



## **Montanaro European Smaller Companies - Update from QuotedData**

6<sup>th</sup> June 2025

### **Montanaro European Smaller Companies - Turning tariffs into opportunity: MTE's edge**

In an environment of heightened volatility triggered by Trump's tariff policies, European stocks have actually fared relatively well. Germany's plans to boost defence and infrastructure spending, coupled with falling interest rates, helped create more positive sentiment towards the region. Montanaro European Smaller Companies's (MTE's) high-conviction portfolio of good-quality growth stocks seems well placed to navigate this period of uncertainty. Low valuations relative to history enhance the upside potential.

MTE's board has taken steps to enhance shareholder value through regular 5% tender offers (offers to buy back a portion of shares at a fixed price that is usually close to NAV to reduce the discount and provide liquidity to shareholders that wish to exit), a single-digit discount policy, and lower management fees. Against a backdrop where European small cap equities remain significantly undervalued relative to large-cap equities - despite offering superior earnings growth - MTE looks well positioned.

#### **Full Research:**

<https://quoteddata.com/research/montanaro-european-smaller-companies-turning-tariffs-into-opportunity-qd/>

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