Premier Miton
INVESTORS

Miton UK MicroCap Trust plc

Report and Accounts for the half year to 31 October 2024

A Trust accessing the inherent vibrancy of the UK's quoted microcaps

Contents

Results for the Half Year

to 31 October 2024

- Over the half year, the Adjusted Net Asset Value ("Adjusted NAV") fell from 55.79p on 30 April 2024 to 51.44p on 31 October 2024, a fall of 7.6% (including dividends re-invested)*.
- The Ordinary Share price moved from 50.50p at 30 April 2024 to 44.40p at 31 October 2024, a decrease of 11.9% (including dividends re-invested)*.
- A profit of £48,000 in the half year to October 2024 has been credited to revenue reserves.
- Redemption requests of 40.4% of the Company's issued share capital amounting to 31,083,534 Ordinary Shares, were received and accepted, with the redeemed shares cancelled on 5 November 2024, after the period end. The issued share capital now comprises 45,840,069 Ordinary Shares.

Summary of Results

	Half year to 31 October 2024	Year ended 30 April 2024
Total net assets attributable to equity shareholders including fair value of warrants (£000)	39,841	43,297
NAV including fair value of warrants per Ordinary Share*	51.79p	56.29p
Adjusted NAV per Ordinary Share*	51.44p	55.79p
Share price	44.40p	50.50p
Discount to NAV*	(14.27)%	(10.29)%
Discount to Adjusted NAV*	(13.69)%	(9.48)%
Investment income	£0.4m	£0.9m
Revenue return per Ordinary Share	0.06p	0.09p
Total return per Ordinary Share including value of warrants	(4.41)p	(9.17)p
Ongoing charges#*	1.97%	1.99%
Ordinary Shares in issue	76,923,603	76,923,603

** Alternative Performance Measure ("APM"). Details are provided in the Glossary on page 26.*
 # The ongoing charges are calculated in accordance with AIC guidelines.

Chairman's Statement

Ashe Windham
Chairman

This is my valedictory Chairman's statement, as your Directors have reluctantly decided that MINI is too small, at around £20 million market capitalisation post the redemption, to remain viable. Following a disappointingly large redemption of 40.4%, fuelled by a number of arbitrageurs, I waited until the UK Budget was out of the way before I consulted with a large number of the remaining shareholders in early November. As a group, they were supportive of our manager. However, the Company is now at a size which some investors consider to be too small from a liquidity perspective, particularly given the increasing demand from investors for larger listed funds. The Board also acknowledges that the Company continues to trade at a persistent, material discount to its Net Asset Value ("NAV"), with limited options to grow and achieve greater scale. As a result, the Board has concluded that it is in the best interests of shareholders to put forward proposals for a voluntary winding up of the Company. The Company has received a proposal from Premier Miton regarding a scheme of reconstruction under section 110 of the Insolvency Act 1986 and voluntary winding-up of the Company (the "Scheme") through a rollover into one of Premier Miton's open-ended funds, which the Board is evaluating. It is expected that a cash exit alternative will also be offered as part of the Scheme. The winding up of the Company will be subject to shareholder approval and further announcements will be made in the coming weeks.

Change to Investment Manager's fee arrangements

The Company has had an arrangement with Premier Miton to rebate management fees, so that the Company could maintain an ongoing charges ratio of 2% or lower. However, the substantial redemption of the Trust's shares in November has had the effect of reducing the ongoing management fee to nil for November and December 2024. In light of the results of the shareholder consultation and the Board's subsequent decision to put forward proposals to wind up the Company, the Board has decided to terminate the rebate arrangement and resume payment of the ongoing management fee to Premier Miton, to support the work required in the short term in connection with the Scheme.

The reinstatement of Premier Portfolio Managers Limited's ongoing management fee, of 0.9% per annum where the average market capitalisation of the Company is at or below £100m and 0.8% per annum thereafter, calculated on a monthly basis, is considered to be a relevant related party transaction under UKLR 11.5.4R(1) and this announcement is being made in accordance with UKLR 8.2.1R. The Board, which has been so advised by Peel Hunt LLP, considers that the terms of the management fee are fair and reasonable as far as shareholders are concerned. In giving its advice, Peel Hunt LLP has taken into account the Board's commercial assessment of the management fee.

For the purposes of Chapter 8 of the UK Listing Rules, the aggregate of the Company's ongoing management fee and the management fee payable on the redemption pool will be capped at 4.99% of the Company's average net asset value per annum. This cap is a technical requirement under the UK Listing Rules and the Board expects the aggregate fees to be substantially lower than the cap.

Market review

Over the last nine and half years, since the trust was set up, a global self-feeding indexation behemoth has gathered ever larger sums of global capital. It is a fact that, in the United States, the Magnificent Seven have risen by 2,491%, an extraordinary 40.8% annualised figure, since April 2015 (in Sterling). By way of comparison, the UK market is only up 17% since then, and its total return by 67%. Over the last three and a half years, UK investors have increasingly participated in US Equities trade to the detriment of returns on UK quoted companies, and most especially UK quoted small and microcaps. I saw a statistic recently which showed that there had been 41 consecutive months of outflows from UK open ended equity funds. Even prior to the recent six-month period, there was a vast gap between UK-quoted microcap valuations and those of international stocks. The differential has recently become even more substantial. I would suggest that there is only so far that the elastic can be stretched – mean reversion is one of the immutable tenets of finance. The rise in inflationary pressures was initially thought to be a one-off, but many investors are now worrying that it may start to become more persistent. Certainly, the recent UK budget is already proving to be inflationary with Employer National Insurance contributions rising substantially, forcing companies to raise prices or lay off employees to maintain their margins. Incidentally, I struggle to see how the budget could be described as 'pro-growth', as it proposes the wholesale removal of capital from the wealth generating private sector to feed the unreformed public sector.

MINI returns

Over the half year, AIM listed microcap share prices continued to fall as investors worried about the implications of Inheritance Tax starting to be levied on these assets in the Budget on 30th October. They were right to be concerned since the Chancellor abolished Business Property Relief on qualifying AIM shares and determined that they would be subject to 20% Inheritance Tax on the death of the holder, with no mitigating minimum allowance. The Trust's Adjusted NAV fell from 55.79p to 51.44p over the half year to 31 October 2024. Taking dividends into account, the total return over the period was a fall of 7.6%.

Since our launch in April 2015 there have been numerous market headwinds, and the trust's NAV has only risen from 49.00p to 51.79p, a rise of 8.4% when dividends are included. The Deutsche Numis 1000 Index ex ICs has risen by 68.1% in total return terms over the same period. For reference, the total return on Deutsche Numis Large Cap Index is 66.5% and the total return on Deutsche Numis Smallcap plus AIM Index (ex ICs) is 50.3%.

Dividends

Most of your Company's portfolio holdings comprise immature businesses concluding a period of heavy investment, and hence few are in a position to pay dividends. When they do succeed, they often generate a significant cash surplus, with some starting to pay dividends or buying back shares. Their valuations have normally risen by this point, to such an extent that the manager takes profits, and then reinvests the capital into other immature microcaps that are standing on overlooked valuations. Generally, the trust's portfolio was never anticipated to generate a substantial revenue surplus.

2024 Redemption Point

The liquidation of the redemption pool arising from the 2024 Redemption Point continues apace and a separate RNS will be issued in the near future.

Chairman's Statement continued

Outlook

Financial assets have a history of generating exceptional returns in trends that can extend for long periods, before abruptly changing without warning, when those same assets then deliver sub-normal returns, sometimes for an equally long time. A particularly good example was the outperformance of the Japanese stock market up until the last day of 1989, at which point the market suddenly reversed and its returns then disappointed for the following three decades. With this in mind, investors in US large cap equities will need returns from other assets at some point. Many commentators anticipate that the UK stock market with its capital-intensive bias, and its culture of delivering a major part of its return via good and growing income, will be one such means of diversification. In spite of large scale selling of UK equities by investors over the last three years, the UK stock market itself has already started keeping pace with the mainstream US indices, despite its lack of a megacap technology stock tailwind. This may mark the start of a new long-term trend of UK stock market outperformance. If this occurs, UK-quoted microcaps appear to have the greatest upside potential, in part because they are starting from such extraordinarily low valuations after their recent period of underperformance. If UK microcaps outperform the UK majors, as they have done historically, and UK majors are set to outperform international comparatives, then a small and microcap strategy should have strong potential. For this reason your Board is exploring the potential to provide investors with a choice to roll-over their holdings into one of Premier Miton's open-ended funds or to receive cash on a winding-up.

Conclusion

In closing, I would like to thank our remaining shareholders for keeping the faith thus far and I am sorry that your Company has now become too small to remain viable. For all the reasons stated above, the UK microcap universe has been an extremely demanding area to invest in over the past three years with multiple headwinds, the UK budget being the final nail in the coffin. I would like to thank our manager, our advisors and my fellow Directors for all their professionalism and help over the years, with particular thanks from the Board to Peter Dicks, who retired on 31 December 2024, for his service, support and sage advice to the Company since its inception in 2015.

Ashe Windham
Chairman
9 January 2025

Investment Manager's Report

Which fund managers have day-to-day responsibility for the Trust's portfolio?

Since the launch of the Trust in April 2015, the day-to-day management of the Trust's portfolio has consistently been carried out by Gervais Williams and Martin Turner.

Gervais Williams

Gervais joined Miton in March 2011 and is Head of Equities at Premier Miton. He has been an equity fund manager since 1985, including 17 years at Gartmore. He was named Fund Manager of the Year by What Investment? in 2014. Gervais is President of the Quoted Companies Alliance and a member of the AIM Advisory Council.

Martin Turner

Martin joined Miton in May 2011. He and Gervais have had a close working relationship since 2004, with complementary expertise that led them to back a series of successful companies. Martin qualified as a Chartered Accountant with Arthur Anderson and had senior roles and extensive experience at Merrill Lynch and Collins Stewart.

What were the principal stock contributors and detractors in portfolio returns over the half year to October 2024?

Over recent years, UK institutions have reallocated capital away from UK quoted companies, depressing their share prices. In the case of the UK majors, many corporates have offset the ongoing stock market sales by buying back their own shares, and hence their valuations have not been greatly affected. Few UK-quoted microcaps have the surplus cash to buy back their shares, however; the capital in most young businesses is already committed to building up their operations. So in the case of UK quoted microcaps, ongoing institutional selling has greatly depressed share prices, sometimes even whilst the underlying businesses have reported improved profitability.

Given the general appreciation of global stock markets, there was some modest recovery in LSE-listed mid and smallcap share prices over the six-month period to October 2024. Unfortunately, numerous AIM listed microcaps failed to participate in this recovery and many of their share prices continued to decline. There were also fears that the new government's Budget would remove the inheritance tax free status of AIM-listed stocks. On 30th October, the budget did indeed confirm that AIM stocks would be subject to inheritance tax, albeit at a rate of 20% rather than the 40% imposed on personal pension assets. As many of the portfolio's holdings are listed on the AIM exchange, their share prices drifted lower even when they continued to report satisfactory progress.

Given this unfavourable background, microcaps that have raised additional capital have often done so at low valuations. Xeros Technology is an example. Its novel laundry technology has already won a number of major customers, but one was slower to implement than expected, and left the company short of capital. Whilst Xeros succeeded in raising additional capital, it did so at a share price down 60%.

Some AIM-listed microcap share prices that had bucked the general market trend in prior periods suffered a share price setback ahead of the Budget. Zephyr Energy for example was one of the best performing portfolio holdings last year. During this six-month period however, its share price retreated. Both Xeros and Zephyr each detracted 0.7% from the trust's return over the half year.

In contrast, CyanConnode, the greatest portfolio detractor last year when it raised capital, reported a series of contract wins, and its share price rise defied the general trend of the market, adding 1.0% alone to trust returns over the half year. Beeks Financial Cloud and Ondo InsureTech also announced very major contracts, and each added a little over 0.7% each in portfolio returns.

Overall, the general weakness of AIM-listed microcap share prices, however, meant that the Adjusted NAV of the Trust fell by 7.6% in total return terms over the half year.

In light of the substantial decline in UK quoted microcaps over the last three years, why might their prospects nonetheless remain strong?

The era of globalisation can be characterised as a long period that has favoured stock market 'bigness'. The US stock market, being the largest in the world, has greatly outperformed, a pattern that has become more pronounced over recent years. Recently, the share prices of the largest US listed stocks have greatly outpaced all others.

Meanwhile, as investors have increased their participation in US listed stocks, they have reduced their holdings in other exchanges such as the UK. Over the last three years, this position has become extreme, especially within UK-quoted microcaps, where valuations have fallen to what we consider to be absurdly low levels.

We believe the pattern is set to reverse. The electorate has progressively come to distrust the compromises that come with globalisation. As long ago as 2016 there was early evidence of a change of heart, with majority votes for Brexit and the Trump Presidency. Logistical nightmares during the pandemic have made these compromises all the more prominent, and voter pressure against globalisation has become even more evident.

We anticipate a future comprising a much more challenging economic outlook. Local reshored manufacturing is typically more costly, and protectionism can spark a period of deflation within exporting countries. Overall, we anticipate the abundant surplus of credit present during globalisation will be displaced by a shortage in future. This change will favour companies funded with risk capital, especially those listed on stock markets, over those principally funded by debt, such as private businesses.

Quoted companies generating cash surpluses (for example those that dominate the UK mainstream stock market) now have great potential to outperform. In this context, according to market surveys, the UK exchange has already started to attract renewed support from overseas investors. Given that UK stocks currently stand on relatively low valuations, as the new UK outperformance trend becomes persistent, local selling will moderate and ultimately cease.

Furthermore, there is scope for the global flux in politics to lead to the return of the 'smallcap effect'. The UK exchange is better represented in terms of genuine smallcaps than others. The turnaround in politics could drive abnormally strong returns from a UK-quoted microcap strategy, and if anything the upside potential may be greater than usual. UK-quoted microcaps stand on absurdly low valuations after recent institutional selling. In part, we also anticipate the current political and geopolitical trends will persistently favour UK-quoted equities, which will boost the demand for UK-quoted microcaps in future.

As most institutional investors have consolidated capital into ever larger pools over recent years, does this not make it impossible for them to allocate meaningful sums to smallcaps, undermining the future viability of quoted microcaps?

With institutional capital consolidated in 'megafunds', does this not imply that they are now too large to have holdings in quoted microcaps in future? Have public equity markets gone through a period of permanent change, where the cost of capital is too high to justify being a quoted microcap?

We think not. One of the key features of stock markets is that whilst they can deliver extraordinarily strong returns over long periods, at other times they can disappoint, sometimes for decades. When the pattern of return moves from one to the other, the shape of institutional portfolios reflects this change in pattern. What is the evidence that such a change might be imminent?

First, it is worth reflecting on the remarkable outperformance of US technology megacap stocks. Global stock markets have not only delivered returns that have greatly exceed inflation over recent decades, but the returns on the largest seven US technology stocks, collectively known as the "Magnificent Seven", have also been truly exceptional. Whilst the Magnificent Seven were not linked together as a group in April 2015 when the trust was launched, it is still possible to look back and assess their performance. Between April 2015 and October 2024 these stocks have delivered a total return of 2,073%. In Sterling terms, the return has been even higher, at 2,491%. This equates to an annualised return of 41% per year, over a nine- and half-year period! Extraordinary. Returns of this magnitude, especially within a group of stocks with such large market capitalisations, tend to gather amplified investor support. Gradually at first, but with an accelerating trend, global capital has flooded into the Magnificent Seven and other similar stocks.

During this period, the growing abundance of cheap credit made it ever easier to compete within capital intensive industry sectors, at moments when their profitability was unusually strong. Hence, every time these stocks started to generate premium earnings growth, their momentum was constrained by additional competition. The UK stock market is relatively unusual in that it is dominated by capital intensive stocks. Overall, its earnings growth was weaker than usual during globalisation. Furthermore, it should come as no surprise that when investors selected the portions of their portfolios from which to withdraw capital, it was the UK stock market that lost out. This combination of relatively weak earnings growth, and the progressive withdrawal of capital from the UK led to a decline in valuations in comparison with other markets. Overall, the UK stock market has delivered very little return since April 2015. The Deutsche Numis All Share Index has only risen by 15% since April 2015, and even when taking out the dividends its total return over this period is only 64%. Meanwhile, with microcap valuations being heavily depressed by the progressive withdrawal of capital, the total return on the Deutsche Numis Alternative Market Index was only 12%.

Meanwhile, as we have outlined, the attitude of the global electorate has radically changed. In contrast to earlier decades, going forward, corporates generating surplus cash will have all the advantages. Not only will they be at lesser risk of becoming insolvent during a recession, but some will also be able to accelerate their growth by expanding into vacated markets. For others, acceleration in earnings growth will be greater as they acquire overleveraged but solvent businesses from the receiver, crucially at nominal cost and debt-free. While such acquisitions will favour all quoted companies, the greatest potential uplifts will be amongst quoted smallcaps.

Given this change of pattern within markets, the UK stock market appears well placed. It is differentiated from most others in that that most of its mainstream stocks are capital-intensive business and hence typically generate surplus cash. It is also differentiated by virtue of a much deeper universe of quoted smallcaps, and quoted microcaps, where the potential acceleration of earnings from distressed acquisitions will be greatest.

We fully acknowledge that institutions with very large pools of capital may not participate in the recovery of quoted smallcaps, but this constraint will not apply to those with less substantial pools. As small and microcap earning growth accelerates, we believe that even marginal buying will drive up their share prices. As they start to outperform, we believe that most professional smallcap managers will then start to reallocate their portfolio capital away from the midcaps towards microcaps. Even the smallest change in allocation will be self-reinforcing, because microcaps are, by their nature, tiny. In due course, if the largest pools of capital fail to deliver attractive returns, then in time they will lose market share to others that are fully participating in quoted small and microcaps. Overall, we believe that UK quoted microcaps will therefore remain a viable option for corporates, and that they are now set to deliver some of the very best returns, as might be expected given the well-established nature of the 'smaller company effect'.

Gervais Williams and Martin Turner
9 January 2025

Portfolio Information

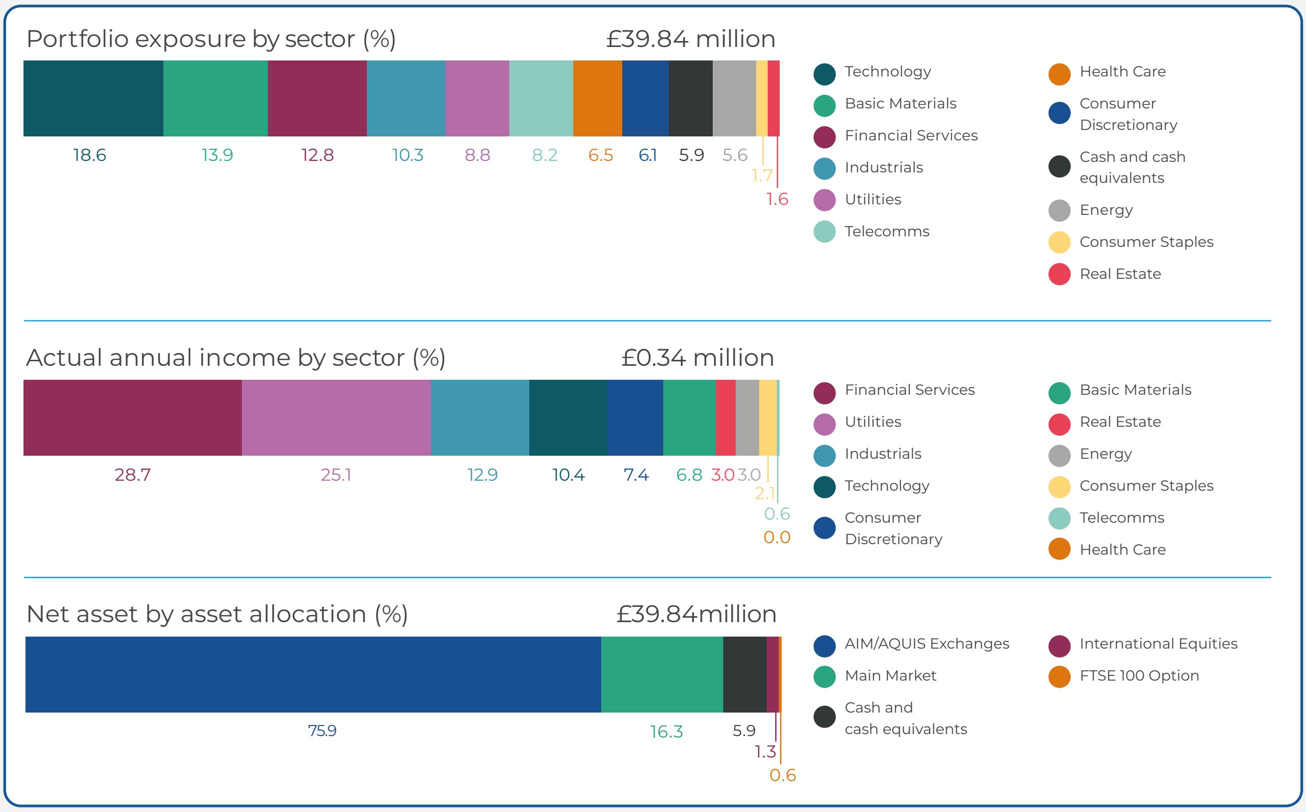
as at 31 October 2024

Rank	Company	Sector & main activity	Valuation £000	% of net assets	Dividend yield* %
1	Yu Group	Utilities	3,195	8.0	2.2
2	MTI Wireless Edge	Telecommunications	1,391	3.5	5.4
3	CyanConnode Holdings *(including warrants)*	Telecommunications	1,286	3.2	—
4	Beeks Financial Cloud	Technology	988	2.5	—
5	TruFin	Financial Services	919	2.3	—
6	Concurrent Technologies	Technology	910	2.3	0.8
7	Ondo Insurtech	Technology	865	2.2	—
8	STM Group	Financial Services	737	1.8	—
9	Zoo Digital Group	Technology	736	1.8	—
10	Amaroq Minerals	Basic Materials	679	1.7	—
Top 10 investments			11,706	29.3	
11	Savannah Resources	Basic Materials	678	1.7	—
12	Van Elle Holdings	Industrials	625	1.6	1.9
13	Mercia Asset Management	Financial Services	612	1.5	1.9
14	Marwyn Value Investors	Financial Services	577	1.4	5.0
15	Frontier IP Group	Industrials	575	1.4	—
16	UP Global Sourcing Holdings	Consumer Discretionary	569	1.4	1.8
17	Record Financial Group	Financial Services	551	1.4	4.0
18	Zephyr Energy *(including warrants)*	Energy	541	1.4	—
19	Invinity Energy Systems	Industrials	533	1.3	—
20	Elemental Altus Royalties	Basic Materials	517	1.3	—
Top 20 investments			17,484	43.7	
21	Zinc Media Group	Consumer Discretionary	516	1.3	—
22	Capital	Basic Materials	508	1.3	6.0
23	Intercede Group	Technology	502	1.3	—
24	Smiths News	Consumer Discretionary	472	1.2	3.1
25	CT Automotive Group	Consumer Discretionary	461	1.2	—
26	Zotefoams	Basic Materials	437	1.1	2.0
27	Kefi Gold and Copper	Basic Materials	431	1.1	—
28	TPXimpact Holdings	Technology	423	1.1	—
29	Pennant International Group	Industrials	393	1.0	—
30	Ingenta	Technology	378	0.9	5.1
Top 30 investments			22,005	55.2	
Balance held in 96 equity instruments *(including warrants)*			15,479	38.9	
Total equity investments			37,484	94.1	
Listed Put Option					
	UKX – December 2025 6,800 Put		239	0.6	
Other net current assets			2,118	5.3	
Net assets			39,841	100.0	

** Source: Refinitiv. Based on historical yields and therefore not representative of future yields. Includes special dividends where known.*

Portfolio Information continued

Portfolio as at 31 October 2024



Source: Refinitiv.

The tables above set out how the portfolio's capital was deployed as at 31 October 2024. The data is shown in terms of the classifications or the stock markets on which the holdings are listed. UK smaller quoted companies that are not listed on the Main Market of the London Stock Exchange are normally quoted on AIM. The AIM market is set up to meet the requirements of smaller listed companies providing them with the ability to raise funds. This also provides liquidity for the acquisition and disposal of shares. The Company additionally holds certain shares on the Aquis Exchange, a regulated exchange.

The warrants give the right, but not the obligation, to buy or sell a security at a certain price before expiration. The current value of the holdings in the tables above are at exercise price, where these are 'in the money'.

The investment income above comprises the income from the portfolio as included in the Income Statement for the half year ended 31 October 2024 attributable to the various sectors. The returns of the Company are from Capital and Revenue.

Investments for the Company's portfolio are principally selected on their individual merits. As the portfolio evolved, the Manager has continuously reviewed the portfolio's overall sector and index balance to ensure that it remains in line with the underlying conviction of the Investment Manager.

The Investment Policy is set out on page 23, and details regarding risk factors, diversification and other policies are set out each year in the Annual Report.

Half Year Management Report

Half Year Management Report

The Company's investment manager is Premier Portfolio Managers Limited (the "Investment Manager"). The Investment Manager is responsible for the management of the Company's portfolio in accordance with the Company's investment policy and the terms of the Management Agreement dated 8 April 2015 and restated 20 October 2020.

The Board has appointed Premier Portfolio Managers Limited as the alternative investment fund manager ("AIFM") of the Company.

The important events that have occurred during the period under review, the key factors influencing the financial statements and any updates to the principal risks and uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement on pages 2 to 4 and the Investment Manager's Report on pages 5 to 7.

While the principal risks of the Company, as set out in the annual report (pages 20 to 23), remain largely unchanged, following the annual redemption event, the liquidity/marketability risk has been realised and the Company has become too small to be attractive to a wide audience. This has resulted in the Board taking further action in this respect (set out in the Chairman's Statement and Note 11).

The risks faced by the Company include, but are not limited to: the scale of the annual redemption and also the outcome of the proposed Members Voluntary liquidation vote; availability of suitable investments to execute its investment strategy; reliance on third-party service providers; reliance on key personnel/individuals employed by the Investment Manager; share price volatility and liquidity risk; operational costs which are unrelated to the size of the fund; adverse regulatory or law changes; cyber security risk; legal action by others and major market event, climate change or geo-political risk. The risks arising from the Company's financial instruments are market risk; liquidity risk; and credit and counterparty risk.

Directors' Responsibility Statement

Responsibility Statement

The Directors acknowledge responsibility for the Half Year Financial Report and confirm that to the best of their knowledge:

In addition to considering the principal risks and the financial position of the Company as described above, the Board has also considered the following further factors:

- the condensed set of financial statements has been prepared in accordance with International Accounting Standard ("IAS") 34, as contained in UK-adopted IFRS; and gives a true and fair view of the assets, liabilities, financial position and profit of the Company as required by the Disclosure Guidance and Transparency Rules (DTR) 4.2.4R; and

- this Half Year Report (including the Chairman's Statement and the Investment Manager's Report) includes a fair review of the information required by:

  1. DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  2. DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

This Half Year Report was approved by the Board of Directors on 9 January 2025 and the above responsibility statement was signed on its behalf by:

Ashe Windham
Chairman
9 January 2025

Income Statement

of the Company for the half year to 31 October 2024

Company	Notes	Half year to 31 October 2024 Revenue return £000	Capital return £000	Total £000	Half year to 31 October 2023 Revenue return £000	Capital return £000	Total £000	Year ended 30 April 2024 Revenue return £000	Capital return £000	Total £000
Losses on investments held at fair value through profit or loss		—	(3,191)	(3,191)	—	(9,096)	(9,096)	—	(7,272)	(7,272)
Losses on derivatives held at fair value through profit or loss		—	(114)	(114)	—	(163)	(163)	—	(351)	(351)
Losses on foreign exchange		—	(15)	(15)	—	—	—	—	(11)	(11)
Income	2	361	—	361	422	—	422	855	—	855
Management fee	7	(42)	(126)	(168)	(59)	(177)	(236)	(97)	(295)	(392)
Other expenses		(266)	11	(255)	(320)	—	(320)	(672)	—	(672)
Return/(loss) on ordinary activities before finance costs and taxation		53	(3,435)	(3,382)	43	(9,436)	(9,393)	86	(7,929)	(7,843)
Finance costs	8	—	—	—	—	(21)	(21)	—	(21)	(21)
Return/(loss) on ordinary activities before taxation		53	(3,435)	(3,382)	43	(9,457)	(9,414)	86	(7,950)	(7,864)
Taxation		(5)	—	(5)	4	—	4	(12)	—	(12)
Return/(loss) on ordinary activities after taxation	3	48	(3,435)	(3,387)	47	(9,457)	(9,410)	74	(7,950)	(7,876)
Return/(loss) per Ordinary Share – basic and diluted (pence)	3	0.06	(4.47)	(4.41)	0.05	(9.99)	(9.94)	0.09	(9.26)	(9.17)

The total column of this statement is the Income Statement of the Company prepared in accordance with UK International Accounting Standards in conformity with the requirements of UK IFRS. The supplementary revenue return and capital return columns are presented in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC SORP").

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

There is no other comprehensive income and, therefore, the return/(loss) on ordinary activities after taxation is both the profit and the total comprehensive income.

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

of the Company for the half year to 31 October 2024

For the half year to 31 October 2024	Notes	Share capital £000	Capital redemption reserve £000	Share premium account £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 30 April 2024		127	97	672	41,580	747	74	43,297
Total comprehensive income:								
(Loss)/return on ordinary activities after taxation		—	—	—	—	(3,435)	48	(3,387)
Transactions with shareholders recorded directly to equity								
Equity dividends paid	4	—	—	—	—	—	(69)	(69)
As at 31 October 2024		127	97	672	41,580	(2,688)	53	39,841

For the half year to 31 October 2023	Notes	Share capital £000	Capital redemption reserve £000	Share premium account £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 30 April 2023		145	79	672	51,039	8,697	122	60,754
Total comprehensive income:								
(Loss)/return on ordinary activities after taxation		—	—	—	—	(9,457)	47	(9,410)
Transactions with shareholders recorded directly to equity								
Equity dividends paid	4	—	—	—	(20)	—	(122)	(142)
As at 31 October 2023		145	79	672	51,019	(760)	47	51,202

For the year ended 30 April 2024	Notes	Share capital £000	Capital redemption reserve £000	Share premium account £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 30 April 2023		145	79	672	51,039	8,697	122	60,754
Total comprehensive income:								
(Loss)/return on ordinary activities after taxation		—	—	—	—	(7,950)	74	(7,876)
Transactions with shareholders recorded directly to equity								
Redemption of Ordinary Shares		—	—	—	(9,439)	—	—	(9,439)
Cancellation of shares	5	(18)	18	—	—	—	—	—
Equity dividends paid	4	—	—	—	(20)	—	(122)	(142)
As at 30 April 2024		127	97	672	41,580	747	74	43,297

The accompanying notes are an integral part of these financial statements.

Balance Sheet

of the Company as at 31 October 2024

	Notes	Half year to 31 October 2024 £000	Half year to 31 October 2023 £000	Year ended 30 April 2024 £000
Non-current assets:				
Investments held at fair value through profit or loss		37,484	44,912	41,292
Current assets:				
Derivative instruments		239	201	2
Trade and other receivables		199	304	77
Cash at bank and cash equivalents		2,049	5,945	2,099
		2,487	6,450	2,178
Liabilities:				
Trade and other payables		(130)	(160)	173
Net current assets		2,357	6,290	2,005
Net assets		39,841	51,202	43,297
Capital and reserves				
Share capital	5	127	145	127
Capital redemption reserve		97	79	97
Share premium account		672	672	672
Special reserve		41,580	51,019	41,580
Capital reserve		(2,688)	(760)	747
Revenue reserve		53	47	74
Shareholders' funds		39,841	51,202	43,297
		pence	pence	pence
Net asset value per Ordinary Share – basic and diluted		51.79	54.10	56.29

Approved by the Board of Directors and authorised for issue on 9 January 2025 and signed on its behalf by:

Ashe Windham
Chairman

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

of the Company for the six months ended 31 October 2024

	Half year to 31 October 2024 £000	Half year to 31 October 2023 £000	Year ended 30 April 2024 £000
Operating activities:			
Net loss before taxation	(3,382)	(9,414)	(7,864)
Loss on investments and derivatives held at fair value through profit or loss	3,305	9,259	7,623
Amortisation of finance costs	—	21	21
(Increase)/decrease in trade and other receivables	(16)	11	23
(Decrease)/increase in trade and other payables	(43)	(2)	11
Withholding tax (paid)/received	(5)	4	(12)
Net cash outflow from operating activities	(141)	(121)	(198)
Investing activities:			
Purchase of investments	(5,582)	(6,990)	(16,464)
Sale of investments	6,093	8,824	23,957
Purchase of derivative investments	(351)	(195)	(195)
Sale of derivative instruments	—	—	11
Net cash inflow from investing activities	160	1,639	7,309
Financing activities:			
Redemption/repurchase of Ordinary Shares	—	—	(9,439)
Equity dividends paid	(69)	(142)	(142)
Finance costs paid	—	(21)	(21)
Net cash outflow from financing activities	(69)	(163)	(9,602)
(Decrease)/increase in cash and cash equivalents	(50)	1,355	(2,491)
Reconciliation of net cash flow movement in funds:			
Cash and cash equivalents at the start of the period/year	2,099	4,590	4,590
Net cash (outflow)/inflow from cash and cash equivalents	(50)	1,355	(2,491)
Cash at the end of the year	2,049	5,945	2,099
Cash and cash equivalents			
Comprise the following:			
Cash at bank	2,049	5,945	2,099
	2,049	5,945	2,099

The accompanying notes are an integral part of these financial statements.

Notes to the Condensed Financial Statements

1. Significant Accounting Policies

Basis of Preparation

The condensed financial statements of the Company have been prepared in accordance with UK adopted International Accounting Standards ("IAS") 34 – Interim Financial Reporting.

The financial information contained in this Half Year Report does not constitute statutory accounts as defined in Section 435(1) of the Companies Act 2006. The financial information for the periods ended 31 October 2024 and 31 October 2023 have not been audited or reviewed by the Company's Auditor. The figures and financial information for the year ended 30 April 2024 are an extract from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the Auditor on those financial statements was unqualified and did not contain a statement under either Section 498(2) or 498(3) of the Companies Act 2006.

In the current period, the Company has applied amendments to IFRS. These include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosure and presentation requirements. The adoption of these has not had any material impact on these financial statements and the accounting policies used by the Company followed in these half-year financial statements are consistent with the most recent Annual Report for the year ended 30 April 2024.

Going Concern

The Board announced on 18 November 2024 that it believes it is in the best interests of shareholders to put forward proposals for a voluntary winding-up of the Company. The winding-up of the Company will be subject to shareholder approval and further announcements will be made when appropriate.

Notwithstanding the material uncertainty in relation to the potential winding-up of the Company, the Board has considered the appropriateness of continuing to prepare the Financial Statements on a going concern basis and, having made an assessment of the Company's ability to continue as a going concern, including consideration of the cash balance as at 31 October 2024 of £2m, are satisfied the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date when these financial statements were approved. The Board also believes that all requirements for approval as an investment trust company will continue to be met and has, therefore, concluded it remained appropriate to continue to prepare the financial statements on a going concern basis.

In making the assessment, the Directors of the Company have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. These include, but are not limited to, geopolitical events, the war in Ukraine, the ongoing Israel/Palestine conflict and the recent events in Syria.

The Directors have assessed the impact of changes in market value and income with associated cash flows. In making this assessment, they have considered plausible downside scenarios including the impact of inflation and simulated a 50% reduction in NAV. The conclusion was that in a plausible downside scenario the Company could continue to meet its liabilities. The economic future remains uncertain, and while the Directors believe that it is possible the Company could experience further reductions in income and/or market value, that in their opinion this should not be to a level which would threaten the Company's ability to continue as a going concern.

Notes to the Condensed Financial Statements continued

2. Income

	Half year to 31 October 2024 £000	Half year to 31 October 2023 £000	Year ended 30 April 2024 £000
Income from investments:			
UK Dividends	275	222	412
UK REIT Dividend income	10	16	29
Non-UK Dividends	52	73	199
	337	311	640
Other income:			
Bank deposit interest	24	111	214
Other income	—	—	1
Total	361	422	855

3. Return per Ordinary Share

Returns per share are based on the weighted average number of shares in issue during the period. Normal and diluted return per share are the same as there are no dilutive elements on share capital.

	Half year to 31 October 2024			Half year to 31 October 2023			Year ended 30 April 2024		
Net profit (£000)	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Continuation shareholders (£000)	48	(3,164)	(3,116)	47	(9,457)	(9,410)	69	(2,993)	(2,924)
Redemption shareholders (£000)	—	—	—	—	—	—	5	(4,957)	(4,952)
	48	(3,164)	(3,116)	47	(9,457)	(9,410)	74	(7,950)	(7,876)
Weighted average number of shares in issue			76,923,603			94,638,561			85,902,417
Return per Ordinary Share (pence)	0.06	(4.11)	(4.05)	0.05	(9.99)	(9.94)	0.09	(9.26)	(9.17)

The 50,000 Management shares do not participate in the returns of the Company.

4. Dividends per Ordinary Share

	Half year to 31 October 2024		Half year to 31 October 2023		Year ended 30 April 2024	
	£000	pence	£000	pence	£000	pence
Amounts recognised as distributions to equity holders in the period:						
Final dividend for the year ended 30 April 2023	—	—	142	0.15	142	0.15
Final dividend for the year ended 30 April 2024	69	0.09	—	—	—	—
	69	0.09	142	0.15	142	0.15

5. Called-up Share Capital

	Half year to 31 October 2024		Half year to 31 October 2023		Year ended 30 April 2024	
	Number	£000	Number	£000	Number	£000
Ordinary Shares of £0.001 each						
Opening balance	76,923,603	77	94,638,561	95	94,638,561	95
Redemptions	—	—	—	—	(17,714,958)	(18)
	76,923,603	77	94,638,561	95	76,923,603	77

	Half year to 31 October 2024		Half year to 31 October 2023		Year ended 30 April 2024	
	Number	£000	Number	£000	Number	£000
Management shares of £1 each	50,000	50	50,000	50	50,000	50

Redemption of Ordinary Shares

The Company has a redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. As set out in the Articles of Association, the Board may, at its absolute discretion, elect not to operate the annual redemption facility in whole or in part. Accordingly, the Ordinary Shares have been classified as equity.

2024 Redemption

The total number of Ordinary Shares in respect of which valid redemption requests were received for the 5 November 2024 Redemption Point was 31,083,534 Ordinary Shares (representing 40.4% of the issued share capital at the Redemption Point). The Directors elected to operate a redemption pool and cancel the redeemed shares.

Following the period end, on 5 November 2024 the 31,083,534 Ordinary Shares over which valid redemption requests were received were cancelled at the Redemption Point. The current issued share capital as at signing of this report is 45,840,069 Ordinary Shares and 50,000 Management Shares.

6. Net Asset Values

Ordinary Shares

The NAV per Ordinary Share and the net assets attributable at the period end were as follows:

	Half year to 31 October 2024		Half year to 31 October 2023		Year ended 30 April 2024	
	NAV per share pence	Net assets attributable £000	NAV per share pence	Net assets attributable £000	NAV per share pence	Net assets attributable £000
Basic and diluted	51.79	40,112	54.10	51,202	56.29	43,297

NAV per Ordinary Share is based on net assets at the period end and 76,923,603 Ordinary Shares, being the number of Ordinary Shares in issue at the period end (31 October 2023: 94,638,561 Ordinary Shares; 30 April 2024: 76,923,603 Ordinary Shares).

Notes to the Condensed Financial Statements continued

6. Net Asset Values continued

Management Shares

Net assets of £1.00 per Management Share is based on net assets at the period end of £50,000 and attributable to 50,000 Management Shares at the period end. The holders of Management Shares have no right to any surplus capital or assets of the Company.

7. Management Fee

	Half year to 31 October 2024			Half year to 31 October 2023			Year ended 30 April 2024		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Management fee	42	126	168	59	177	236	97	295	392

At 31 October 2024, an amount of £27,000 (31 October 2023: £75,000; 30 April 2024: £63,000) was outstanding and due to Premier Portfolio Managers (''PPM'') in respect of management fees.

The basic ongoing management fee payable to the AIFM is calculated at the rate of one-twelfth of 0.9% of the average market capitalisation of the Company up to £100m, 0.8% per annum on the average market capitalisation above £100m, on the last business day of each calendar month. The basic ongoing management fee accrues daily and is payable in arrears in respect of each calendar month. For the purpose of calculating the basic fee, the "adjusted market capitalisation" of the Company is defined as the average daily midmarket price for an Ordinary share (and C share when in issue), multiplied by the number of relevant shares in issue, excluding those held by the Company in treasury, on the last business day of the relevant month. In addition to the basic ongoing management fee, and when a Redemption Pool is in existence, the AIFM is entitled to receive from the Company a fee calculated at the rate of 0.9% of the net asset value of the Redemption Pool on the last Business Day of the relevant calendar month.

For the period under review, the AIFM has not charged such part of the basic ongoing management fee payable to it so that the Company can maintain an ongoing charges ratio of 2% or lower.

In accordance with the Directors' policy on the allocation of expenses between income and capital, in each financial year 75% of the basic ongoing management fee payable is expected to be charged to capital and the remaining 25% to income.

Notes to the Condensed Financial Statements continued

8. Finance Costs

	Half year to 31 October 2024			Half year to 31 October 2023			Year ended 30 April 2024		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Revolving credit facility									
£5m revolving loan facility arrangement fee	—	—	—	—	5	5	—	5	5
£5m revolving loan facility non-utilisation fee	—	—	—	—	16	16	—	16	16
	—	—	—	—	21	21	—	21	21

The Company entered into a revolving credit facility (the "facility") on 25 February 2021 for £5m for three years arranged by NatWest Markets Plc (previously known as The Royal Bank of Scotland plc), and the lender The Royal Bank of Scotland International Limited, London branch.

The Company cancelled the facility on 23 October 2023 without penalty. No amounts had been drawn on the facility. A commitment fee of 0.65% on undrawn balances was previously chargeable.

9. Fair Value Hierarchy

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements. The fair value is the amount at which the asset could be sold in an ordinary transaction between market participants, at the measurement date, other than a forced or liquidation sale.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – Valued using quoted prices, unadjusted in active markets.

Level 2 – Valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in Level 1.

Level 3 – Valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The tables below set out fair value measurement of financial assets and financial liabilities in accordance with the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss at 31 October 2024				
Equity investments	37,485	—	271	37,756
Derivative contracts	—	239	—	239
	37,485	239	271	37,995

Notes to the Condensed Financial Statements continued

9. Fair Value Hierarchy continued

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss at 31 October 2023				
Equity investments	43,694	1,218	—	44,912
Derivative contracts	—	201	—	201
	43,694	1,419	—	45,113

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss at 30 April 2024				
Equity investments	40,911	—	381	41,292
Derivative contracts	—	2	—	2
	40,911	2	381	41,294

Fair value of Level 3 movements – financial assets

	As at 31 October 2024 Level 3 £000	As at 31 October 2023 Level 3 £000	As at 30 April 2024 Level 3 £000
Opening fair value investments	381	139	139
Transfer from Level 1 to Level 3	203	—	90
Transfer from Level 2 to Level 3	—	—	—
Transfer from Level 3 to Level 1	—	(139)	(94)
Movement in unrealised	(313)	—	246
Closing fair value of Level 3 investments	271	—	381

Investments classified within Level 3 consist of equities and warrants. As observable prices are not available for these investments, the Manager has used valuation techniques to derive the fair value. The Level 3 valuations are reviewed on a regular basis by the Manager. The Manager considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard. In selecting the most appropriate valuation model the Manager performs back testing and considers which model's results have historically aligned most closely to actual market transactions. The fair value of Level 3 investments are based on discounted anticipated future cash returns, taking account of available information, the consideration of liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary.

The transfers between Level 3 and Level 1 consist of equities that have been suspended and/or readmitted after suspension on the relevant stock exchange. Where the stock is readmitted, it is fair valued using quoted prices, unadjusted in an active market and transferred to Level 1. Where it is suspended, it is transferred to Level 3 with the appropriate valuation technique applied with consideration of the rationale for suspension and other relevant information.

Notes to the Condensed Financial Statements continued

10. Transactions with the Investment Manager and Related Parties

The amounts paid and payable to the Investment Manager pursuant to the management agreement are disclosed in note 7. On 12 September 2024, Mr Dicks purchased 200,000 Ordinary Shares at a price of £0.51 per share. There were no other identified related party transactions during the period.

11. Post balance sheet events

Since the end of the period, the Company cancelled 31,083,534 Ordinary Shares (representing 40.4% of the issued share capital) on 5 November 2024, the Redemption Point, having received valid redemption requests in this respect. The Board accepted all valid redemption requests and resolved to effect the Redemption using the redemption pool method set out in the Company's Articles, pursuant to which the Company notionally divided its assets and liabilities into two pools, the Redemption Pool and the Continuing Pool, with the returns attributable to the respective Redemption and Continuing shareholders.

As a result of the annual redemption outcome and the significant reduction in market capital, the Board engaged with shareholders and on the 18 November 2024, issued an announcement stating that the Board has concluded that it is in the best interests of shareholders to put forward proposals for a voluntary winding-up of the Company, while also giving consideration to a rollover into one of Premier Miton's open-ended funds or a return of cash to shareholders. The winding-up of the Company will be subject to shareholder approval and further announcements will be made when appropriate.

The Company has had an arrangement with Premier Miton to rebate management fees , so that the Company could maintain an ongoing charges ratio of 2% or lower. However, the substantial redemption of the Trust's shares in November 2024 has had the effect of reducing the ongoing management fee to nil for November and December 2024. In light of the results of the shareholder consultation and the Board's subsequent decision to put forward proposals to wind up the Company, on 9 January 2025 the Board decided to terminate the rebate arrangement and resume payment of the ongoing management fee to Premier Miton, to support the work required in the short term in connection with the Scheme. The reinstatement of the AIFM's management fee is considered to be a relevant related party transaction under the UK Listing Rules and further details are set out in the Chairman's Statement.

Shareholder Information

Miton UK MicroCap Trust plc was incorporated on 26 March 2015 and its Ordinary Shares were admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities on 30 April 2015.

Capital Structure

At the year end, the Company's share capital consisted of Ordinary Shares of £0.001 each ("Ordinary Shares") with one vote per share and and non-voting management shares of £1 each ("Management shares"). The Ordinary shares shall be redeemable in accordance with the Articles of Association of the Company. From time to time, the Company may issue C shares of £0.01 each ("C shares").

As at 31 October 2024 there were 76,923,603 Ordinary Shares in issue, and at the date of this report, following the redemption, there are 45,840,069 Ordinary shares in issue, none of which are held in treasury, and 50,000 Management Shares.

Investment Objective

The investment objective of the Company is to provide shareholders with capital growth over the long-term.

Investment Policy

The Company invests primarily in the smallest companies, measured by their market capitalisation, quoted or traded on an exchange in the United Kingdom at the time of investment. It is likely that the majority of the microcap companies held in the Company's portfolio will be quoted on AIM and will typically have a market capitalisation of less than £150 million at the time of investment. The Company may also invest in debt, warrants or convertible instruments issued by such companies and may invest in, or underwrite, future equity issues by such companies.

The Company may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity related derivative instruments for efficient portfolio management, gearing and investment purposes. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below. The Company will not enter into uncovered short positions.

If companies in the portfolio achieve organic growth or grow through corporate activity such as acquisitions, and consequently have a market capitalisation that would place them outside the investable universe, the Investment Manager will not be obliged to sell those holdings, but the proportion of the portfolio in such companies will be carefully monitored by the Investment Manager and the Board so that the overall investment policy to invest in the smallest quoted or traded companies is not materially altered.

The Company's portfolio is expected to be diversified by industry and market of activity. No single holding will represent more than 15% of Gross Assets at the time of investment and, when fully invested, the portfolio is expected to have over 120 holding although there is no guarantee that will be the case and it may contain a lesser number of holdings at any time.

The Company will have the flexibility to invest up to 10% of its Gross Assets at the time of investment in unquoted or untraded companies, or in any one unquoted or untraded company.

The Company will invest no more than 10% of Gross Assets at the time of investment in other investment funds.

Shareholder Information continued

Borrowing

The Company may deploy borrowing to enhance long-term capital growth. Gearing will be deployed flexibly up to 15% of the Net Asset Value, at the time of borrowing. In the event this limit is breached as a result of market movements, and the Board considers that borrowing should be reduced, the Investment Manager shall be permitted to realise investments in an orderly manner so as not to prejudice shareholders.

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.

Share Dealing

Shares can be traded through a stockbroker or share trading platform.

Share Prices

The Company's shares are listed on the London Stock Exchange.

Share Register Enquiries

The register for the Ordinary Shares is maintained by Link Group. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Email Link at enquiries@linkgroup.co.uk. Changes of name and/or address must be notified in writing to the Registrar: Link Group, The Registry, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Ticker Code

The Company's Ticker code is MINI

Current Share Capital and Net Asset Value Information

Ordinary £0.001 shares: 45,840,069

SEDOL Number: BWFGQ08

ISIN Number: GB00BWFGQ085

The Company releases its net asset value per share to the London Stock Exchange daily.

Annual and Half-Yearly Reports

Copies of the Annual and Half-Yearly Reports are available on the Company's website:

www.mitonukmicrocaptrust.com

Investment Manager: Premier Portfolio Managers Limited

The Company's Investment Manager is Premier Portfolio Managers Limited, a wholly-owned subsidiary of Premier Miton Group plc ("Premier Miton"). Premier Miton is quoted on the AIM market for smaller and growing companies.

As at 30 September 2024, Premier Miton had total funds under management of approximately £10.7 billion.

Members of the fund management team invest in their own funds and are significant shareholders in Premier Miton. Investor updates in the form of monthly factsheets are available from the Investment Manager's website:

www.premiermiton.com

Association of Investment Companies

The Company is a member of the Association of Investment Companies.

Retail Investors advised by IFAs

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Directors and Advisers

Directors
(all non-executive)
Ashe Windham, Chairman
Louise Bonham
Peter Dicks (retired 31 December 2024)
Davina Walter

Investment Manager
Premier Fund Managers Limited
Eastgate Court
High Street
Guildford
Surrey GU1 3DE

Telephone: 01483 306 090

www.premiermiton.com

Authorised and regulated by the Financial Conduct Authority

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London E14 5NT

Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and PRA

Company Administrator*
Northern Trust Global Services SE
50 Bank Street
Canary Wharf
London E14 5NT

** Certain administrative functions have been delegated to Northern Trust Global Services SE by Premier Portfolio Managers Limited.*

Registrar and Transfer Office
Link Group
The Registry
Central Square
29 Wellington Street
Leeds LS1 4DL

Telephone: 0371 664 0300

(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate)

Email: enquiries@linkgroup.co.uk

Website: www.linkassetservices.com

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BDO LLP
55 Baker Street
London W1U 7EU

Solicitor
Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Stockbroker
Peel Hunt LLP
100 Liverpool Street
London EC2M 2AT

Glossary

Alternative Investment Market ("AIM")
MINI's shares are traded on the London Stock Exchange, although most the stocks held in the Company's portfolio are quoted on the AIM exchange. AIM is owned by the London Stock Exchange and was principally set up to meet the funding needs of smaller, growing companies.

Alternative Performance Measure ("APM")
An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

Annual General Meeting ("AGM")
All public companies have an AGM every year, and this is the opportunity for the shareholders to receive the annual accounts, approve the annual dividend and approve the appointment of the Directors and Auditors. It is also a good time for shareholders to meet the non-executive Directors.

Deutsche Numis Indices
Deutsche Numis provides a range of indices covering the entire UK equity market.

The Deutsche Numis Smaller Companies Index or DNSCI targets the bottom 10% of the main UK market by value.

The Deutsche Numis Smaller Companies 1000 Index targets the bottom 2% of the main UK market (XIC) by value.

The Deutsche Numis Large Cap Index targets the top 80% of the UK main list by value.

The Deutsche Numis Alternative Markets Index covers all companies listed on qualifying alternative markets.

The Deutsche Numis All Share Index contains all fully listed stocks plus all stocks listed on AIM.

Discount/Premium to NAV/Adjusted NAV*
If the share price of an investment trust is lower than the NAV/Adjusted NAV per share, the shares are said to be trading at a discount.

The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

Discount Calculation	31 October 2024	30 April 2024	
Closing Adjusted NAV per share (pence)	51.44	55.79	(a)
Closing share price (pence)	44.40	50.50	(b)
Discount c = ((a-b)/a) x 100)	(13.69%)	(9.48%)	(c)

Dividend Yield
The annual dividend expressed as a percentage of the mid-market share price.

Financial Conduct Authority ("FCA")
This regulator oversees the fund management industry, including the operation of the Company.

Financial Reporting Council ("FRC")
The FRC regulates UK auditors and provides guidance to accountants with the aim of promoting better transparency and integrity in the annual reports of quoted businesses.

FTSE 100 Put Option
A FTSE 100 Put Option is a type of derivative contract in which the underlying value is based on the level of the FTSE 100 index.

Gearing
Gearing refers the ratio of the Company's 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 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.

Growth Stock
A stock where the earnings are expected to grow at an above-average rate, leading to a faster than average growing share price. Growth stocks do not usually pay a significant dividend.

Key Performance Indicators ("KPIs")
KPIs are a short list of corporate attributes that are used to assess general progress of the business and are outlined in the Annual Report on page 19.

Investment Association ("IA")
The IA is the trade body that represents UK investment managers. Premier Miton Group plc is a member.

Magnificent Seven
The "Magnificent Seven" is a group of US technology-focused stocks that dominates the S&P 500 Index. It comprises the following companies: Alphabet (Google), Amazon, Apple, Meta Platforms, Microsoft, NVIDIA and Tesla.

Northern Trust Secretarial Services (UK) Limited ("NTSSL")
NTSSL is the Company Secretary for the Company.

Net Asset Value per Ordinary Share ("NAV") or Adjusted Net Asset Value per Ordinary Share ("Adjusted NAV")*
The NAV is shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all of the Company's assets, at their current market value, having deducted all liabilities and prior charges at their par value, or at their asset value as appropriate. The NAV per share is calculated by dividing the shareholders' funds by the number of Ordinary Shares in issue excluding treasury shares. The Adjusted NAV is the NAV presented in the financial statements adjusted to exclude the fair value of warrants held by the Trust. The warrants valuation is derived from Black Scholes. See Note 9 Fair Value Hierarchy Level 3 investments on page 21 of this Report.

Ongoing Charges*
As recommended by the AIC in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs and certain non-recurring items) expressed as a percentage of the average monthly net assets of the Company during the year.

Ongoing Charges Calculation	31 October 2024* £000	30 April 2024 £000	
Management fee	336	392	
Other administrative expenses	532	672	
Less non-recurring fees	(88)	(87)	
Total management fee and other administrative expenses (annualised)	824	977	(a)
Average net assets in the year	41,886	49,079	(b)
Ongoing charges c = (a/b) x 100*	1.97%	1.99%	(c)

** Annnualised.*

Peer Group
The Company is part of the AIC's UK Smaller Companies sector whose members invest at least 80% of their assets in UK Smaller Companies.

As at 30 June 2024, the following were constituents of this peer group:

- Aberforth Smaller Companies Ord
- Aberforth Split Level Income Ord
- abrdn UK Smaller Companies Growth Ord
- Athelney Trust Ord
- BlackRock Smaller Companies Ord
- BlackRock Throgmorton Trust Ord
- Crystal Amber Ord
- Downing Strategic Micro-Cap Inv. Ord
- Henderson Smaller Companies Ord
- Invesco Perpetual UK Smaller Ord
- JPMorgan UK Small Cap Growth & Income
- Marwyn Value Investors Ord
- Miton UK Microcap Ord
- Montanaro UK Smaller Companies Ord
- Odyssean Investment Trust Ord
- Onward Opportunities Ord
- Oryx International Growth Ord
- Rights & Issues Investment Trust Ord
- River and Mercantile UK Micro Cap Ord
- Rockwood Strategic Ord
- Strategic Equity Capital Ord
- SVM UK Emerging Ord
- Worsley Investors Ord

Price to Book Ratio
The price to book ratio is a valuation measure which divides a company's share price by its asset value per

share. Lower values can imply that a company is either an overlooked opportunity or a poorly performing business, Higher values may suggest a company is overvalued, unless its returns are sustainably high.

Redemption Pool
In the event that the Board elects to calculate the Redemption Price through the use of a Redemption Pool, the pool of cash, assets and liabilities to be created by the Directors in respect of a particular Redemption Point and allocated to the Ordinary Shares which are the subject of Redemption Requests for that Redemption Point.

Senior Independent Director ("SID")
The SID is a non-executive director who can be contacted by investors to discuss a matter of governance when it concerns the Chairman and the normal practice cannot be followed. The Company's SID is Davina Walter.

Tap Issue
A tap issue is a procedure that allows the Company to issue new shares at the current market value when the share price is at a premium to NAV. The Company is authorised to issue up to 10% of its share capital without the need for an open offer. This enables the Company to invest in attractive investment opportunities and to issue new shares on a flexible and cost-effective basis.

Total Assets
Total assets include investments, cash, current assets and all other assets. An asset is an economic resource, being anything tangible or intangible that can be owned or controlled to produce value and to produce positive economic value. Assets represent the value of ownership that can be converted into cash. The total assets less all liabilities will be equivalent to total shareholders' funds.

Total Return – NAV and Share Price Returns*
Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The Total Return measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV or Adjusted NAV.

This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are re-invested in the Company at the prevailing NAV.

Adjusted NAV Total Return	31 October 2024	30 April 2024	
Closing Adjusted NAV per share (pence)	51.44	55.79	
Add back final dividend for the year ended 30 April 2024 (2023) (pence)	0.09	0.15	
Closing Adjusted NAV (pence)	51.53	55.94	(a)
Opening Adjusted NAV per share (pence)	55.79	64.20	(b)
Adjusted NAV total return unadjusted (%) c = ((a-b)÷b)x100	(7.6%)	(12.9%)	(c)
Adjusted NAV total return adjusted (%)*	(7.6%)	(12.9%)	(c)

Share Price Total Return	31 October 2024	30 April 2024	
Closing share price (pence)	44.40	50.50	
Add back final dividend for the year ended 30 April 2024 (2023) (pence)	0.09	0.15	
Adjusted closing share price (pence)	44.49	50.65	(a)
Opening share price (pence)	50.50	59.50	(b)
Share price total return unadjusted (%) c = ((a-b)÷b) x 100	(12.1%)	(15.1%)	(c)
Share price total return adjusted (%)*	(11.9%)	(14.9%)	

** Based on NAV/share price movements and dividends being reinvested at the relevant cum dividend NAV/share price during the period. Where the dividend is invested and the NAV/share price falls, this will further reduce the return or, if it rises, any increase will be greater. The source is Morningstar who have calculated the return on an industry comparative basis.*

Yield Stock
Yield stocks pay above-average dividends to shareholders. If the dividend grows, and the yield on the share remains constant, the share price will increase. Companies which grow their dividends faster than average are capable of delivering faster share price growth.

Premier Miton
INVESTORS

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