

# Montanaro European Smaller Companies Trust

This is a Marketing Communication

**For Professional and Institutional investors only**

**31 December 2025**

This is a marketing communication. This is not a contractually binding document. Please refer to the Annual Report and the KID for the Investment Trust and do not base any final investment decision on this communication alone.

## Fund Objective

To achieve capital growth by investing principally in Continental European quoted smaller companies. The Company's benchmark index is the MSCI Europe SmallCap (ex UK) Index (in sterling terms).

## Performance

### Cumulative Returns (£)

	YTD	1M	3M	6M	12M	3Y	5Y	10Y	Launch
<b>Trust (Price)</b>	18.5%	1.2%	-1.2%	-5.1%	18.5%	23.1%	0.8%	182.2%	421.6%
<b>Trust (NAV)<sup>†</sup></b>	13.8%	-0.7%	-1.2%	-4.3%	13.8%	21.7%	12.2%	181.6%	429.3%
<b>Benchmark<sup>*</sup></b>	23.0%	2.1%	3.4%	6.6%	23.0%	26.8%	19.6%	103.9%	233.0%

### Annual Returns (£) [Financial Year End - 31 March]

	FYTD	24/25	23/24	22/23	21/22	20/21	19/20	18/19	17/18
<b>Trust (Price)</b>	12.1%	4.2%	3.6%	-18.1%	4.3%	83.0%	-1.1%	11.3%	15.1%
<b>Trust (NAV)<sup>†</sup></b>	11.7%	-1.7%	4.0%	-7.6%	7.9%	66.1%	-5.3%	12.2%	10.7%
<b>Benchmark<sup>*</sup></b>	17.1%	-1.1%	3.4%	-5.5%	2.2%	55.6%	-15.1%	-6.3%	9.9%

### Cumulative Performance Since Inception



Source: Montanaro. NAV to NAV, fully diluted.

\* Effective June 1st 2009 the index used in this factsheet for comparison purposes is the MSCI European Smaller Companies Index ex-UK (Capital Return). The performance history prior to June 1st 2009 was the MSCI European Smaller Companies Index (Capital Return).

† NAV excludes income.

‡ The date Montanaro took over the Trust.

## Key Information

<b>Fund Launch</b>	04/09/2006‡
<b>Legal Status</b>	UK Investment Trust
<b>Listing</b>	London Stock Exchange
<b>Dividend Dates</b>	In or around January and August
<b>Price</b>	166.5p
<b>NAV<sup>†</sup></b>	180.92p
<b>Discount</b>	-8%

## Fund Facts

<b>Fund Manager</b>	George Cooke
<b>Backup Fund Manager</b>	Stefan Fischerfeier
<b>Benchmark</b>	MSCI Europe SmallCap xUK
<b>Net Assets</b>	£242 million
<b>Gross Assets</b>	£261 million
<b>No. of Holdings</b>	47
<b>Median Mkt Cap</b>	£1,699 million
<b>Gearing</b>	7.7%

## ESG

<b>SDR</b>	No Sustainability Label (see Glossary)
<b>Carbon Intensity 1&amp;2 t/US\$ million sales*</b>	17.2
<b>MSCI Biodiversity and Land Use Score*</b>	1.9
<b>% of Women on Board</b>	39%

\*See glossary for definitions. Updated quarterly

## Risk & Reward Profile



These numbers rate how the Fund may perform and the risk of losing some or all of your investment. In general the potential for higher returns also implies a higher level of risk. However, the lowest category (1) does not mean a risk free investment.

This risk rating is based on historical data which may not be a reliable indication of the future risks and rewards of the fund. The risk rating of the fund may change over time.

Past performance is not a reliable indicator of future results. All investments are subject to risk and the value of shares and the income from them can fall as well as rise due to stock market and currency movements. You may not get back as much as you originally invested.

For further information please see the Risk and Reward section of the Key Investor Information Document (KID).

## Important Information

All investments are subject to risk and the value of shares and the income from them can fall as well as rise due to stock market and currency movements. You may not get back as much as you originally invested.

**Top 10 Holdings**

Kitron	5.5%
Atoss Software	4.4%
NCAB	3.5%
Technoprobe	3.5%
Belimo	3.2%
CTS Eventim	3.1%
ChemoMetec	3.1%
MTU Aero Engines	3.0%
Plejd	2.9%
Reply	2.9%
	<b>35.2%</b>

**Risk Analysis**

	Fund	Index
Jensen's Alpha (annual)	-1.8%	
Beta	1.07	1.00
Standard Deviation	15.7%	11.9%
Sharpe Ratio	0.25	0.45
Tracking Error	9.0%	
Information Ratio	-0.19	
Active Share	94.2%	

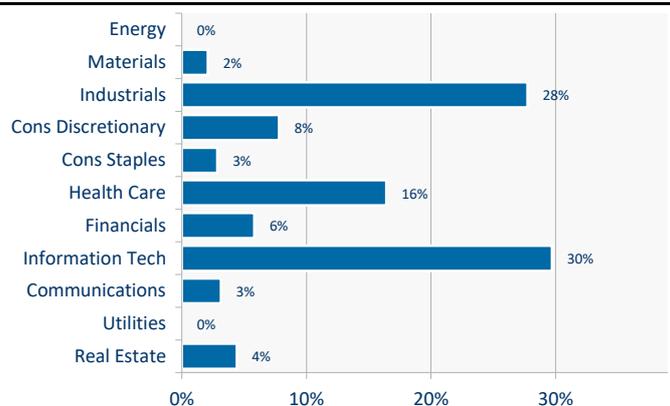
Note: risk statistics over three years

**Portfolio Analysis**

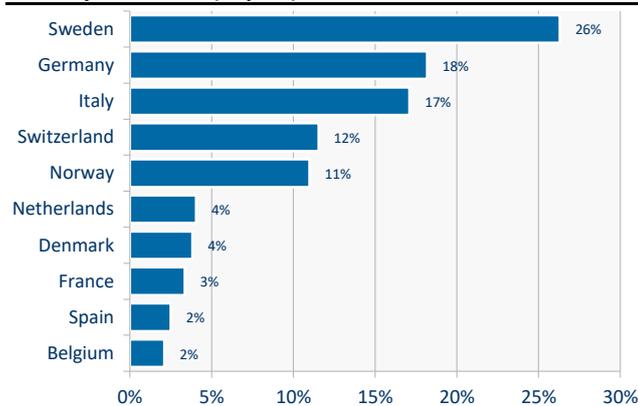
Price / Earnings 26F	22.6
EPS Growth 26F	27.2%
Dividend Yield 26F	2.1%
Dividend Growth 26F	16.6%
Return on Equity 26F	14.6%
EV/EBITDA 26F	17.0
EBIT Margin 26F	22.4%
Net Debt/Equity 26F	-4.1%

Source: Factset consensus estimates

**Sector Allocation**



**Country Allocation (Top 10)**



**Share Information**

Currency	Ticker	ISIN	SEDOL	Launch	Price	NAV	Discount	Ongoing Charge	Annual AMC	Perf Fee	High Water Mark	SRI
Sterling	MTE LN	GB00BM8H3X05	BM8H3X0	04/09/2006‡	166.5p	180.92p	-8%	1.05%*	0.825%	N/A	N/A	5

\*The costs of buying and selling investments are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing Ordinary shares.

‡The date Montanaro took over the Trust.

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**Important Information**

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# Investment Terms Glossary

## Active Share

A measure of how much a portfolio's holdings differ from its benchmark index. A higher Active Share indicates a more actively managed portfolio, while a lower value suggests closer alignment with the benchmark.

## Beta

This is a measure of an investment's sensitivity to market movements. A beta greater than 1 indicates higher volatility than the market, while a beta less than 1 suggests lower volatility.

## Carbon Intensity 1 and 2

CO<sub>2</sub> emissions per unit of revenue, measuring a company's or portfolio's carbon efficiency. Covers Scope 1 (direct) and Scope 2 (indirect from purchased energy), excluding Scope 3 due to limited data.

## Dividend Yield

Refers to the underlying portfolio's annual dividend yield, calculated as the weighted average of each holding's expected dividend income as a percentage of the share price.

## Discount / Premium

The discount or premium indicates how the Trust's share price compares to its net asset value (NAV), showing whether shares are trading below (at a discount) or above (at a premium) the underlying value of the portfolio.

## EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation)

A measure of a company's operating performance, showing profit before accounting for financing and non-cash expenses.

## Gearing

Refers to the ratio of the Company's net debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. If the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

## Information Ratio

A measure of risk-adjusted return, calculated by dividing the active return of a portfolio by the tracking error. It indicates how efficiently excess returns are generated relative to the risk taken versus a benchmark.

## Jensen's Alpha (annual)

A measure of risk-adjusted performance that shows the excess return a fund generates above its expected return.

## MSCI Biodiversity and Land Use Score

Assesses company impacts on nature, including effects on habitats and use of natural resources.

## Net Asset Value ("NAV") per Ordinary share

This is calculated as the net assets of an investment trust divided by the number of Ordinary shares in issue, excluding those shares held in Treasury.

## No Sustainability Label

Sustainable investment labels help investors find products that have a specific sustainability goal. This product does not have a UK sustainable investment label, as the Investment Trust does not have a Sustainability Objective. However, the Investment Trust is in scope of the Naming and Marketing Rule given the integration of Ethical exclusions and ESG across the Investment Trust holdings.

## Ongoing Charge

Reflecting the annual cost of managing and operating the Trust, the ongoing charge is expressed as a percentage of average net assets and includes management fees and regular expenses, excluding performance fees and transaction costs.

## Price / Earnings (P/E) Ratio

Refers to the underlying portfolio's Price-to-Earnings ratio, a valuation measure calculated by dividing each company's current share price by its earnings per share (EPS). It reflects how much investors are paying for each unit of earnings.

## SDR (Sustainability Disclosure Requirements)

UK FCA rules on labelling, disclosure, and anti-greenwashing to ensure sustainability claims are clear and comparable.

## Sharpe Ratio

A measure of risk-adjusted return; the higher the Sharpe Ratio, the better the return per unit of risk taken.

## Standard Deviation

A measure of the amount of variation or dispersion of returns from the average return, used to quantify risk.

## Tracking Error

A measure of how closely a fund's returns match its benchmark index. Lower tracking error indicates closer alignment.