shares purchased pursuant to the above authority shall be either:

- (i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or
- (ii) cancelled immediately upon completion of the purchase.

**BY ORDER OF THE BOARD**

Juniper Partners Limited  
*Company Secretary*

*Registered Office of the Company:*  
53 Threadneedle Street  
London  
EC2R 8AR

Date: 7 March 2025



## Notes:

The following notes explain your general rights as a Shareholder and your right to attend and vote at the General Meeting or to appoint someone else to vote on your behalf.

- (i) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), Shareholders must be registered in the Register of Members of the Company at close of trading on Thursday, 27 March 2025. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. on the day that is 48 hours (excluding any day that is not a working day) prior to the date of the reconvened meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
- (ii) Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
- (iii) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that she or he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (iv) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the more or most senior).
- (v) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
- (vi) You can vote either: (i) by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions; or (ii) you may request a hard copy form of proxy directly from the registrars, MUFG Corporate Markets via email at [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com) or telephone number 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday, excluding public holidays in England and Wales; or (iii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below; and (iv) if you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform (see below). In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by MUFG Corporate Markets at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 12 noon on Thursday, 27 March 2025.

- (vii) If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Company's registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.
- (viii) The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in Note (ix) below) or the appointment of a proxy via Proxymity (as described in Note (xii) below) will not prevent a Shareholder from attending the General Meeting and voting in person if he/she wishes to do so.
- (ix) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of the General Meeting) by using the procedures described in the CREST Manual (available from [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (x) In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12 noon on Thursday, 27 March 2025. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (xi) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (xii) Proxymity Voting - if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 12 noon on Thursday, 27 March 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
- (xiii) Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "**2006 Act**") to enjoy information rights (a "**Nominated Person**") may,

under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

- (xiv) Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that no more than one corporate representative exercises powers in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
- (xv) As at 5 March 2025 (being the latest practicable business day prior to the publication of this Notice of General Meeting), the Company's ordinary issued share capital consists of 144,362,960 Ordinary Shares of 2 pence each, carrying one vote each. Therefore, the total voting rights in the Company as at 5 March 2025 are 144,362,960.
- (xvi) Any Shareholder attending the General Meeting has the right to ask questions. Under Section 319 of the Act 2006, the Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
- (xvii) You may not use any electronic address (within the meaning of Section 333(4) of the 2006 Act) provided in either this Notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- (xviii) Personal data provided by Shareholders at or in relation to the General Meeting will be processed in line with the Company's privacy policy. A copy of this Notice, and other information required by Section 311A of the 2006 Act, can be found on the Company's website at [www.montanaro.co.uk/trust/muscit](http://www.montanaro.co.uk/trust/muscit).