

# Montanaro UK Smaller Companies Investment 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

Capital growth by investing in quoted UK smaller companies and to outperform its Benchmark, the Numis Smaller Companies Index (ex-IC).

The Trust will invest primarily in quoted UK smaller companies with a market capitalisation smaller than the largest constituent of the Numis Smaller Companies Index at the time of initial investment.

The Trust pays a quarterly dividend equivalent to 1.5% of NAV (roughly 6% p.a.).

## Performance (Total Returns)

### Cumulative Returns (£)

|                         | YTD   | 1M    | 3M    | 6M    | 12M   | 3Y    | 5Y     | 10Y   | Launch |
|-------------------------|-------|-------|-------|-------|-------|-------|--------|-------|--------|
| <b>Trust (Price TR)</b> | 3.0%  | -0.5% | 4.5%  | 0.5%  | 3.0%  | -2.9% | -10.7% | 44.2% | 950.3% |
| <b>Trust (NAV TR)</b>   | -4.4% | -3.3% | -2.5% | -5.3% | -4.4% | 4.0%  | -8.7%  | 26.1% | 859.8% |
| <b>Benchmark (TR)*</b>  | 12.7% | 1.0%  | 2.2%  | 5.3%  | 12.7% | 35.9% | 36.0%  | 83.1% | 706.6% |

### 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 TR)</b> | 10.1% | 1.1%  | 0.7%  | -12.4% | -10.1% | 50.0% | -0.3%  | -1.1% | 12.0% |
| <b>Trust (NAV TR)</b>   | 5.6%  | -6.9% | 8.3%  | -12.1% | -5.0%  | 35.8% | -8.4%  | -1.5% | 9.3%  |
| <b>Benchmark (TR)*</b>  | 20.3% | 2.3%  | 9.0%  | -7.9%  | -1.1%  | 65.6% | -25.9% | -1.2% | 5.2%  |

### Cumulative Performance Since Inception



Source: Montanaro. NAV to NAV, fully diluted.

\* Composite benchmark. Effective April 1st 2013 the index used in this factsheet for comparison purposes is the Numis Smaller Companies Index (ex-IC).

## Key Information

|                |                       |
|----------------|-----------------------|
| Fund Launch    | March 1995            |
| Legal Status   | UK Investment Trust   |
| Listing        | London Stock Exchange |
| Dividend Dates | May, Aug, Nov & Feb   |
| Price          | 101.5p                |
| NAV            | 106.84p               |
| Discount       | -5%                   |

## Fund Facts

|                     |                                       |
|---------------------|---------------------------------------|
| Fund Manager        | Charles Montanaro                     |
| Backup Fund Manager | Adam Montanaro                        |
| Benchmark*          | Numis Smaller Companies Index (ex-IC) |
| Net Assets          | £125 million                          |
| Gross Assets        | £125 million                          |
| No. of Holdings     | 46                                    |
| Median Mkt Cap      | £703 million                          |
| Cash                | 0.2%                                  |

## ESG

|  |  |
|--|--|
| SDR  | No Sustainability Label (see Glossary) |
| Carbon Intensity 1&2 t/US\$ million sales* | 37.8                                   |
| MSCI Biodiversity and Land Use Score*      | 1.9                                    |
| % of Women on Board                        | 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**

|                       |              |
|-----------------------|--------------|
| XPS Pensions          | 4.7%         |
| Integrafin            | 4.3%         |
| Big Yellow            | 4.2%         |
| discoverIE            | 4.1%         |
| Porvair               | 4.0%         |
| Bloomsbury Publishing | 3.8%         |
| Tristel               | 3.7%         |
| 4Imprint              | 3.1%         |
| Boku                  | 3.0%         |
| Cranswick             | 3.0%         |
|                       | <b>37.8%</b> |

**Risk Analysis**

|                         | Fund  | Index |
|-------------------------|-------|-------|
| Jensen's Alpha (annual) | -8.8% |       |
| Beta                    | 0.89  | 1.00  |
| Standard Deviation      | 13.2% | 13.5% |
| Sharpe Ratio            | -0.29 | 0.48  |
| Tracking Error          | 5.5%  |       |
| Information Ratio       | -2.18 |       |
| Active Share            | 85.2% |       |

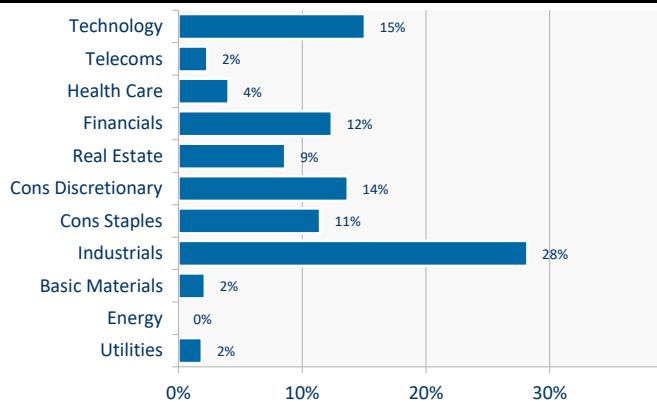
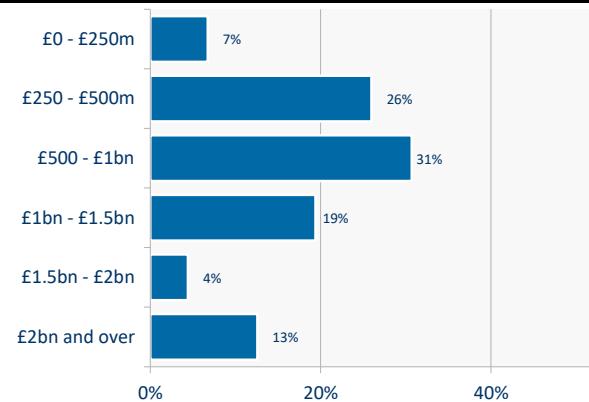
Note: risk statistics over three years

**Portfolio Analysis**

|                            |        |
|----------------------------|--------|
| Price / Earnings 26F       | 14.9   |
| EPS Growth 26F             | 11.6%  |
| Dividend Yield 26F (NAV)** | 3.1%   |
| Dividend Growth 26F        | 4.9%   |
| Return on Equity 26F       | 15.0%  |
| EV/EBITDA 26F              | 11.2   |
| EBIT Margin 26F            | 25.6%  |
| Net Debt/Equity 26F        | -11.9% |

Source: Factset consensus estimates

\*\* Yield on underlying portfolio. The yield on the Trust will be 6% or more (subject to size of discount)

**Sector Allocation****Market Capitalisation Allocation****Share Information**

| Currency | Ticker | ISIN         | SEDOL   | Launch     | Price  | NAV     | Discount | Ongoing Charge | Annual AMC | Perf Fee | High Water Mark | SRI |
|----------|--------|--------------|---------|------------|--------|---------|----------|----------------|------------|----------|-----------------|-----|
| Sterling | MTU LN | GB00BZ1H9L86 | BZ1H9L8 | 31/03/1995 | 101.5p | 106.84p | -5%      | 0.91%*         | 0.50%      | N/A      | N/A             | 4   |

\*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.

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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.