

This Consolidated Prospectus is a Consolidated Prospectus for Germany only of the Prospectus of the Company dated 18 February 2021 and the Country Supplement for Germany dated 24 February 2021 and does not constitute a Prospectus for the purpose of Irish applicable law.

The Directors of Montanaro Smaller Companies plc (the "Company") whose names appear on pages 18 and 19 (the "Directors"), accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information.



SMALLER COMPANIES plc

(an open-ended umbrella variable capital investment company with segregated liability between sub-funds incorporated under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended)

CONSOLIDATED PROSPECTUS FOR GERMANY

The following share classes of the Montanaro Smaller Companies Fund may be marketed to investors in Germany:

Euro Class – ISIN IE00B1FZRP01
Euro Accumulation Class – ISIN IE00B411W698
Euro Institutional Class – ISIN IE00BBT35671

No notification has been filed for the remaining classes of the Montanaro European Smaller Companies Fund (Sterling Class, Sterling Institutional Distribution Class, , Euro Institutional Accumulation Class, Swedish Krona Accumulation Class and US Dollar Class), Montanaro UK Income Fund, Montanaro European Income Fund, Montanaro UK Smaller Companies Fund, Montanaro European MidCap Fund, Montanaro Select Fund and Montanaro Better World Fund.

Dated: 24 February 2021

Important: If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. Shares are offered on the basis of the information contained in this Prospectus and the documents referred to herein. Prices for Shares may fall as well as rise.

This Prospectus describes the Company, an open-ended umbrella variable capital investment company with segregated liability between sub-funds, incorporated in Ireland as a public limited company and authorised by the Central Bank as a UCITS pursuant to the Regulations. The Company is constituted as an umbrella fund insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a separate portfolio of assets which will comprise a separate sub-fund (a "Fund") of the Company. Shares of any particular Fund may be divided into different classes of Shares ("Classes") to accommodate differing characteristics attributable to each such different class of Shares.

A separate portfolio of assets will be maintained for each Fund and will be invested in accordance with the investment objective and strategies applicable to the particular Fund. As the Company has segregated liability between its Funds, any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. Details relating to Classes may be dealt with in the relevant Fund Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplements, the relevant Supplement shall prevail.

Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. In addition, the authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.

In relation to each or any class of Shares of any Fund, an application may be made to the Irish Stock Exchange plc trading as Euronext Dublin, for those Shares to be admitted to the Official List and to trading on the Main Securities Market of Euronext Dublin. This document, together with the relevant Supplement, will constitute listing particulars ("Listing Particulars") for the purpose of any application for listing of the Shares in respect of which the relevant Supplement is issued. The Directors do not anticipate that an active secondary market will develop in the Shares.

Neither the admission of Shares to the Official List and to trading on the Main Securities Market of Euronext Dublin nor the approval of the Prospectus pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Company, the adequacy of the information contained in the Prospectus or the suitability of the Company or a Fund for investment by investors.

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by a copy of the latest annual or semi-annual report of the Company. Such reports and this Prospectus, Supplements and any Key Investor Information Documents (**KIIDs**) together form the Prospectus for the issue of Shares. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of the Constitution, copies of which are available as mentioned herein.

No person is authorised to give any information or to make any representations concerning the Company other than as contained in this Prospectus, any Supplements or any KIIDs, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus, any Supplements or any KIIDs shall be solely at the risk of the purchaser.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. This Prospectus or any KIID does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus or any KIID and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of relevant jurisdictions.

Certain Shares of the Company are registered for sale in various jurisdictions. Please contact the Investment Manager for further information in this regard.

The Shares have not been, and will not be, registered under the United States Securities Act of 1933 (the "Act") or under the securities laws of any of the states of the United States and are, therefore, "restricted securities" for purposes of the Act. Accordingly, the Shares may be offered or sold by the Company, or resold by investors, directly or indirectly, in the United States or to US Persons only if registered under the 1933 Act and applicable state securities laws or pursuant to an exemption from such registration. The Company may offer and sell Shares in the United States and to US Persons pursuant to the "private placement" exemption from registration provided under the Act and Regulation D thereunder and similar exemptions under state securities laws. Resales will only be permitted if the Company receives a satisfactory opinion of counsel that an exemption from registration is available. The exemption from registration afforded by Rule 144 under the Act will not be available for the resale of the Shares.

In all cases, this Prospectus must not be distributed or passed on, directly or indirectly, by the recipient to any third party without the prior written consent of the Investment Manager.

Under the Constitution, the Directors have the power to redeem or require the transfer of Shares held by or for the account of any person in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances where the holding of such Shares may, in the opinion of the Directors, result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company, the relevant Fund or its Shareholders as a whole or to maintain such Minimum Holding of Shares as shall be prescribed from time to time to Directors.

Potential subscribers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of their respective countries of citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares. The attention of potential subscribers is drawn to the risk factors described in this Prospectus and the Supplements.

This Prospectus and any Supplements may be translated into other languages. Any such translation will contain all of the information contained in this Prospectus and any Supplements. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in such translation, the English-language Prospectus/Supplements shall prevail.

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Dublin 1
Ireland**

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Gavin Caldwell
Lisa Martensson
Matthew Francis

Listing Sponsor

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Dublin 2,
Ireland

Investment Manager and Promoter

Montanaro Asset Management Limited
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London EC2R 8AR
United Kingdom

Depository

The Bank of New York Mellon SA/NV, Dublin
Branch
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Dublin 2

Administrator

BNY Mellon Fund Services (Ireland) DAC
Guild House
Guild Street
IFSC
Dublin 1
Ireland

Auditors

Ernst & Young
Chartered Accountants
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Legal Advisers

As to Irish Law
A&L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

Legal Advisers

As to UK and US Law
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4 Coleman Street
London EC2R 5AR
United Kingdom

Company Secretary

Goodbody Secretarial Limited
IFSC
North Wall Quay
Dublin 1
Ireland

DEFINITIONS

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

"Administrator"	BNY Mellon Fund Services (Ireland) DAC;
"AIF"	alternative investment fund as defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.
"Application Form"	means any application form or subscription agreement to be completed by subscribers for Shares as prescribed by the Company from time to time;
"Base Currency"	means, in relation to any Class of Shares or any Fund, such currency as specified in the relevant Supplement relating to that Class or Fund;
"Benchmark Regulations"	means Regulation (EU) 2016/1011 of the European Parliament and the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) NO 596/2014;
"Business Day"	means, in relation to a Fund, such day or days as specified in the relevant Supplement for that Fund;
"Central Bank"	means the Central Bank of Ireland;
"Central Bank UCITS Regulations"	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (S.I. No. 230 of 2019) and related guidance issued by the Central Bank as amended, supplemented or replaced from time to time;
"Class"	means a particular division of Shares in a Fund;
"Company"	Montanaro Smaller Companies plc;
"Companies Act"	means the Irish Companies Act 2014 (as amended, consolidated or supplemented or replaced from time to time) including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital;
"Connected Person"	<p>means a person is connected with a director if, and only if, he/she is –</p> <ul style="list-style-type: none">(a) that director's spouse, parent, brother, sister or child;(b) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the director, his spouse or any of his children or any body corporate which he/she controls;(c) a partner of that director. <p>A company will be deemed to be connected with a director of a company if it is controlled by that director.</p>
"Constitution"	memorandum and articles of association of the Company
"CRS"	means the Common Reporting Standard more fully described in the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the OECD and any treaty, law or regulation of any other jurisdiction which facilitates the implementation of the Standard including

Council Directive 2014/107/EU on the Administrative Cooperation in the Field of Taxation (DAC II).

"Data Protection Legislation"	means the EU Data Protection Directive 95/46/EC, the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including the GDPR, European Commission decisions, binding EU and national guidance and all national implementing legislation including the Data Protection Act 2018;
"Depository"	The Bank of New York Mellon SA/NV, Dublin Branch or any successor thereto duly appointed custodian of the Company in accordance with the requirements of the Central Bank;
"Dealing Day"	means, in relation to a Fund, such day or days as shall be specified in the relevant Supplement for that Fund, provided always that there shall be at least one Dealing Day every two weeks;
"Directive"	means Directive 2009/65/EC of the European Parliament and European Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relation to undertakings for collective investment in transferrable securities (UCITS) as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014;
"Directors"	the board of directors of the Company;
"Emerging European"	means in relation to countries which are considered by the Investment Manager to be developing countries in Europe, usually small markets with short operating histories;
"Euronext Dublin"	means the Irish Stock Exchange plc trading as Euronext Dublin;
"FATCA"	means the US Foreign Account Tax Compliance Act as set forth in Section 1471 through 1474 of, and other amendments to, the US Internal Revenue Code of 1986 (including any intergovernmental agreement entered into in connection with the implementation of such sections and any regulatory legislation adopted pursuant to such intergovernmental agreement), as amended, and the relevant regulations, notices and announcements issued thereunder.
"Foreign Person"	means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Company with the appropriate declaration under Schedule 2B TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied.
"Fund"	means a sub-fund of the Company established by the Directors from time to time with the prior approval of the Central Bank representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund;
"GDPR"	means Regulation (EU) 2016/679 known as the General Data Protection Regulation, which comes into force on 25 May 2018;

"Initial Issue Price"	means the initial price payable for a Share as specified in the relevant Supplement for each Fund;
"Intermediary"	means a person who: (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.
"Investment Manager"	Montanaro Asset Management Limited;
"Ireland"	means the Republic of Ireland;
"Irish Revenue Commissioners"	means the Irish authority responsible for taxation;
"Main Securities Market"	means the principal market of Euronext Dublin for companies from Ireland and overseas. The <i>Main Securities Market</i> is a 'regulated market' as defined in Regulation 3(1) of the European Communities (Markets in Financial Instruments) Regulations 2007;
"KIID"	means a Key Investor Information Document issued in respect of a Fund or Class of Shares;
"Member State"	means a member state of the European Union;
"MidCap companies"	equity securities of companies quoted in the European Union (including or excluding the United Kingdom as detailed in the relevant Investment Policy), Iceland, Norway and Switzerland whose market capitalisation shall not exceed the largest market capitalisation of any of the constituents of the STOXX Europe Mid 200 Index at the time of initial investment. STOXX Limited has been granted recognition by the German Federal Financial Supervisory Authority (BaFin) as a third country administrator in accordance with the Benchmark Regulations;
"Minimum Holding"	in respect of each Fund or Class, means the minimum number or value of Shares which must be held by Shareholders as may be specified in the relevant Fund or Class Supplement;
"Minimum Subscription"	in respect of each Fund or Class, means the minimum subscription for Shares as may be specified in the relevant Fund or Class Supplement;
"Net Asset Value" and "Net Assets"	means the Net Asset Value of the Fund or attributable to a Class (as appropriate) calculated as referred to herein;
"Net Asset Value per Share"	means the Net Asset Value of a Fund divided by the number of Shares in issue of that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class, which may be adjusted in the manner, set out in the section of this Prospectus headed "Calculation of Net Asset Value" and rounded to such number of decimal places as the Directors may determine;
"OECD"	Organisation for Economic Co-operation and Development comprising Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States;
"Official List"	means the list of securities or units admitted to the Official List of Euronext Dublin and published daily by Euronext Dublin;

"ordinary residence"	<p>the term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.</p> <p>An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.</p> <p>An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which he/she is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2020 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2023.</p>
"Personal Data"	means any data relating to a living individual who can be identified directly from that data or indirectly in conjunction with other information;
"Prospectus"	means this prospectus and any Supplement hereto;
"Recognised Market"	means any stock exchange or market, set out in Part VI of this Prospectus;
"Regulations"	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (Statutory Instrument No. 352 of 2011 of Ireland) as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, S.I. No. 143 of 2016, as may be further amended, consolidated or substituted from time to time and any rules, guidance or notices made by the Central Bank pursuant to them;
"Relevant Institution"	<p>means a credit institution which falls under one of the following categories:</p> <ul style="list-style-type: none"> (i) a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein); (ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of 1988 (Switzerland, Canada, Japan, United States); (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
"residence - company"	<p>Prior to the Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in the Finance Act 2014 to provide that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in the State set out in the revised section 23A TCA 1997.</p>
"residence- individual"	<p>An individual will be regarded as being resident in Ireland for a tax year if he/she:</p> <ul style="list-style-type: none"> 1. Spends 183 or more days in the State in that tax year; <li style="text-align: center;">or 2. has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year. <p>Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Up to 31 December,</p>

2008, presence in the State for a day means the personal presence of an individual at the end of the day (midnight). **From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.**

"Share Class" or "Class of Shares"	means a class of Shares of a Fund differentiated in various ways, such as currency, distribution policy or fees.
"Shareholder"	any person holding Shares;
"Shares"	participating shares of no par value in the capital of the Company, which may be divided into different classes;
"SmallCap companies"	equity securities of companies quoted in the European Union (including or excluding the United Kingdom as detailed in the relevant Investment Policy), Iceland, Norway and Switzerland, whose market capitalisation shall not exceed that of the largest market capitalisation of any of the constituents of the MSCI Europe SmallCap index at the time of initial investment unless a separate criteria for eligibility is set out in the Supplement for the relevant Fund. MSCI Limited has been granted authorisation by the UK FCA as a UK administrator for all MSCI equity indices under the Benchmark Regulations. MSCI Limited is listed on the FCA's register and the ESMA register for administrators;
"State"	means the Republic of Ireland;
"Subscriber Share"	a subscriber share of Euro 1 in the capital of the Company;
"Supplement"	means any supplement to the Prospectus issued on behalf of the Company from time to time;
"Sustainability Risk"	means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment as further described under the paragraph headed "Risk Factors" below;
"Taxable Irish Person"	means any person, other than <ul style="list-style-type: none"> (i) a Foreign Person; (ii) an Intermediary, including a nominee, for a Foreign Person; (iii) a qualifying management company within the meaning of section 739B TCA; (iv) a specified company within the meaning of section 734 TCA; (v) an investment undertaking within the meaning of section 739B of the TCA; (vi) an investment limited partnership within the meaning of section 739J of the TCA; (vii) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA; (viii) a company carrying on life business within the meaning of section 706 TCA; (ix) a special investment scheme within the meaning of section 737 TCA;

- (x) a unit trust to which section 731(5)(a) TCA applies;
- (xi) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (xii) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA , section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- (xiii) the Courts Service;
- (xiv) a Credit Union;
- (xv) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- (xvi) a company within the charge to corporation tax under section 110(2) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Treasury Management Agency or a Fund investment vehicle within the meaning of section 739D(6)(kb) TCA;
- (xix) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (as amended by the Insurance (Amendment) Act 2018);
- (xx) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (xxi) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and
- (xxii) any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27 Chapter 1A of the TCA

in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Company on the appropriate date.

"TCA" means the Taxes Consolidation Act, 1997, as amended;

"UCITS" means an undertaking for collective investment in transferable securities within the meaning of Directive;

"Umbrella Cash Subscription

and Redemption Account"	means a subscriptions and redemptions account at umbrella level in the name of the Company.
"United States or US"	United States of America (including the States and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction;
"US Person" and "US Taxpayer"	is defined in paragraph 6 of "General Information" below;
"Valuation Point"	means such time as shall be specified in the relevant Supplement for each Fund; and.
"VAT"	means value added tax.

In this Prospectus, unless otherwise specified, all references to "billion" are to one thousand million, to "US Dollars", "USD", "US\$" or "cents" are to United States Dollars or cents, to "£" or "Sterling" are to Pounds Sterling and to "€" or "Euro" are to the currency introduced at the start of the third stage of the economic monetary union pursuant to the Treaty of Rome dated 25 March, 1957 (as amended) establishing the European Union.

PART 1: THE COMPANY

The Company was incorporated in Ireland on 14 July 2000 as an open-ended, umbrella type investment company with variable capital. It is authorised in Ireland by the Central Bank as a UCITS investment company pursuant to the Regulations. Authorisation as a UCITS affords certain protections to investors arising from the investment and borrowing restrictions to which a UCITS must adhere.

The Company is structured in the form of an umbrella fund consisting of different Funds comprising one or more Classes. The Shares of each Class will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged or the Minimum Subscription and Minimum Holding applicable. The Shares of each Class established in a Fund will be specified in the relevant Supplement.

The Company has adopted an umbrella structure which may be comprised of different Funds with segregated liability between its Funds, to provide both individual and institutional investors with a choice of Shares in different Funds. Each Fund may be differentiated by its specific investment objective, investment policy, currency of denomination or other specific features as described in the relevant Supplement. A separate pool of assets is maintained for each Fund and is invested in accordance with each Fund's respective investment objective. As the Company has segregated liability between its Funds, any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. Shares may be issued in relation to each Fund.

THE FUNDS

At the date of this Prospectus, the Company has seven Funds namely: Montanaro European Smaller Companies Fund; Montanaro UK Income Fund; Montanaro European Income Fund; Montanaro European MidCap Fund; Montanaro Select Fund; and Montanaro Better World Fund. Additional Funds may be added by the Directors with the prior approval of the Central Bank.

The terms and conditions of each of the Fund's initial offer/placing of Shares, details of any applicable fees and expenses shall be set out in the relevant Supplement to the Prospectus. Additional Classes may be added by the Directors with prior notification to and clearance by the Central Bank. Other Classes may be established within a Fund which may be subject to higher/lower/no fees where applicable and information in relation to the fees applicable to other Classes within a Fund will be available on request from the Administrator or the Investment Manager. This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund and/or Class.

The net proceeds from the issue of Shares in a Fund will be applied in the records and accounts of that Fund. The assets and liabilities and income and expenditure attributable thereto will also be applied to that Fund, subject to the provisions of the Constitution. The assets of each Fund will be separate from one another and will be invested separately in accordance with the investment objectives and policies of each Fund, all as set out in the relevant Supplement. A separate portfolio of assets is not maintained for each Class. As the Company has segregated liability between its Funds, any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

To invest in the Company is to purchase Shares in a Fund. It is each Fund which accumulates assets on behalf of its Shareholders from which distributions may be paid to Shareholders in that Fund.

A Fund may invest in other Funds in accordance with the conditions laid down by the Central Bank. Investment will not be made in a Fund which itself holds Shares in another Fund. Where a Fund invests in another Fund, there shall be no duplication of the initial charge, redemption charge or management fee in respect of such investment. In addition, the investing Fund will not charge a management fee in respect of that portion of its assets invested in a Fund.

INVESTMENT OBJECTIVE, APPROACH AND POLICIES

The specific investment objective and policies of each Fund will be set out in the relevant Supplement and will be formulated by the Directors in consultation with the Investment Manager at the time of creation of each Fund.

With the exception of permitted investments in unlisted instruments, investments will be made on Recognised Markets. The list of Recognised Markets in which the assets of each Fund may be invested from time to time is set out in Part VI hereto.

Investors should be aware that the performance of certain Funds may be measured against a specified index or benchmark. Shareholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The Company may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the Company to have become the appropriate standard for the relevant exposure or a benchmark is no longer deemed relevant. Such a change would represent a change in policy of the relevant Fund which would be reflected in an updated Prospectus and/or Supplement. Additionally Shareholders would be given advance notice of any change in a reference index or benchmark if made by the Directors. The Company has established a contingency policy on cessation or material change to a benchmark in accordance with the Benchmark Regulations.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund may, subject to the investment restrictions set out under the heading "Investment Restrictions" below, hold ancillary liquid assets such as money market instruments and cash deposits denominated in such currency or currencies as the Directors may determine having consulted with the Investment Manager.

Where the Shares of a particular Fund have been listed on Euronext Dublin, the Directors will ensure that, in the absence of unforeseen circumstances, the relevant Fund will adhere to the material investment objective and policies for that Fund for at least three years following the admission of the Shares to the Official List and to trading on the Main Securities Market of Euronext Dublin.

The investment objective of a Fund may not be altered without approval of a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held. Similarly, material changes to the investment policies of a Fund will require prior approval on the basis of a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held. In this context, a "material" change shall be a change which would significantly alter the asset type, credit quality, borrowing or leverage limits or risk profile of the relevant Fund. In the event of a change of the investment objective and/or policy of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

Efficient Portfolio Management

The Company may, on behalf of a Fund, use techniques and instruments for the purposes of efficient portfolio management (including but not limited to forward foreign currency exchange contracts, futures contracts, options, put and call options on securities, indices and currencies, stock index contracts, swap contracts) subject to the restrictions and limitations laid down by the Central Bank as outlined in Part III hereto.

The Company may engage in such techniques and instruments for the reduction of risk, cost or the generation of additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of the Company as described in this Prospectus and the general provisions of the Regulations.

In particular, the Company may on behalf of a Fund employ techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities, as follows:-

- (i) the Company may enter into forward currency transactions which alter the currency exposure of the Company;
- (ii) long put and call options and futures may be entered into to provide a hedge against extreme market valuations. Such instruments may be considered in the case of currencies and also stock indices. The purpose of such instruments would be to provide a hedge against downside risk;
- (iii) in the event of a significant move in currency markets, primarily affecting the relationship between Sterling and the Euro, the Investment Manager may enter into hedging strategies to reduce currency risk. If it were perceived that the Euro was overvalued, the Investment Manager might purchase a Euro put option broadly equivalent to the value of the Euro holding in the portfolio. In the event that the Euro subsequently declined in value, the value of the put option would increase thereby helping

to offset the diminution in value of the Euro holding in Sterling terms. However, there is a risk that, in the event that the Euro continued to appreciate, the value of the put option would decrease; and

- (iv) in the event of a significant move in currency markets, primarily affecting the relationship between the Euro and Sterling, the Investment Manager may enter into hedging strategies to reduce currency risk. If it were perceived that Sterling was overvalued, the Investment Manager might purchase a Sterling put option broadly equivalent to the value of Sterling holding in the portfolio. In the event that Sterling subsequently declined in value, the value of the put option would increase thereby helping to offset the diminution in value of Sterling holding in Euro terms. However, there is a risk that, in the event that Sterling continued to appreciate, the value of the put option would decrease

Permitted Types of Collateral

1.1 Non-Cash Collateral

1.1.1 Non-cash collateral must at all times meet with the following requirements:

- (i) Liquidity: Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations;
- (ii) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) Issuer credit quality: Collateral received should be of high quality;
- (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
- (vi) Immediately available: Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the relevant counterparty; and
- (vii) Non-cash collateral received cannot be sold, pledged or reinvested by the Company and shall be held at the risk of the counterparty.

1.2 Cash collateral

1.2.1 Reinvestment of cash collateral must at all times, meet with the following requirements:

- (i) Cash received as collateral may only be invested in the following:
 - (a) deposits with Relevant Institutions;
 - (b) high quality government bonds;
 - (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis;

- (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);
- (ii) meet the requirements in section 1.1.1(v) above, where applicable;
- (iii) Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

Level of collateral required

The level of collateral required for all efficient portfolio management techniques will be at least 100% of the exposure to the relevant counterparty.

Haircut policy

While the Investment Manager will only accept non-cash collateral which does not exhibit high price volatility, the non-cash collateral received on behalf of the funds will typically be valued at between 90% and 100% of the relevant Fund's exposure to the counterparty. The valuation percentage will depend on factors such as liquidity, price volatility, issuer credit quality and remaining maturity and will take into account the results of any stress tests performed by the Investment Manager in accordance with Central Bank requirements.

Operational costs/fees

Where relevant, all revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. These direct and indirect operational costs will not include hidden revenue.

Shareholders are directed towards the relevant Supplement which will refer to the relevant efficient portfolio management criteria of each Fund.

Investors' attention is also drawn to the paragraphs headed "Futures and Options Risk," "Efficient Portfolio Management Risk," and "Liquidity of Futures Contracts Risk" under the heading "Risk Factors" below.

The Company does not currently use financial derivative instruments. A risk management process will be submitted to the Central Bank in accordance with the Central Bank's requirements prior to the Company engaging in financial derivative transactions on behalf of a Fund.

In addition, the Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and recent developments in the risk and yield characteristics of the main categories of investments applicable to the relevant Fund.

Investment Restrictions and Borrowing Powers

Investment of the assets of each Fund must comply with the Regulations. The Directors may impose further restrictions in respect of any Fund. The investment and borrowing restrictions applying to the Company and each Fund are set out in Part III of this Prospectus. Each Fund may also hold ancillary liquid assets.

The Company may only borrow in respect of a Fund on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the relevant Fund. Subject to this limit, the Directors may exercise all borrowing powers on behalf of the Company and may charge the relevant Fund's assets as security for such borrowings only in accordance with the provisions of the Regulations.

The Company will, with respect to each Fund, adhere to any investment or borrowing restrictions herein and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Class in the Company, subject to the Regulations.

RISK FACTORS

Potential investors should note that the investments of a Fund are subject to market fluctuations and other risks inherent in investing in securities and there can be no assurance that any appreciation in value will occur. The following risks and those described in the Supplements are some of the risks involved in the Company and each Fund as applicable, but the list does not purport to be exhaustive. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Potential investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

The value of investments and, consequently the prices of Shares, can go down as well as up and an investor may not get back the amount invested. Changes in exchange rates between currencies may also cause the value of the investments to diminish. **Investment in a Fund should be viewed as medium to long term.**

Credit Risk

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the counterparties with whom they trade and may bear the risk of counterparty default.

Cross Liability of Funds

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims.

Efficient Portfolio Management Risk

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments for efficient portfolio management also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlations between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management such as the ability to meet redemption requests or other short term obligations because of the percentage of the Company's assets being segregated to cover its obligations.

Futures and Options Risk

The Investment Manager may engage in various portfolio strategies on behalf of a Fund through the use of futures and options. Due to the nature of futures trading, cash to meet margin monies will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of a broker, there can be no guarantee that such monies will be returned to a Fund. On the execution of an option, a Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is "in the money". The Investment Manager is fully aware of these counterparty risks and has in place credit committee procedures designed to monitor and limit counterparty risks.

Notwithstanding the foregoing, it is not currently intended to use derivatives or any instruments for hedging or other purposes.

Liquidity of Futures Contracts Risk

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

Notwithstanding the foregoing, it is not currently intended to use derivatives or any instruments for hedging or other purposes.

Liquidity Risk

Each Fund will limit the use of financial derivative instruments to the most actively traded, liquid exchange-traded equity index futures where liquidity is estimated to be sufficient for hedging purposes. The volumes and prices of standardised exchange traded index futures are transparent and they are quoted on public trading data and information systems such as Bloomberg.

Notwithstanding the foregoing, it is not currently intended to use derivatives or any instruments for hedging or other purposes.

A Fund may invest no more than 10% of net assets in transferable securities which are not admitted to official listing on a stock market or another regulated market. While these assets would be transferable, a Fund may nevertheless encounter difficulties in disposing of unlisted securities at fair prices, especially in adverse market conditions. Therefore, it is not the intention of the Investment Manager, currently, to invest in such unlisted securities.

Market Capitalisation Risk

Investors' attention is also drawn to the fact that the shares of smaller companies in which a Fund invests may be less liquid than the shares of larger capitalised stocks and can be more sensitive to economic and other factors. As a result, whilst the objective of a Fund is capital growth, a Fund may experience greater volatility both in the value of its investments and in its Net Asset Value per Share. This may be particularly relevant where positions need to be liquidated to meet redemption requests or other funding requirements. Smaller capitalisation companies often experience higher failure rates than do larger capitalisation companies.

Market Risk

A Fund may have a significant investment in companies vulnerable to rapid market change which may make their products or services obsolete, which in turn would have a serious negative impact on their share price.

In addition, the market for shares in these companies may be more volatile than for companies in other sectors. This is because investors in these companies may respond immediately and aggressively to changing perceptions of a company's success or failure in competing in such rapidly changing markets. Due to this potential volatility

in the sectors in which a Fund may invest, a Fund may not be appropriate for all investors including those who are not in a position to take a long-term view of their investment.

As a Fund may have significant investment in a limited number of economic/industry sectors, it may be more vulnerable to volatility in those sectors than a more broadly diversified fund.

Over-the-Counter Markets Risk

Where a Fund acquires securities on over-the-counter markets, there is no guarantee that a Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility. It is not the intention of the Investment Manager, currently, to invest in securities on over-the-counter markets.

Performance Fee Risk

Investors should also note that a performance related fee may be payable to the Investment Manager by the Company as detailed in each Supplement if applicable based on net realised and net unrealised gains and losses calculated in respect of twelve monthly performance periods. As a result, such fees may be paid by the Company on unrealised gains which may subsequently never be realised.

In addition, there are hurdles to be reached before a performance fee becomes payable which may differ between different Share Classes. Therefore, different Shares Classes may incur different performance fees and investors who switch between Share Classes may be disadvantaged.

Political, Regulatory, Settlement and Sub-Custodial Risk

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Where assets of a Fund are held outside of Ireland, different settlement, legal and regulatory requirements and different practices relating to the separate identification of those assets may apply to those in Ireland.

Exchange Rate Risk

A Fund may have several Share Classes which may be denominated in different currencies. Holders of Shares of a Class which is denominated in a currency which is different to the Base Currency of the Fund will be exposed to the exchange rate risk between the two currencies, since there is no currency hedging at Share Class level and accordingly Shareholders holding different Share Classes may receive different investment returns. Some of the assets of a Fund may be denominated in a different currency to the Base Currency of the Fund and shareholders in the Fund will accordingly be exposed to the exchange rate risk between the two currencies.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company and affect the Company's ability to provide the investor returns. Potential investors and Shareholders should note that the statements on taxation which are set out herein and in each Supplement are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this prospectus and each Supplement. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely. The attention of potential investors is drawn to the tax risk associated with investing in the Company. See section headed "Taxation".

BEPS

In 2013 the OECD published its report on Addressing Base Erosion and Profit Shifting (BEPS) and its Action Plan on BEPS. The aim of the report and Action Plan was to address and reduce aggressive international tax planning. BEPS remains an ongoing project. On 5 October 2015, the OECD published its final reports on the first

phase of the project, analysis and sets of recommendations (deliverables) with a view to implementing internationally agreed and binding rules which could result in material changes to the relevant tax legislation of participating OECD countries. The final package of deliverables was subsequently approved by the G20 Finance Ministers on 8 October 2015. On 24 November 2016, more than 100 jurisdictions concluded negotiations on a multilateral instrument that will amend their respective tax treaties (more than 2,000 tax treaties worldwide) in order to implement the tax treaty-related BEPS recommendations. The multilateral instrument was signed on 7 June 2017 and entered into force on 1 July 2018. The multilateral instrument will then enter into effect to amend a specific tax treaty at certain times after both parties to that treaty have ratified the multilateral instrument. The final actions to be implemented in the tax legislation of the countries in which the Company will have investments, in the countries where the Company is domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns from the Company.

Valuation Risk

A Fund may invest some of its assets in securities for which there is no reliable price source available. Such investment will be valued at the probable realisation value as determined in accordance with the provisions set out in the section "Calculation of Net Asset Value". Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty.

A Fund may, for the purpose of efficient portfolio management, invest in derivative instruments and there can be no assurance that the value as determined in accordance with the section "Calculation of Net Asset Value" reflects the exact amount at which those instruments may be closed out.

Cyber Security Risk

The Company and its service providers' use of internet, technology and information systems may expose the Company and the Funds to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or fund assets, or cause a Fund and/or its service providers to suffer data corruption or lose operational functionality.

Brexit Risk

On 29 March 2017, the United Kingdom submitted a notification of its intention to withdraw from the European Union. The United Kingdom ceased to be a Member State of the European Union with effect from 31 January 2020. Depending on the outcome of the EU's negotiations with the United Kingdom, there may be a need to amend the structure of the Funds or replace certain service providers.

The Company may be negatively impacted by changes in law and tax treatment resulting from the United Kingdom's departure from the EU particularly as regards any United Kingdom situated investments which may potentially be held by a Fund in question. In addition, United Kingdom domiciled investors in a Fund(s) may be impacted by changes in law, particularly as regards United Kingdom taxation of their investment in a Fund, resulting from the UK's departure from the EU. This will all be dependent on the terms of the United Kingdom's exit, which are to be negotiated by the United Kingdom and the rest of the EU, and United Kingdom law following such an exit. There is likely to be a degree of continued market uncertainty regarding this exit process which may also negatively impact the value of investments held by a Fund(s).

Use of Umbrella Cash Subscription and Redemption Account Risk

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Subscription and Redemption Account in the name of the Company and will be treated as an asset of the relevant Fund. Investors will be unsecured creditors of the relevant Fund with respect to the amount subscribed and held in the Umbrella Cash Subscriptions and Redemptions Account until Shares are issued on the Dealing Day. As such, investors will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Issues of Shares and the payment of redemption proceeds and dividends in respect of a particular Fund is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures and any further particulars detailed in Part II of this Prospectus. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Subscriptions and Redemptions Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Subscriptions and Redemptions Account. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another Fund of the Company (the "Insolvent Fund"), recovery of any amounts held in the Umbrella Cash Subscriptions and Redemptions Account to which another Fund is entitled (the "Entitled Fund"), but which may have transferred to the Insolvent Fund as a result of the operation of the Umbrella Cash Subscriptions and Redemptions Account, will be subject to the principles of Irish insolvency law and the terms and conditions for the Umbrella Cash Subscriptions and Redemptions Account. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Entitled Fund.

Sustainability Risks

Sustainability Risks may arise in respect of an issuer itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental Sustainability Risks, including risks arising from climate change, are associated with events or conditions affecting the natural environment. Social risks may be internal or external to an issuer and are associated with employees, local communities, customers or populations of companies or countries and regions. Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies and issuers.

The occurrence of one or more Sustainability Risks may result in the loss of investment value in numerous ways. For investments in a corporate issuer, losses may result from damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. Laws, regulations and industry norms play a significant role in controlling the impact of sustainability factors on many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. A corporate may also suffer the impact of fines and other regulatory sanctions. The time and resources of the corporate's management team may be diverted from furthering its business and be absorbed seeking to deal with the Sustainability Risk, including changes to business practices and dealing with investigations and litigation. Sustainability Risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which a Fund is exposed may also be adversely impacted by a Sustainability Risk. Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability which may cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of businesses. Such scrutiny may also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.

The investment risks set out in this Prospectus are not purported to be exhaustive.

DISTRIBUTION POLICY

The Administrator shall pay distributions in cash by electronic transfer in respect of dividends. Shareholders may request that their dividends be reinvested in the relevant Fund in which case they will be issued an appropriate number of new Shares. The distribution policy of each Fund (if any) is set out more particularly in the relevant Supplement under the heading "Distribution Policy".

INCOME EQUALISATION

The Directors may determine that the Company, on behalf of one or more of the Funds, may use an accounting technique known as income equalisation, which is intended to reduce inequities that could otherwise result to Shareholders' earnings in the event of significant subscriptions or redemptions of Shares in a Fund.

To facilitate the application of income equalisation the Administrator calculates an equalisation rate for each relevant Class on a daily basis as follows:

Equalisation Rate = Accumulated income for the relevant distribution period / Class Shares in issue.

When there is a subscription into a Fund, the distributable income will be increased by an amount equal to the sum of the equalisation rate multiplied by the number of Shares subscribed. Alternatively, if there is a redemption from a Fund, the distributable income will be reduced by an amount equal to the sum of the equalisation rate multiplied by the number of Shares redeemed.

MANAGEMENT AND ADMINISTRATION

Directors

The details of the Directors of the Company are set out below:

Gavin Caldwell (Irish tax resident) (Chairman) Mr Caldwell received a degree in Business Studies at Trinity College Dublin in 1969 and began his career in investment as a stockbroker analyst at Wood MacKenzie and Co. in Edinburgh. He joined Bank of Ireland Asset Management in 1974. In 1980, he joined Ulster Bank to start up a new asset management subsidiary, Ulster Bank Investment Managers. Mr Caldwell was Chief Executive of this business until 2003, during which period it grew assets under management to exceed €6 billion. He was the founding chairman of the Irish Society of Investment Analysts in 1986 and a co-founder of the Irish Association of Investment Managers (IAIM), also in 1986. Mr Caldwell was chairman of IAIM in 1988 and 1998 and is currently a non-executive director of various investment companies and financial institutions.

Lisa Martensson (Swedish national with residency in Ireland since 2002). Lisa left HSBC Securities Services (Ireland) DAC in 2019, where she was Chairman of the board and Global Head of Client Experience. Lisa studied Economics at the University of Stockholm in Sweden and holds a Certificate and Diploma (distinction), in Company Direction from the Institute of Directors (IOD). Lisa has over 30 years' experience in the asset management, securities services and investment funds' industry. For the last seventeen years she has held various senior executive positions within HSBC Securities Services in the areas of sales, business development and relationship management. From 1998 to 2001 Lisa held a position in client services with Bank of New York in Brussels, Belgium. Prior to that she worked ten years with SEB Asset Management in Sweden and Luxembourg.

Cédric Durant des Aulnois is Chief Executive Officer of Montanaro Asset Management Limited. He started his career in 2000 at IDEA Global as an analyst before moving to Fox-Pitt, Kelton and later to Lehman Brothers where he worked in equity research covering the banking sector. He completed an MBA at the Instituto de Empresa in Spain in 2007 and holds an MSc in Finance and Economics from the London School of Economics and a Masters in Finance and Economics from University Paris IX Dauphine.

Matthew Francis (British) is Compliance Officer and Head of Administration, Compliance and Risk at Montanaro Asset Management Limited. He is also MLRO of the Montanaro Smaller Companies Plc. Matthew began his career in the City Schroder Investment Management, where he was responsible for World (ex-Japan) equities for a Japanese client base. After leaving Schroders, he moved into a client relations role at a boutique long-short hedge fund start-up, before spending two years as a Senior Performance Analyst at Henderson Global Investors. Matthew graduated from the University of Central England in 1994 with a BA in Banking and Finance.

Alternate Director to Matthew Francis

John Ensor (British) is responsible for Operations and Trading at Montanaro Asset Management Limited. John entered the Financial Services sector in 2006 when he started work in Fund Operations for Capita Financial in London, before working as a Client Accountant for State Street in Sydney in 2008. He joined Montanaro in 2010. John graduated from the University of York in 2003 with a degree in Experimental Physics.

The address of the Directors, all of whom are non-executive directors, is the registered office of the Company.

None of these Directors has:

- (a) any unspent convictions in relation to indictable offences; or
- (b) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (c) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (d) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;
- (e) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (f) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

Investment Manager and Promoter

The Investment Manager, Montanaro Asset Management Limited (the "Investment Manager") is an independent fund management company established by Charles Montanaro in 1991. It specialises in analysing and investing in quoted small cap and mid cap companies primarily on behalf of leading financial institutions.

Total funds under management at 31 December 2019 were approximately €3 billion.

For further details about the Investment Manager please refer to the website of Montanaro Asset Management Limited at www.montanaro.co.uk.

Montanaro Asset Management Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The Company has appointed the Investment Manager to undertake the day-to-day discretionary investment management of the Funds under an investment management agreement dated 29 November 2000, as amended.

The Investment Manager is approved by the Central Bank to act as Investment Manager to Irish authorised collective investment schemes including the Company.

Administrator

Pursuant to an administration agreement dated 30 September 2013 (with a commencement date of 1 October 2013), as amended between the Company and BNY Mellon Fund Services (Ireland) DAC, the Company has appointed BNY Mellon Fund Services (Ireland) DAC (the "Administrator"), to act as administrator, registrar and transfer agent of the Company with responsibility for performing the day to day administration of the Company, including the calculation of the Net Asset Value and the Net Asset Value per Share.

The Administrator is a private limited liability company incorporated in Ireland on 31st May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995 (as amended).

Depositary

The Company has appointed The Bank of New York Mellon SA/NV, Dublin Branch to act as the Depositary to the Company pursuant to the depositary agreement dated 30 June 2016.

The Depositary is the Dublin Branch of The Bank of New York Mellon SA/NV, a Belgian limited liability company regulated and supervised by the European Central Bank and the NBB as a significant credit institution under the Single Supervisory Mechanism for prudential matters and supervised by the Belgian Financial Services and Markets Authority for conduct of business rules. It is registered in the RPM Brussels (Company number 0806.743.159) with registered office at 46 Rue Montoyerstraat, 1000 Brussels, Belgium. The Dublin Branch has offices at Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2. The principal activity of the Depositary is to act as the depositary and trustee of the assets of collective investment schemes. The Dublin Branch is regulated by the Central Bank.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the Regulations.

The Depositary will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Shares in the Company is carried out in accordance with the Regulations and the Constitution. The Depositary will carry out the instructions of the Company, unless they conflict with the Regulations or the Constitution. The Depositary is also obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders.

Pursuant to the depositary agreement, the Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to fulfil its obligations under the Regulations.

Under the depositary agreement, the Depositary has power to delegate the whole or any part of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The list of sub delegates appointed by the Depositary is set out in Part VII hereto. The use of particular sub delegates will depend on the markets in which the Company invests. From time to time, potential conflicts of interest may arise as a result of delegation by the Depositary to any of the delegates listed in Appendix 5. This may arise where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. The Depositary will notify the board of the Company should any such conflict arise.

Potential conflicts of interest affecting the Depositary and its delegates may arise from time to time, including, without limitation, where the Depositary or a delegate has an interest in the outcome of a service or an activity provided to the Company, or a transaction carried out on behalf of the Company, which is distinct from the Company's interest, or where the Depositary or a delegate has an interest in the outcome of a service or activity provided to another client or group of clients which is in conflict with the Company's interests. From time to time conflicts may also arise between the Depositary and its delegates or affiliates, such as where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service. The Depositary maintains a conflict of interest policy to address such conflicts.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company, applicable law, and its conflicts of interest policy. Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors by the Company on request.

General information in respect of the Administrator and Depositary

Both the Administrator and the Depositary are wholly-owned indirect subsidiaries of The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services. As at end of December 2019, it had US\$33.1 trillion in assets under custody and administration and US\$1.7 trillion in assets under management.

Portfolio Transactions and Conflicts of Interest

The Investment Manager, and any appointees of the Company, the Depositary and the Administrator, their affiliates, officers, directors and shareholders (collectively "the parties") are or may be involved in other financial, investment and professional activities or transactions which may on occasion involve or cause a potential or actual conflict of interest with the investment management and operation of the Company. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services and serving as directors, officers, advisers or agents of other funds and accounts or other companies, including companies in which the Company may invest.

As the fees of the Investment Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of a Fund increases so too do the fees payable to the Investment Manager. Accordingly there is a potential conflict of interest if the Investment Manager (or a competent professional related to the Investment Manager) is involved in determining the valuation of certain of a Fund's investments.

In particular, it is envisaged that the Investment Manager may be involved in advising and managing other investment funds which may have similar or overlapping investment objectives to or with each of the Funds. Each of the parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly. The Directors will use reasonable endeavours to ensure that any conflict of interest is resolved fairly and in the interests of Shareholders.

The Investment Manager, the Depositary, the Administrator and any entity related to the Investment Manager, the Administrator or the Depositary may:

- (i) become the owner of Shares and hold, dispose or otherwise deal with Shares; or
- (ii) deal in property of any description on that person's individual account notwithstanding the fact that property of that description is included in the property of the Company; or
- (iii) act as principal or agent in the sale or purchase of property to or from the Depositary for the account of the Company without that person having to account to any other such person, to the Shareholders or to any of them for any profits or benefits made by or derived from or in connection with any such transaction, provided that such transactions are in the best interests of Shareholders and are carried out as if effected on normal commercial terms negotiated at arms length; and
 - (a) a certified valuation of such transaction by a person approved by the Depositary (or in the case of a transaction with the Depositary, the Directors) as independent and competent has been obtained, or
 - (b) such transaction has been executed on best terms on and under the rules of an organised investment exchange, or
 - (c) where (a) and (b) are not practicable, such transaction has been executed on terms which the Depositary is (or in the case of a transaction with the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arms length and in the best interest of Shareholders.

Soft Commissions

The Investment Manager will not enter into any soft commission arrangements with any third parties.

Remuneration Policy

The Company has put in place a remuneration policy (the "Remuneration Policy") which is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times, taking into consideration the need to align risks in terms of risk management and exposure to risk and for the policies to be in line with the business strategy, objectives and interests of the Company and the Shareholders.

The Remuneration Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Company or the Funds. The Remuneration Policy applies to those categories of staff (including senior management) whose professional activities have a material impact on the risk profile of the Company or the Funds. In this regard, none of the Directors will have a performance based variable component to their remuneration.

Details of the up-to-date Remuneration Policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, are available at www.montanaro.co.uk. A hard copy version of the Remuneration Policy will be made available free of charge upon request.

Infringement Policy

The Company has in place appropriate procedures for the reporting of infringements internally through a specific, independent and autonomous channel, in compliance with the Regulations.

Paying Agents

Local laws/regulations in EEA Member States may require the appointment of facilities agents/paying agents/representatives/distributors/correspondent banks (any such appointee hereafter referred to as a "Paying Agent") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Administrator (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Paying Agents appointed by the Company which will be at normal commercial rates will be borne by the Fund in respect of which a Paying Agent has been appointed. All Shareholders of the Company or the Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company.

CHARGES AND EXPENSES PAYABLE BY THE FUNDS

Investment Manager's Fees

The Investment Manager shall be entitled to receive out of the assets of the Funds an annual fee in respect of such Fund or Funds or in respect of each Class of any such Fund, accrued daily, calculated monthly and payable quarterly in arrears at an agreed annual percentage rate of the Net Asset Value of such Fund or Class as set out in the relevant Supplement. The Investment Manager shall be entitled to be reimbursed by the Company for reasonable out of pocket and marketing expenses incurred by it.

In addition, the Investment Manager may be entitled to a performance fee based on the performance of any Fund as described in the relevant Supplement.

Administration Charges

The Administrator shall be entitled to receive out of the assets of the Funds an annual fee in respect of such Fund or Funds or in respect of each Class of any such Fund, accrued daily and payable monthly in arrears at an agreed annual percentage rate of the Net Asset Value of such Fund or Class as set out in the relevant Supplement.

Each Fund will bear its proportion of the fees and expenses of the Administrator.

Remuneration of the Depositary

The Depositary shall be entitled to receive out of the assets of the Funds an annual fee in respect of such Fund or Funds or in respect of each Class of any such Fund, accrued daily and payable monthly in arrears at an agreed annual percentage rate of the Net Asset Value of such Fund or Class as set out in the relevant Supplement. In addition, the Depositary shall be reimbursed for all sub-custody fees and charges (both of which will be charged at a normal commercial rate).

Each Fund will bear its proportion of the fees and expenses of the Depositary.

Initial Charge

There shall be no initial charge levied at the time of investment.

Redemption Charge

There shall be no redemption charge levied at the time of redemption.

Directors' Remuneration

Each of the Directors who are not directors, officers or employees of the Investment Manager or any affiliate thereof will be entitled to remuneration from the Company for their services as Directors. The Directors may determine such remuneration provided that the aggregate emoluments of all Directors in respect of any twelve month period shall not exceed £120,000 plus reasonable out of pocket expenses or such higher amount as may be approved by the Company in general meeting.

Establishment Expenses

All fees and expenses relating to the establishment of new Funds and Classes, including the fees of the Company's professional advisers and the fees and expenses incurred in listing the Shares of the Funds on Euronext Dublin, and registering them for sale in various markets, will be borne by the Company.

Other Expenses

The Investment Manager, the Depositary and the Administrator are entitled to recover reasonable out-of-pocket expenses (plus VAT, if any, thereon), incurred in the performance of their duties out of the assets of the Company. The Company will bear:

- (i) all stamp duty (other than any payable by an applicant for Shares or a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of any Fund or on creation or issue of Shares or arising in any other circumstance;
- (ii) all fiscal and purchase or fiscal and sale charges arising on any acquisition or disposal of investments;
- (iii) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of a Fund or the Depositary, or any sub-custodian or their nominees or the holding of any investment or the custody of investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Depositary or any sub-custodian for acceptance of documents for safe custody, retention and/or delivery;
- (iv) all expenses incurred in the collection of income and administration of a Fund;
- (v) all costs and expenses of and incidental to preparing resolutions of Shareholders for the purpose of securing that a Fund conforms to legislation coming into force after the date of the incorporation of the Company (including costs and expenses incurred in the holding of a meeting of Shareholders, where necessary);
- (vi) all taxation payable in respect of the holding of or dealings with or income from a Fund relating to the Fund property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders' tax liability;
- (vii) all commissions, stamp duty, VAT and other costs and expenses of or incidental to any acquisition, holding, realisation or other dealing in investments, foreign exchange options, financial futures or of any other derivative instruments or the provision of cover or margin therefore or in respect thereof or in connection therewith;

- (viii) all stationery, printing and postage costs in connection with the preparation and distribution of cheques, warrants, tax certificates, statements, accounts and reports made, issued or despatched pursuant to the Constitution;
- (ix) the fees and expenses of the auditors of the Company;
- (x) any fees payable to any regulatory authority in any other country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration and other requirements of each such regulatory authority, and any fees and expenses of representatives or facilities agents in any such other country or territory;
- (xi) all fees and costs relating to the listing or de-listing of Shares of any Fund on Euronext Dublin;
- (xii) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties) under which a Fund acquires property; and
- (xiii) all costs and expenses incurred by the Company, a Fund, the Depositary, the Investment Manager, the Administrator and any of their appointees which are permitted by the Constitution (including all set up expenses and reasonable on-going marketing costs and expenses);
- (xiv) all fees and costs associated with the provision of index data required in respect of the Benchmark or any reference benchmark (as defined in each Supplement);
- (xv) all fees and costs payable to agencies such as Morningstar and Citywire and others that provide investment recommendations on the Company or any Fund.

Conversion of Shares

A Shareholder may, subject to complying with the criteria, convert some or all of its Shares in one Fund or Class (the "Original Fund") to Shares in another Fund or Class or another Class in the same Fund (the "New Fund"). The number of Shares of the new Fund to be allotted and issued on conversion shall be determined by the Directors as nearly as possible in accordance with the procedure specified in the Constitution and the following formula:-

$$NSH = \frac{ESH \times RP \times CCR}{SP}$$

where

- NSH is the number of Shares in the New Fund;
- ESH is the number of Shares of the Original Fund specified in the conversion notice;
- RP is the redemption price of a Share of the Original Fund calculated in accordance with the valuation principles set out in Part V herein on the relevant Dealing Day;
- CCR is the currency conversion rate determined by the Investment Manager on the relevant Dealing Day as being the appropriate conversion rate applicable to the currencies in which the Shares of the Original Fund and the New Fund are respectively denominated (if they are different);
- SP is the subscription price of the New Fund calculated in accordance with the Constitution on the relevant Dealing Day.

There is no conversion charge for converting Shares from an existing Fund or Class to another Fund or Class or another Class in the same Fund. However, the hurdle rate used in the calculation of performance fees will differ between Share Classes. Therefore, different performance fees may become payable between Share Classes.

MEETINGS AND REPORTS TO SHAREHOLDERS

All general meetings of the Company shall be held in Ireland. In each year, the Company shall hold a general meeting as its Annual General Meeting. 21 days' notice (excluding the day of posting and the day of the meeting)

shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder.

Each Shareholder shall have one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by show of hands. Each Share gives the holder one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by poll. All Shares have equal voting rights.

The accounting date of the Company is 31 December in each year.

The Company's annual report incorporating audited financial statements will be published within four months after the end of the financial year and at least three weeks before the Annual General Meeting of Shareholders. The financial statements of the Company are maintained in Euros.

The Company will publish a semi-annual unaudited financial report made up to 30 June in each year, containing a list of the Funds' holdings and their market values, within two months of the date to which it is made up. All correspondence to Shareholders will be sent at their own risk. The annual and semi-annual reports will be made available to Shareholders and sent to Euronext Dublin and the Central Bank within four months and two months respectively at the end of the period to which they relate.

TERMINATION OF THE COMPANY

The Company may, by not less than four nor more than 12 weeks' notice to all Shareholders, redeem on a Business Day at the Net Asset Value per Share all (but not some) of the Shares in issue in respect of the Company or any Fund on such date in the following instances;

- if the Company is no longer an authorised UCITS; or
- if any law is passed which renders it illegal or, in the reasonable opinion of the Directors it is impracticable or inadvisable, to continue the Company or any Fund; or
- if no new Depositary shall have been appointed
 - (i) within a period of 90 days from the date on which the Depositary notifies the Company of its desire to retire in accordance with the terms of the depositary agreement; or
 - (ii) from the date on which the appointment of the Depositary is terminated by the Company in accordance with the terms of the depositary agreement; or
 - (iii) from the date on which the Depositary ceases to be approved by the Central Bank.

In such circumstances, the Depositary's appointment will not terminate until authorisation of the Company has been revoked by the Central Bank.

PART II: ISSUE AND REDEMPTION OF SHARES

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund or a currency attributable to the particular Class. Shares will have no par value and will first be issued on the first Dealing Day after expiry of the initial offer period specified in the relevant Supplement at the Initial Issue Price (where relevant) as specified in the relevant Supplement. Thereafter, Shares shall be issued at the Net Asset Value per Share. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

All applicants must complete the Application Form prescribed by the Directors. An Application Form in respect of the Funds accompanies this Prospectus and sets out the methods by which and to whom the subscription monies should be sent.

Applications for Shares

The terms and conditions applicable to an application for the issue of Shares in a Fund or Class and the Initial Issue Price thereof (where relevant) together with subscription and settlement details and procedures and the time for receipt of applications will be specified in the Supplement for the relevant Fund or Class. Application Forms may be obtained from the Administrator. The Minimum Subscription and Minimum Holding for Shares are set out in the Supplement for each Fund.

Identity of Applicant

Measures aimed toward the prevention of money laundering may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification might not be required where (i) the applicant is a regulated financial institution, (ii) the application is made through a regulated financial intermediary or agent. These exceptions may only apply if the financial institution, intermediary or agent referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations, and at the discretion of the Administrator.

By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by a notary public, together with two items of evidence of his or her address such as a utility bill or bank statement and date of birth. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Company may refuse to accept the application and subscription monies or may refuse to settle proceeds of any redemption or make any dividend payment.

No Share Certificates

Share Certificates will not be issued.

In Specie Issuance

The Directors may in their absolute discretion, provided that the Depositary and the Directors are satisfied that no material prejudice would result to any existing Shareholder and subject to the provisions of the Regulations, allot Shares in any Fund against the vesting in the Depositary on behalf of the relevant Fund of investments which would form part of the assets of the relevant Fund. The assets to be transferred into the relevant Fund should qualify as investments of the relevant Fund in accordance with the investment objectives, policies and restrictions of the Fund. The number of Shares to be issued in this way shall be the number which would, on the relevant Dealing Day, have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described below under the heading Calculation of Net Asset Value in Part V below.

Redemption of Shares

Shareholders may redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day in accordance with the procedures specified in the relevant Supplement (save during any period when the calculation of Net Asset Value is suspended). If the redemption of part only of a Shareholder's shareholding would leave the Shareholder holding less than the Minimum Holding for the relevant Fund, the Directors or their delegates may, if they think fit, redeem the whole of that Shareholder's holding.

Deferral of Redemption

The Directors are entitled, on the advice of the Investment Manager, to limit the number of Shares of the Fund redeemed on any Dealing Day to 10% of the total number of Shares of that Fund in issue. In this event, the limitation will apply pro rata so that all Shareholders wishing to have their Shares redeemed on that Dealing Day redeem the same proportion of such Shares, and Shares not redeemed will (subject to the discretion of the Investment Manager in the light of market conditions) be carried forward for redemption on the next Dealing Day and all following Dealing Days (in relation to which the Company has the same power) until the original request has been satisfied in full. If requests for redemption are so carried forward, the Directors will inform the Shareholders affected. Redemption requests carried forward will be dealt with on a pro rata basis.

In Specie Redemption

Redemption in specie is at the discretion of the Directors of the Company and except as hereinafter provided with the consent of the Shareholders. In the event that the redemption monies in respect of Shares held by any Shareholder in a Fund wishing to have his or her Shares redeemed on any Dealing Day amount to more than 5% of the Net Asset Value of that Fund on such day, the Company shall have the power to divide in specie the whole or any part of the assets of that Fund and shall elect by notice in writing to the Shareholder to appropriate and transfer to him or her such assets in satisfaction or part satisfaction of his or her redemption request. No such distribution shall cause any material prejudice to the interest of the remaining Shareholders. When a notice of election is served a Shareholder may within 14 Business Days serve notice on the Company, requiring the Company instead of transferring the assets in question to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of sale, the costs of which will be borne by the relevant Shareholders. Asset allocation will be subject to the approval of the Depositary.

Suspension of Calculation of Net Asset Value and of Issues and Redemptions

Shares in a Fund may not be issued or redeemed during any period when the calculation of the Net Asset Value of that Fund is suspended in the manner described below. Shareholders who have requested an issue or redemption of Shares will be notified of such suspension and, unless withdrawn, requests will be considered as at the next Dealing Day following the end of such suspension.

The Directors may declare a temporary suspension of the determination of the Net Asset Value and issue/redemption of Shares in any Fund during:

- (i) any period when any of the principal markets on which a substantial portion of the investments of the relevant Fund from time to time are quoted is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a material portion of investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the Fund or if, in the opinion of the Directors, redemption prices cannot fairly be calculated;
- (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of investments or the current prices on any market or stock exchange of the relevant Fund;
- (iv) any period when the Directors are unable to repatriate funds for the purpose of making payment on the redemption of Shares from the holders thereof or during which any transfer of funds involved in the

realisation or acquisition of a substantial portion of investments or payments due on redemption of such Shares cannot, in the opinion of the Directors, be effected at normal rates or exchange; or

- (v) any other reason which makes it impossible or impracticable to determine the value of a substantial portion of the relevant Fund.

Any such suspension of issue and redemption shall be notified immediately to the Central Bank, Euronext Dublin and any other relevant authority which requires notification of suspension, and published on the website of Euronext Dublin (www.ise.ie) (and in such other publications as may be required by any regulatory authority in any jurisdiction in which the relevant Fund is registered) for the information of Shareholders in the relevant Fund without delay and all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Transfer

The transfer of Shares may be effected by a transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferee and transferor and shall be signed by or on behalf of the transferor. The transferee will be required to provide the same information, representations and warranties to the Company as are required on the Application Form available from the Administrator. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the Register in respect thereof.

Restrictions on Purchases, Transfers and Compulsory Redemptions

The Directors shall have power to impose such restrictions on purchases and on transfers as they may think necessary for the purpose of ensuring that no Shares are acquired or held by or for the account of any person in breach of the law or requirements of any country or governmental authority or by any persons or persons in circumstances (whether directly or indirectly) which, in the opinion of the Directors, may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company, the relevant Fund or its Shareholders as a whole. In this connection, the Directors may: (i) reject in their discretion any subscription for or transfer of Shares; and (ii) pursuant to the provisions set out below, compulsorily redeem at any time Shares held by such persons.

A Shareholder who becomes aware that he is holding or owning Shares within any of the categories referred to above shall forthwith unless he has already received a notice pursuant to Article 17 of the Constitution either transfer all his Shares to a person qualified or permitted to own the same or give a request in writing for the redemption of all his Shares.

The Directors may at any time call upon any Shareholder by notice in writing to provide the Directors with such information and evidence as they shall require upon any matter connected with or in relation to such Shareholder in order to satisfy themselves that Shares are not owned directly or beneficially by any person:

- (i) in breach of any law or requirement of any country or governmental authority;
- (ii) who belongs to or is comprised in any class of persons determined by the Directors from time to time; or
- (iii) such that the status, standing or tax residence of the Company is or may be prejudiced or the Company may suffer any pecuniary disadvantage which it would not otherwise have suffered as a result of that person continuing to own Shares.

If such information and evidence is not so provided within a reasonable time, the Directors shall forthwith serve such Shareholder with a further notice calling upon him, within seven days after service of such further notice, to transfer his Shares or to request the redemption of such Shares and, failing action by him within such seven days to implement that notice, he shall be deemed to have given a request in writing for the redemption of all his Shares whereupon he shall be bound forthwith to deliver to the Company or one of its duly authorised agents the written confirmation of entry for his Shares as the Directors may require and until such time as the written confirmation of entry as the Directors may require as aforesaid is received by the Company or one of its duly authorised agents the proceeds of any such redemption shall be deposited by the Company in a bank in accordance with Article 17(c) of the Constitution.

Publication of Purchase and Redemption Prices

The Net Asset Value per Share with reference to which Shares are purchased and redeemed as calculated for each Dealing Day will be available where a Share Class is listed on Euronext Dublin website (www.ise.ie) or alternatively on the website of the Investment Manager or as the Directors or Investment Manager may from time to time determine and update following each calculation of the Net Asset Value. The Net Asset Value per Share may be obtained at the offices of the Administrator during normal business hours. The Net Asset Value of any listed Fund or attributable to a Class whose Shares are listed will also be notified, upon calculation, to Euronext Dublin by the Administrator without delay.

Umbrella Cash Subscription and Redemption Account

The Company has established an Umbrella Cash Subscription and Redemption Account. All redemptions and dividends or cash distributions payable from a Fund are channelled and managed through the Umbrella Cash Subscription and Redemption Account.

There may be other instances where cash will be retained in the Umbrella Cash Subscriptions and Redemptions Account and treated in accordance with the Central Bank requirements.

Existing and potential investors should refer to the "**Risk Factors**" section in this Prospectus for an overview of the risks associated with the use the Umbrella Cash Subscription and Redemption Account.

PART III: INVESTMENT AND BORROWING POWERS AND RESTRICTIONS

General

The principal investment and borrowing powers and restrictions applying to a Fund are set out below. These are, however, subject to provisions contained in the Regulations and the requirements of the Central Bank.

1 Permitted Investments

Investments of a Fund are confined to:

- 1.1** Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2** Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3** Money market instruments, as defined in the Regulations, other than those dealt on a regulated market.
- 1.4** Units of UCITS.
- 1.5** Units of AIFs.
- 1.6** Deposits with credit institutions.
- 1.7** Financial derivative instruments.

2 Investment Restrictions

- 2.1** A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2** Recently Issued Transferable Securities
Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a Fund in securities of the type to which Regulation 68(1)(d) of the Regulations apply.
Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that:
 - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
 - the securities are not illiquid securities i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued by a Fund.
- 2.3** A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4** Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund.
- 2.5** The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6** The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

- 2.7** Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank Regulations held as ancillary liquidity shall not exceed:
 (a) 10% of the NAV of the Fund; or
 (b) where the deposit is made with the Depositary 20% of the net assets of the Fund.
- 2.8** The risk exposure of a Fund to a counterparty to an over-the-counter ("OTC") derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
- 2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
 - deposits; and/or
 - counterparty risk exposures arising from OTC derivatives transactions.
- 2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 shall not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12** A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members,

The individual issuers must be listed in the prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC,.

A Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

3 Investment in Collective Investment Schemes ("CIS")

- 3.1** A Fund may not invest more than 10% of net assets in any one CIS.
- 3.2** Investment in other CIS may not, in aggregate, exceed 10% of net assets.
- 3.3** Any CIS in which a Fund invests must be prohibited from investing more than 10% of its net assets in other CIS.
- 3.4** When a Fund invests in the units of other CIS that are managed, directly or indirectly or by delegation, by any company with which the Company is linked by common management or control, or by a substantial direct or indirect holding (regarded as more than 10 % of the voting rights or share capital),

that other company may not charge management, subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.

- 3.5** Where a commission (including a rebated commission) is received by a Fund's manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

4 General Provisions

- 4.1** An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

- 4.2** A Fund may acquire no more than:
- (i) 10% of the non-voting shares of any single issuing body;
 - (ii) 10% of the debt securities of any single issuing body;
 - (iii) 25% of the units of any single CIS;
 - (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 4.3** 4.1 and 4.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) Shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 4.1, 4.2, 4.4, 4.5 and 4.6, and provided that where these limits are exceeded, paragraphs 4.5 and 4.6 below are observed.
- (v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

- 4.4** A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

- 4.5** The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1 and 3.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

- 4.6** If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

- 4.7** A Fund may not carry out uncovered sales of:

transferable securities;
money market instruments;
units of a CIS; or
financial derivative instruments.

4.8 A Fund may hold ancillary liquid assets.

5 Financial Derivative Instruments ("FDIs")

5.1 A Fund's global exposure (as prescribed in the Regulations) relating to FDI must not exceed its total net asset value.

5.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Regulations.)

5.3 A Fund may invest in FDIs dealt over the counter (OTC) provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belong to categories approved by the Central Bank.

5.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

6 Borrowing and Lending Powers

6.1 The Company may only borrow amounts in respect of a Fund which in the aggregate do not exceed 10% of the net assets of the Fund. Such borrowings may only be made on a temporary basis.

6.2 A Fund may not save as set out immediately above, mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Company provided that collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts entered into for the purposes of efficient portfolio management, are not deemed to be the pledge of assets.

6.3 A Fund may acquire foreign currency by means of a "back to back" loan agreement. Without prejudice to the powers of the Company to invest in transferable securities, the Company may not lend or act as guarantor on behalf of third parties.

7 Index Tracking UCITS

7.1 A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of a Fund is to replicate an index which satisfies the criteria set out in the Regulations and is recognised by the Central Bank.

7.2 The limit in 7.1 may be raised to 35% and applied to a single issuer, where this is justified by exceptional market conditions.

PART IV: TAXATION

GENERAL

The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this document and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

IRISH TAXATION

Tax on income and capital gains

The Company

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes - see **definitions section** for more details).

A chargeable event occurs on, for example:

- (i) a payment of any kind to a Shareholder by the Company;
- (ii) a transfer of Shares; and
- (iii) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a Shareholder is not a Taxable Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder.

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Company which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the Company to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the Company become a liability of the Shareholder rather than the Company. In such circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the Company that a Shareholder is not a Taxable Irish Person or if the Company has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41%, or at the rate of 25% where the Shareholder is a company and the appropriate declaration has been made, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, not being a company which has made the appropriate declaration, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the shares since their

acquisition. Tax will be deducted at the rate of 25% on such transfers where the Shareholder is a company and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

An anti-avoidance provision increases the 41% rate of tax to 60% (80% where details of the payment/disposal are not correctly included in the individual's tax return) if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

Other than in the instances described above the Company will have no liability to Irish taxation on income or chargeable gains.

Shareholders

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Company to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Company or any gain arising on redemption, repurchase or transfer of their shares provided the shares are not held through a branch or agency in Ireland. No tax will be deducted from any payments made by the Company to those Shareholders who are not Taxable Irish Persons.

Shareholders who are Irish resident or ordinarily resident or who hold their shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular where the Company has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Shareholder will have an obligation to file a self-assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

Stamp duty

No Irish stamp duty will be payable on the subscription, transfer or redemption of Shares provided that no application for Shares or re-purchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

Capital acquisitions tax

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that

(a) at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and

(b) the Shares are comprised in the disposition at the date of the gift or inheritance and the valuation date.

Other tax matters

The income and/or gains of a company from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that company, the net asset value of the Company will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

AUTOMATIC EXCHANGE OF INFORMATION

Irish reporting financial institutions which may include the Company have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and / or CRS / DAC II.

FATCA

With effect from 1 July 2014, the Company may be obliged to report certain information in respect of U.S. investors in the Company to the Irish Revenue Commissioners who will then share that information with the U.S. tax authorities.

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (**FATCA**) impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service (**IRS**) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012, Ireland signed an Intergovernmental Agreement (**IGA**) with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) (the **Irish Regulations**) implementing the information disclosure obligations, Irish financial institutions such as the Company are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the IRS. The Company (and/or the Administrator or Investment Manager on behalf of the Company) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for Shares in the Company. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Revenue Commissioners regardless as to whether the Fund holds any U.S. assets or has any U.S. investors.

If a Shareholder causes the Company to suffer a withholding for or on account of FATCA (**FATCA Deduction**) or other financial penalty, cost, expense or liability, the Company may compulsorily redeem any Shares of such Shareholder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically born by such Shareholder. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Company in respect of its assets, no assurance can be given in this regard. As such, Shareholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

CRS / DAC II

The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (**FIs**) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while Section 89F and 891G of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the

Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the **CRS Regulations**), gave effect to the CRS from 1 January 2016.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (**DAC II**) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. Section 891G of the TCA contained measures necessary to implement the DAC II. The Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the **Collected CRS Regulations**), gave effect to DAC II from 1 January 2016.

Under the Collected CRS Regulations reporting financial institutions, are required to collect certain information on accountholders and on certain controlling persons in the case of the accountholder(s) being an entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (**AEOI**) webpage on www.revenue.ie.

PART V: GENERAL INFORMATION

1. Incorporation and Share Capital

The Company was incorporated under the laws of Ireland on 14 July 2000 and is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds pursuant to the Regulations, with registered number 330162.

At the date hereof, the authorised share capital of the Company is EURO 38,100 divided into 38,100 Subscriber Shares of EURO 1 each, and 1,000,000,000 participating shares of no par value initially designated as unclassified shares.

Subscriber Shares do not entitle the holders to any dividend and on a winding-up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Company.

2. Constitution

Clause 3 of the memorandum of association of the Company provides that the Company's sole object is the collective investment of its funds in transferable securities and/or other liquid financial assets of capital raised from the public, which operates on the principal of risk spreading.

The following section is a summary of the principal provisions of the Constitution. Defined terms in the section bear the same meanings as defined in the Company's Constitution.

(i) *Variation of Class Rights*

The rights attached to any Class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that Fund or Class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that Fund or Class. The provisions of the Constitution relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one-third in nominal value of the issued Shares of the Fund or Class in question or, at an adjourned meeting, one person holding Shares of the class in question or his or her proxy. Any holder of Shares of the relevant Fund or Class in question present in person or by proxy may demand a poll.

(ii) *Voting rights*

The Constitution provides that each Shareholder shall have one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by show of hands. Each Share gives the holder one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by poll. All Shares have equal voting rights. At any time that Shares are in issue, the Subscriber Shares shall have no voting rights.

(iii) *Change in Share Capital*

The Company may from time to time by ordinary resolution increase its capital by such amount as the resolution shall prescribe.

The Company may, by ordinary resolution, alter its authorised capital by consolidating and dividing its share capital into shares of larger amount than its existing shares, by sub-dividing its shares into shares of smaller amount than that fixed by the memorandum of association of the Company, or by cancelling any share which, at the date of the ordinary resolution, in that behalf have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution from time to time reduce its share capital.

(iv) *Directors' Interests*

A Director or intending Director may enter into any contract with the Company and such contract or arrangement shall not be liable to be avoided and the Director concerned shall not be liable to account to the Company for any profit realised by any such contract or arrangement by reason of his or her holding of that office or the fiduciary relationship so established and may hold any other office or place of profit with the Company in conjunction with the office of Director on such terms as to tenure of office and otherwise as the Directors may determine.

A Director shall not vote or be counted in the quorum present on any resolution in respect of his or her appointment (or the arrangement of the terms of appointment) to hold any office or place of profit with the Company or in respect of any contract or arrangement in which he is materially interested. The prohibition does not apply (in the absence of some other material interest than is indicated below), inter alia, to:

- (a) the giving of any security or indemnity to him in respect of money lent or obligation incurred by him for the benefit of the Company;
- (b) any contract or arrangement by a Director to guarantee or underwrite shares or debentures of the Company;
- (c) any proposals concerning any other company in which he is directly interested whether as an officer, shareholder, creditor or otherwise howsoever provided that he is not the holder of or beneficially interested in 1% or more of any class of the issued equity share capital of such company (or of any third company through which his or her interest is derived) or of the voting rights available to members of the relevant company, any such interest being deemed for the purpose of the Constitution to be a material interest in all circumstances.

The Company may by ordinary resolution suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

(v) *Borrowing Powers*

Subject to the borrowing restrictions contained herein, the Directors may exercise all the powers of the Company to borrow money (including the power to borrow for the purpose of repurchasing Shares) and hypothecate, mortgage, charge or pledge its undertaking, property and assets or any part thereof, and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt, liability or obligation of the Company.

(vi) *Retirement of Directors*

There is no provision for the retirement of Directors on their attaining a certain age.

(vii) *Transfer of Shares*

The Directors may at their absolute discretion in the circumstances outlined in "Restrictions on Purchases, Transfers and Compulsory Redemptions" above refuse to register a transfer of Shares.

(viii) *Unclaimed Dividend*

Any dividend unclaimed after a period of 10 years from the date when it first became payable shall be forfeited and shall revert to the relevant Fund or Class.

(ix) *Funds*

The Directors may from time to time establish, with the prior approval of the Central Bank, additional Funds and/or in accordance with the requirements of the Central Bank designate additional Classes and issue Shares in such Funds or Classes.

The assets and liabilities of the Company shall be allocated to each Fund and the Company shall keep separate books and records for each Fund in which all transactions relating to the relevant Fund shall be recorded and to which the proceeds from the issue of Shares in each Fund and the assets and

liabilities and income and expenditure attributable to each Fund shall be applied subject to the provisions below;

- (a) the assets of each Fund will be separate from one another and will be invested separately in accordance with the investment objectives and policies of each Fund;
- (b) any asset derived from another asset comprised in a Fund, shall be applied to the same Fund as the asset from which it is derived and any increase or diminution in value of such an asset shall be applied to or deducted from the relevant Fund;
- (c) in the case of any asset which the Directors do not consider as attributable to a particular Fund or Funds, the Directors shall have discretion, subject to the approval of the Depositary, to determine the basis upon which any such asset shall be allocated between Funds and the Directors shall, subject to the approval of the Depositary, have power at any time and from time to time to vary such basis;
- (d) any liability shall be allocated to the Fund or Funds to which in the opinion of the Directors it relates or if such liability is not attributable to any particular Fund, the Directors shall have discretion, subject to the approval of the Depositary, to determine the basis upon which any liability shall be allocated between Funds and shall, subject to the approval of the Depositary, have power at any time and from time to time to vary such basis;
- (e) the Directors may transfer any assets to and from Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances; and
- (f) In the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of Section 1406 of the Companies Act shall apply.

(x) *Winding Up*

The Constitution contains provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall in relation to the assets available for the distribution among the members make in the books of the Company such transfers thereof to and from Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the holders of Shares of different Funds in such proportions as the liquidator in his or her absolute discretion may think equitable;
- (b) The assets available for distribution among the members shall then be applied in the following priority:
 - (1) Firstly, in the payment to the holders of the Shares of each Fund or Class of a sum in the currency in which that Fund or Class is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the net asset value of the participating Shares held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund. In the event that there are insufficient assets available in the relevant Fund, to enable such payment to be made, recourse shall be had:
 - (A) first, to the assets of the Company not comprised within any of the Funds; and
 - (B) secondly, to the assets remaining in the Funds for the other Funds (after payment to the holders of the Shares of the relevant Funds or Classes to which they relate of the amounts to which they are respectively entitled under this paragraph) pro rata to the total value of such assets remaining within each such Fund or Class; and

- (2) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph 1 (A) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds.
 - (3) Thirdly, in the payment to the holders of Shares of any balance then remaining in the relevant Funds or Classes, such payment being made in proportion to the number of Shares held.
 - (4) Fourthly, in the payment to the holders of the Shares any balance then remaining and not comprised within any of the Funds or Classes, such payment being made in proportion to the number of Shares held.
- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members (but having regard always to their respective interests in the respective Funds or Classes) as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability. In the event that a Shareholder requests that the assets to be furnished to him are sold for cash, the liquidator shall be obliged to sell such assets even if at a loss to the Shareholder and without any liability for such loss to liquidator or the Company.

3. Transferability of Shares

Shares in the Company are freely transferable, provided however that the Directors shall have power to impose such restrictions on purchases and on transfers as they may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or requirements of any country or governmental authority or by any person or persons in circumstances where the holding of such Shares (whether directly or indirectly) may, in the opinion of the Directors, results in regulatory, pecuniary, legal taxation or material administrative disadvantage to the Company, the relevant Fund or its Shareholders as a whole. In this connection, the Directors may: (i) reject in their discretion any subscription for or transfer of Shares; and (ii) pursuant to Article 17 of the Constitution, compulsorily redeem at any time Shares held by such persons.

The transfer of Shares should be effected by a transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferee and the transferor.

The instrument of transfer of a Share shall be signed by or on behalf of the transferor and need not be signed by the transferee. The transferee will be required to provide the information, representations and warranties to the Company as are from time to time required on the Application Form available from the Administrator. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the Register in respect thereof.

The Directors may decline to register any transfer of Shares unless all applicable taxes and/or stamp duties have been paid in respect of the instrument of transfer and the instrument of transfer is deposited at the registered office of the Administrator or such other place as the Directors may reasonably require, accompanied by the written confirmation of entry for the Shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration of transfers shall not be suspended for more than 30 Business Days in any year.

All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

4. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into since the incorporation of the Company and are, or may be, material:

(i) *Investment Management Agreement*

- (a) By an agreement (the "Investment Management Agreement") dated 29 November 2000 between the Company and the Investment Manager, as amended, the Investment Manager has agreed to act as Investment Manager of the Company;
- (b) Details of the fees payable to the Investment Manager are set out in "Investment Manager's Fees" above;
- (c) The Investment Management Agreement may be terminated by either party upon 24 months' notice to the other although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either part to the other.
- (d) The Investment Manager, its officers, employees and directors are indemnified from and against all costs, charges, liabilities and expenses (including reasonable legal and professional expenses) incurred pursuant to or in connection with the Investment Management Agreement or directly or indirectly from any act or omission in the course of or in connection with the services provided by the Investment Manager or from any breach of the Investment Management Agreement by the Company provided that such cost, charge, liability or expense is not due to the fraud, bad faith, wilful default or negligence of the Investment Manager or reckless disregard by the Investment Manager of its obligations and duties pursuant to the Investment Management Agreement.
- (e) In such circumstances, Montanaro Asset Management Limited shall be entitled to receive all fees (including any performance fees payable) and other monies accrued due up to the date of termination and by way of compensation a termination fee equivalent to 2% of the Net Asset Value of the Fund at the Dealing Day closest to the notice of termination.

(ii) *Depository Agreement*

- (a) By an agreement (the "Depository Agreement") dated 30 June 2016 between the Company and the Depository, as amended, the Depository agreed to act as custodian of the Company's monies and assets. The Depository is entitled to appoint sub-custodians for the safe custody of the Company's assets.
- (b) The Depository will collect dividends and interest on such assets on the Company's behalf and, upon instruction from the Investment Manager, will release and receive funds and securities against sales and purchases of assets for the account of the Company.
- (c) Details of the fees payable to the Depository are set out in "Remuneration of the Depository" under the heading Charges and Expenses Payable by the Funds above.
- (d) The Depository Agreement may be terminated by either party on not less than 90 days written notice, although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either part to the other.
- (e) The Depository and each of its directors, officers, servants, employees and agents is entitled to be indemnified against and held harmless from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses arising therefrom or incidental thereto and including any loss

suffered or incurred by the Depositary arising out of the failure of a settlement system to effect a settlement) other than actions, proceedings, losses, damages, costs and expenses of any nature suffered or incurred as a result of the negligent or intentional failure of the Depositary to perform its obligations pursuant to the Directive and Regulations which may be made or brought against or directly or indirectly suffered or incurred by the Depositary or any of its directors, officers, servants, employees arising out of or in connection with the performance or non- performance of the Depositary's duties thereunder.

(iii) *Administration Agreement*

- (a) By an agreement (the "Administration Agreement") dated 30 September 2013 between the Company and the Administrator, as amended, the Administrator agreed to act as administrator and registrar to the Company.
- (b) Details of the fees payable to the Administrator are set out in "Administration Charges" under the heading Charges and Expenses Payable by the Funds above.
- (c) The Administration Agreement may be terminated by either party on not less than 90 days written notice, although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either part to the other.
- (d) The Administrator is entitled to be indemnified against and held harmless from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or suffered or incurred by the Administrator or any of its directors, officers, servants, employees and agents arising out of or in connection with the performance of the Administrator's duties (otherwise than by reason of the negligence, fraud, bad faith or willful default of the Administrator (its directors, officers, servants, employees and agents) in the performance or non-performance of the Administrator's duties thereunder.

5. Calculation of Net Asset Value

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Dealing Day in accordance with the Constitution. The Net Asset Value of a Fund shall be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class subject to adjustment to take account of assets and/or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share shall be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to three decimal places.

The assets of each Fund will be valued where possible using the last traded price in each market:

- (a) assets listed or traded on a stock exchange or over-the-counter market (other than those referred to at (e) and (f) below) for which market quotations are readily available shall be valued at the last traded price on the principal exchange or market for such investment on the relevant Dealing Day provided that the value of any investment listed on a stock exchange or over-the-counter market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on an over-the-counter market may be valued taking into account the level of premium or discount as at the date of valuation of the investment.

If for specific assets the last traded prices do not, in the opinion of the Directors, reflect their fair value, or are not available, the value shall be their probable realisable value estimated with care and in good faith by the Directors or a competent person appointed by the Directors and approved for such purpose by the Depositary, in consultation with the Investment Manager as at the close of business on the Business Day preceding the relevant Dealing Day;

- (b) if the assets are listed or traded on several stock exchanges or over-the-counter markets, the last traded price on the stock exchange or over-the-counter market which, in the opinion of the Directors, constitutes the main market for such assets, will be used;
- (c) in the event that any of the investments are not listed or traded on any stock exchange or over-the-counter market, such securities shall be valued at their probable realisation value estimated with care and in good faith by the Directors or a competent person appointed by the Directors and approved for such purpose by the Depositary in consultation with the Investment Manager. Such probable realisation value will be determined:
 - (i) by using the original purchase price;
 - (ii) where there have been subsequent trades with substantial volumes, by using the last traded price provided by the Administrator in accordance with the agreed pricing matrix and in consultation with the Directors and the Investment Manager considers such trades to be at arm's length;
 - (iii) where the Directors in consultation with the Investment Manager believe the investment has suffered a diminution in value, by using the original purchase price which shall be discounted to reflect such a diminution;
 - (iv) if the Directors in consultation with the Investment Manager believe a mid-quotation from a broker is reliable, by using such a mid-quotation or, if unavailable, a bid quotation.

Alternatively, the Directors in consultation with the Investment Manager, may use such probable realisation value estimated with care and in good faith and as may be recommended by a competent professional appointed by the Directors or the Investment Manager and approved for such purpose by the Depositary. Due to the nature of such unquoted securities and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager.

- (d) cash and other liquid assets will be valued at their face value with interest accrued, where applicable.
- (e) exchange traded derivative instruments will be valued at the settlement price for such instruments on such market. If such price is not available, such value shall be the probable realisation value estimated with care and in good faith by the Directors or a competent person appointed by the Directors and approved for such purpose by the Depositary. Over-the-counter derivative instruments will be valued on each Dealing Day at the settlement price as provided daily by the counterparty and verified weekly by the Investment Manager (as an independent party to the counterparty), approved for such purpose by the Depositary. Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotations, namely, the price at which a new forward contract of the same maturity could be undertaken, or, if unavailable, at the settlement price as provided daily by the counterparty and verified weekly by the Investment Manager (as an independent party to the counterparty) approved for such purpose by the Depositary;
- (f) units or shares in open-ended collective investment schemes will be valued at the latest available net asset value per unit. Units or shares in other collective investment schemes will, if listed or traded on a stock exchange or over the counter market, be valued at the latest quoted trade price or, if unavailable, a mid-quotation from a broker (or if unavailable, a bid quotation) or, if unavailable or unrepresentative, the latest available net asset value as deemed relevant to the collective investment scheme;
- (g) listed securities which are traded at a premium or discount on an over the counter market shall be valued by taking into account such premium/discounts thereon which shall be provided by an independent broker or market maker. However, the Directors may adjust the value of such

investments if they consider such adjustment is required to reflect the fair value thereof, subject to the approval of the Depositary.

- (h) any value expressed otherwise than in the Base Currency of the relevant Fund (whether of an investment or cash) and any non-base currency borrowing shall be converted into the Base Currency of the relevant Fund at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances;

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out in paragraphs (a) to (h) above or if such valuation is not representative of the securities' fair market value, the Directors are entitled to use other generally recognised valuation methods approved by the Depositary in order to reach a proper valuation of that specific investment.

In calculating the Net Asset Value of a Fund as at any particular Valuation Point (the "relevant Valuation Point"):

- (i) every Share issued prior to the relevant Valuation Point and not cancelled shall be deemed to be in issue and a Fund shall be deemed to include the value of any cash or other property to be received in respect of each such Share after deducting therefrom or providing thereout the initial charge and adjustment (if any), and any monies payable out of that Fund;
- (ii) where, in consequence of any notice or redemption request duly given, a redemption of that Fund by cancellation of Shares has been or is to be effected prior to the relevant Valuation Point but payment in respect of such redemption has not been completed, the Shares in question shall be deemed not to be issued and any amount payable in cash or investments out of that Fund in pursuance of such redemption shall be deducted;
- (iii) where any investment has been agreed to be acquired or realised but such acquisition or disposal has not been completed, such investment shall be included or excluded and the gross acquisition or net disposal consideration excluded or included as the case may require as if such acquisition or disposal has been duly completed;
- (iv) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Administrator may have determined to amortise, less the amount thereof which has previously been or is then to be written off;
- (v) if on any Dealing Day the aggregate transactions in Shares of all Classes of a Fund results in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Fund (relating to the cost of market dealing for that Fund), the Net Asset Value of the Fund will be adjusted by an amount which reflects all of the dealing costs reasonably incurred by the Fund when executing market transactions, including estimated brokerage commissions, fiscal charges and other dealing costs that may be incurred by the Fund such as the estimated bid/offer spread of the assets in which the Fund invests, as well as "implementation" costs that arise from not immediately being able to transact in the markets. Provided that the valuation policies of the Company will be applied on a consistent basis throughout the life of a Fund and that there is consistency in the policies adopted throughout the various categories of assets of a Fund, the adjustment will be an addition when the net movement results in an increase in the number of all Shares of the Fund and a deduction when it results in a decrease. For the avoidance of doubt, the Directors will set the threshold of net subscriptions or redemptions which will trigger price swinging. Swing adjustment factors and threshold levels will be reviewed on a regular basis by the Directors. Furthermore, any performance related fees payable by the Company will be applied before the swing adjustment.
- (vi) the liabilities attributable to that Fund shall include (without limitation):
 - (a) any amount of investment management fees, accrued performance fees, Directors' remuneration, Depositary's remuneration and Administrator's remuneration (together

- with VAT if applicable) accrued up to the relevant Valuation Point but remaining unpaid;
- (b) the amount of tax (if any) on capital gains or income accrued up to the end of the last accounting period but remaining unpaid;
- (c) the aggregate amount for the time being outstanding of any borrowing and the amount of any unpaid interest and expenses;
- (d) any other costs or expenses payable but not paid which are expressly authorised by any of the provisions of the Constitution to be payable out of a Fund (see "Charges and Expenses Payable by the Funds" above.
- (vii) there shall be taken into account such sum (if any) as the Administrator estimates will fall to be paid or reclaimed in respect of taxation related to income and capital gains up to the relevant Valuation Point;
- (viii) liabilities shall (where appropriate) be treated as accruing from day to day;
- (ix) where the current price of an investment is quoted "ex" dividend or interest, the amount of such dividend or interest, if receivable by a Fund but not yet received, shall be taken into account;
- (x) any value (whether of a liability or of an investment, cash or other property) otherwise than in the Base Currency of the relevant Fund shall be converted into such base currency at a rate (whether official or otherwise) which the Administrator shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to the costs of exchange.

6. Definition of "U.S. Person" and "U.S. Taxpayer"

"U.S. Person" means a "U.S. Person" as defined in rule 902 of Regulation S under the United States Securities Act of 1933 (as amended) (the "1933 Act") and includes:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. Person;
- (iv) any trust of which any trustee is a U.S. Person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of U.S. Person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (viii) any partnership or corporation if:
 - (A) organised or incorporated under the laws of any foreign jurisdiction; and
 - (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act. Unless it is organised or incorporated, and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "U.S. Person" shall not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a

dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person, if (A) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-United States law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. Person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act.

"U.S. Taxpayer" for the purposes of the Prospectus includes a U.S. citizen or resident alien of the United States (as defined for United States federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organised in, or under the laws of, the United States or any State thereof; any other partnership that is treated as a U.S. Taxpayer under taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless in some circumstances be treated as U.S. Taxpayers.

An investor may be a "U.S. Taxpayer" but not a "U.S. Person". For example, an individual who is a U.S. citizen residing outside the United States is not a "U.S. Person" but is a "U.S. Taxpayer".

7. Litigation and Arbitration

The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

8. Miscellaneous

- (i) The terms of each Director's appointment are documented in a letter of appointment between the Company and the relevant Director.
- (ii) Charles Montanaro is a director of, and a shareholder in, the Investment Manager. In addition, Cedric Durant des Aulnois is an employee of the Investment Manager. Save as aforesaid, no Director or Alternate Director is interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (iii) No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (iv) No loan capital of the Company has been issued and no such loan capital is proposed to be issued.
- (v) Save as disclosed in this Prospectus, no commission, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued or to be issued by the Company. The Investment Manager may, out of its own funds or out of the sales or initial charges, pay commissions, as an initial commission or as an annual trail commission, on applications received through brokers and other professional agents or grant discounts.
- (vi) The Company does not have, nor has it had since its incorporation, any employees.
- (vii) Any investor wishing to make a complaint regarding any aspect of a Fund or its operation may do so directly to the Company.

9. Electronic Communication and Dealing

Subject to receipt of an original Application Form and the completion of all necessary anti-money laundering checks, the Company and its Shareholders may subscribe for Shares or redeem Shares using electronic dealing.

10. Documents for Inspection

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Administrator;

- (a) Certificate of Incorporation of the Company and Constitution;
- (b) the material contracts referred to in paragraph 4 above;
- (c) the latest available annual and semi-annual reports;
- (d) the Regulations and Central Bank UCITS Regulations;
- (e) the KIIDs; and
- (f) a memorandum detailing the names of all the companies and partnerships of which the Directors have been a director or partner at any time in the previous five years, together with an indication of whether or not the Director is still the director or partner.

Copies of the documents referred to at (a), (c), (d) and (e) above can be obtained on request and free of charge from the Company. Furthermore, documents referred to at (c) above will be sent to any Shareholder or prospective investor upon request. Information regarding the Company's complaints procedures and its best execution policies are also available free of charge and on request from the Company.

PART VI: RECOGNISED MARKETS

With the exception of permitted investments in unlisted securities including units of open-ended collective investment schemes, the Company's investments will be restricted to securities listed or traded on exchanges and markets which are listed as follows:

- (a) all stock exchanges in a Member State of the European Union;
- (b) any of the following stock exchanges or markets:-
 - Croatia - Zagreb Stock Exchange
 - Israel - Tel Aviv Stock Exchange
 - Serbia and Montenegro - Belgrade Stock Exchange
 - Turkey - Istanbul Stock Exchange
 - Ukraine - Ukrainian Stock Exchange
- (c) all stock exchanges in a Member State of the European Economic Area ("EEA") (Norway, Iceland and Liechtenstein);
- (d) a stock exchange located within the United States of America, Canada, Japan, Switzerland, Australia, New Zealand, Hong Kong and UK;
- (e) all derivative exchanges on which derivative instruments maybe listed or traded:-
 - in a Member State;
 - in a Member State of the EEA (Norway, Iceland and Liechenstein);
 - in the UK;
- (f) the Johannesburg Stock Exchange in South Africa, the Stock Exchange of Singapore, the Mexican Stock Exchange, the Stock Exchange of Thailand and the Korea Stock Exchange;
- (g) any of the following markets:
 - MICEX (equity securities that are traded on level 1 or level 2 only);
 - RTS1 (equity securities that are traded on level 1 or level 2 only);
 - RTS2 (equity securities that are traded on level 1 or level 2 only);
- (h) the market organised by the members of the International Capital Market Association;
- (i) the market in the UK conducted by the "listed money market institutions" as described in the Bank of England's publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets", (in Sterling, foreign currency and bullion);
- (j) JASDAQ Securities Exchange;
- (k) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- (l) the over-the-counter market in the United States of America regulated by the National Association of Securities Dealers Inc (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

- (m) The French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments); and
- (n) NASDAQ Europe (National Association of Securities Dealers Automated Quotation Europe);
- (o) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

The markets/exchanges are listed in accordance with the requirements of the Central Bank, which does not issue a list of approved markets.

The markets and exchanges are provided for in the Constitution.

PART VII – SUB-DELEGATES OF THE DEPOSITARY¹

The following entities have been delegated safe-keeping duties in respect of financial instruments in custody of the Depositary:-

Argentina	-	Citibank N.A., Argentina *
Australia	-	National Australia Bank Limited; Citigroup Pty Limited
Austria	-	Citibank N.A. Milan
Bahrain	-	HSBC Bank Middle East Limited
Bangladesh	-	The Hongkong and Shanghai Banking Corporation Limited
Belgium	-	Citibank International Limited
Bermuda	-	HSBC Bank Bermuda Limited
Botswana	-	Stanbic Bank Botswana Limited
Brazil	-	Citibank N.A., Brazil
Brazil	-	Itau Unibanco S.A.
Bulgaria	-	Citibank Europe plc, Bulgaria Branch
Canada	-	CIBC Mellon Trust Company (CIBC Mellon)
Cayman Islands	-	The Bank of New York Mellon
Chile	-	Banco de Chile
Chile	-	Bancau Itau S.A. Chile
China	-	HSBC Bank (China) Company Limited
Colombia	-	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	-	Banco Nacional de Costa Rica
Croatia	-	Privredna banka Zagreb d.d.
Cyprus	-	BNP Paribas Securities Services S.C.A., Athens
Czech Republic	-	Citibank Europe plc, organizacni slozka
Denmark	-	Skandinaviska Enskilda Banken AB (Publ)
Egypt	-	HSBC Bank Egypt S.A.E.
Estonia	-	SEB Pank AS
Finland	-	Finland Skandinaviska Enskilda Banken AB (Publ)
France	-	BNP Paribas Securities Services S.C.A.
France	-	Citibank International Limited (cash deposited with Citibank NA)
Germany	-	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Ghana	-	Stanbic Bank Ghana Limited
Greece	-	BNP Paribas Securities Services S.C.A., Athens
Hong Kong	-	The Hongkong and Shanghai Banking Corporation Limited
Hong Kong	-	Deutsche Bank AG
Hungary	-	Citibank Europe plc. Hungarian Branch Office
Iceland	-	Landsbankinn hf.
India	-	Deutsche Bank AG
India	-	HSBC Ltd
Indonesia	-	Deutsche Bank AG
Ireland	-	The Bank of New York Mellon
Israel	-	Bank Hapoalim B.M.
Italy	-	Citibank N.A. Milan
Italy	-	Intesa Sanpaolo S.p.A.
Japan	-	Mizuho Bank, Ltd.
Japan	-	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Jordan	-	Standard Chartered Bank
Kazakhstan	-	Joint-Stock Company Citibank Kazakhstan
Kenya	-	CfC Stanbic Bank Limited

¹ BNY to confirm

Kuwait	-	HSBC Bank Middle East Limited, Kuwait
Latvia	-	AS SEB banka
Lebanon	-	HSBC Bank Middle East Limited – Beirut Branch
Lithuania	-	AB SEB bankas
Luxembourg	-	Euroclear Bank
Malaysia	-	Deutsche Bank (Malaysia) Berhad
Malaysia	-	HSBC Bank Malaysia Berhad
Malta	-	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Mauritius	-	The Hongkong and Shanghai Banking Corporation Limited
Mexico	-	Banco Nacional de México S.A.
Morocco	-	Citibank Maghreb
Namibia	-	Standard Bank Namibia Limited
Netherlands	-	The Bank of New York Mellon SA/NV
New Zealand	-	National Australia Bank Limited
Nigeria	-	Stanbic IBTC Bank Plc
Norway	-	Skandinaviska Enskilda Banken AB (Publ)
Oman	-	HSBC Bank Oman S.A.O.G.
Pakistan	-	Deutsche Bank AG
Peru	-	Citibank del Peru S.A.
Philippines	-	Deutsche Bank AG
Poland	-	Bank Polska Kasa Opieki S.A.
Portugal	-	Citibank International Limited, Sucursal em Portugal
Qatar	-	HSBC Bank Middle East Limited, Doha
Romania	-	Citibank Europe plc, Romania Branch
Russia	-	Deutsche Bank Ltd
Russia	-	AO Citibank
Saudi Arabia	-	HSBC Saudi Arabia Limited
Serbia	-	UniCredit Bank Serbia JSC
Singapore	-	DBS Bank Ltd
Singapore	-	United Overseas Bank Ltd
Slovak Republic	-	Citibank Europe plc, pobočka zahraničnej banky
Slovenia	-	UniCredit Banka Slovenia d.d.
South Africa	-	The Standard Bank of South Africa Limited
South Korea	-	The Hongkong and Shanghai Banking Corporation Limited
South Korea	-	Deutsche Bank AG
Spain	-	Banco Bilbao Vizcaya Argentaria, S.A.
Spain	-	Santander Securities Services S.A.U.
Sri Lanka	-	The Hongkong and Shanghai Banking Corporation Limited
Swaziland	-	Standard Bank Swaziland Limited
Sweden	-	Skandinaviska Enskilda Banken AB (Publ)
Switzerland	-	Credit Suisse AG
Switzerland	-	UBS Switzerland AG
Taiwan	-	HSBC Bank (Taiwan) Limited
Taiwan	-	Standard Chartered Bank (Taiwan) Ltd.
Thailand	-	The Hongkong and Shanghai Banking Corporation Limited
Tunisia	-	Banque Internationale Arabe de Tunisie
Turkey	-	Deutsche Bank A.S.
Uganda	-	Stanbic Bank Uganda Limited
Ukraine	-	Public Joint Stock Company "Citibank"
U.A.E.	-	HSBC Bank Middle East Limited, Dubai
U.K.	-	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch; The Bank of New York Mellon

U.S.A.	-	The Bank of New York Mellon
Uruguay	-	Banco Itaú Uruguay S.A.
Venezuela	-	Citibank N.A., Sucursal Venezuela
Vietnam	-	HSBC Bank (Vietnam) Ltd
Zambia	-	Stanbic Bank Zambia Limited
Zimbabwe	-	Stanbic Bank Zimbabwe Limited

* On March 27, 2015, the Comisión Nacional de Valores (CNV: National Securities Commission) has appointed the central securities depository Caja de Valores S.A. to replace the branch of Citibank N.A. Argentina for those activities performed within the capital markets and in its role as custodian.

APPENDIX I

REPRESENTATIONS AND WARRANTIES OF INVESTORS

In accordance with the terms of the Application Form, each investor must agree to the following representations and warranties before an application for the issue of Shares in a Fund or Class will be processed.

- The investor hereby represents and warrants that the investor has:
 - (a) the legal capacity, power and authority to execute and deliver an Application Form and (i) is neither a U.S. Person nor a U.S. Taxpayer; (ii) is neither purchasing the Shares on behalf of or for the account of a U.S. Person nor a U.S. Taxpayer; nor with a view to the offer, sale, delivery, directly or indirectly, of the Shares of a Fund in the United States, its territories, possessions and other areas subject to its jurisdiction; and (iii) it has not been convicted of any criminal activities and the subscription monies are not the proceeds of criminal misconduct and the funds presented to complete this transaction are from legitimate sources in connection with the investors regular and permitted business activities;
 - (b) received, read and understands the Prospectus and the relevant KIID, and, where applicable, the most recent annual report and accounts of the Company and, if issued after such reports and accounts, its most recent semi-annual unaudited report including, without limitation, those sections of the Prospectus relating to the risks and fee structure of the Fund and has relied solely on the Prospectus and the relevant KIID as the case may be in determining to invest in the Shares of that Fund, and it has such knowledge and experience in business and financial matters as to be capable of evaluating the merits and risks of investing in the Shares of that Fund and is able to bear the economic risk of that investment.
- The investor undertakes to observe and be bound by the provisions of the Constitution of the Company and to apply to be entered in the register of Shareholders as the holder/holders of the Shares issued in relation to this application.
- The investor acknowledges that due to money laundering requirements operating within its jurisdiction, the Company or the Administrator (acting on behalf of the Company) may require directly or via a distributor, further identification of the investor before the Shares can be registered in the investor's name and the Company and the Administrator shall be held harmless and indemnified against any loss arising as a result of a failure to process the application if such information has been required and has not been provided by it. The investor acknowledges that redemptions will not be processed on non-cleared or non-verified accounts.
- The Administrator and the Company are hereby authorised and instructed to accept and execute any instructions in respect of the Shares to which this application relates given by the investor in written form, by facsimile or by telephone. The investor hereby agrees to indemnify each of the Administrator and the Company and agree to keep each of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon facsimile or telephone instructions. The Administrator and the Company may rely conclusively upon, and shall incur no liability in respect of, any action taken upon instructions received by telephone or any notice, consent, request, instruction or other instrument believed in good faith to be genuine or to be signed by properly authorised persons.
- The investor agrees to provide necessary confirmations to the Company at such times as the Company may request and to provide on request such certificates, documents or other evidence as the Company may reasonably require to substantiate such representations.
- The investor agrees to notify the Company immediately if it becomes aware that any of the confirmations are/is no longer accurate and complete in all respects and agrees immediately either to seek or to tender to the Company for redemption a sufficient number of Shares to allow the confirmation to be made.
- The investor understands that the representation and warranties made herein are continuous and all subsequent purchases of Shares shall be governed by them, and it agrees to notify the Administrator promptly of any changes.

- (In respect of joint investors only) All joint investors direct that on the death of one of them any Shares for which they have applied should be held in the name of, and to the order of, the survivor or survivors for them or the executor or manager of such survivor or survivors.
- The Application Form shall be governed by the laws of Ireland.
- The investor confirms they have read the privacy statement set out below at Appendix II and agrees and acknowledges the terms and information set out therein in respect of the use of its personal data.
- The investor agrees to complete all relevant documents provided by the Administrator for the purposes of complying with the anti-money laundering directive, FATCA and CRS and agrees that it understands that any such supporting documentation completed by him/her/it are supplemental to and form part of the Application Form which shall be read together and construed as one document.
- The investor irrevocably undertakes to subscribe for Shares in the relevant Classes in the relevant Fund to the value of the amount indicated in the Application Form upon the terms of the Prospectus.

APPENDIX II

DATA PROTECTION

The Company may hold some or all of the following types of Personal Data in relation to investors and prospective investors (and their officers, employees and beneficial owners); name, address/other contact details (telephone, email address), date/place of birth, gender, tax number, bank details, photographic ID, proofs of address (usually utility bills) as furnished by investors when completing this Subscription Agreement or to keep that information up to date. The Company may also obtain further Personal Data on those individuals by way of PEP (Politically Exposed Person) checks, sanctions checks, negative news checks and screening checks. The Company is obliged to verify the Personal Data and carry out ongoing monitoring. Where existing and prospective investors have furnished Personal Data in respect of their officers, employees and beneficial owners to the Company, those investors must furnish the information in this section on data protection to them.

In the course of business, the Company will collect, record, store, adapt, transfer and otherwise process Personal Data. The Company is a data controller within the meaning of Data Protection Legislation and will hold any Personal Data provided by or in respect of investors in accordance with Data Protection Legislation.

The Company and/or any of its delegates or service providers (the Administrator, the Depositary, the Investment Manager and any other service providers referred to in the Prospectus or any Supplement or other fund document) may process prospective investor's and investor's Personal Data (including recording calls) for any one or more of the following purposes and on the following legal bases:

- to operate the Funds, including managing and administering a Shareholder's investment in the relevant Fund on an on-going basis which enables the Company to satisfy its contractual duties and obligations to the Shareholder and any processing necessary for the preparation of the contract with the Shareholder);
- to comply with any applicable legal, tax or regulatory obligations on the Company, for example, under the Companies Act and anti-money laundering and counter-terrorism and tax legislation and fraud prevention;
- for any other legitimate business interests' of the Company or a third party to whom Personal Data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis, market research purposes and to perform financial and/or regulatory reporting; or
- for any other specific purposes where investors have given their specific consent and where processing of Personal Data is based on consent, the investors will have the right to withdraw it at any time.

The Company and/or any of its delegates or service providers may disclose or transfer Personal Data, whether in Ireland or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Company will not keep Personal Data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company shall have regard to the Statute of Limitations Act 1957, as amended, and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation. The Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw it at any time. Investors have the right to request access to their Personal Data kept by the Company; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability, subject to any restrictions imposed by Data Protection Legislation and any statutory obligations to retain information including anti money laundering, counter-terrorism, tax legislation

The Company and/or any of its delegates and service providers will not transfer Personal Data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Company and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission) or binding corporate rules, or relies on one of the derogations provided for in Data Protection Legislation. As at the date of this document such countries outside of the EEA (that are not deemed to provide an adequate level of investor protection) to which data may be transferred are United States, India, Hong Kong and Singapore. This list may change from time to time and any change will be made available via www.montanaro.co.uk.

Where processing is carried out on behalf of the Company, the Company shall engage a data processor, within the meaning of Data Protection Legislation, which implements appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to process Personal Data only in accordance with the documented instructions from the Company.

As part of the Company's business and ongoing monitoring, the Company may from time to time carry out automated decision-making in relation to investors, including, for example, profiling of investors in the context of anti-money laundering reviews, and this may result in an investor being identified to the revenue authorities, law enforcement authorities and to other entities where required by law, and the Company terminating its relationship with the investor.

Investors are required to provide their Personal Data for statutory and contractual purposes. Failure to provide the required Personal Data will result in the Company being unable to permit, process, or release the investor's investment in the Funds and this may result in the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the Data Protection Authority if they are unhappy with how the Company is handling their Personal Data.

FIRST SUPPLEMENT

Dated 18 February 2021

to the Prospectus for Montanaro Smaller Companies plc

This Supplement contains information relating specifically to the **Montanaro European Smaller Companies Fund** (the "Fund"), a Fund of Montanaro Smaller Companies plc ("Company"), an open-ended umbrella type investment, with variable capital and segregated liability between sub-funds, company authorised as a UCITS pursuant to the Regulations by the Central Bank.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 February 2021 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear under the heading "Management and Administration" in the Prospectus accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

On 11 December 2000, the Shares of the Fund (which were re-designated as Sterling Class Shares on 15 November 2006) were admitted to the Official List and to trading on the Main Securities Market of Euronext Dublin. The Euro Class and US Dollar Class were admitted to the Official List and to trading on the Main Securities Market of Euronext Dublin on 20 November 2006. The Euro Accumulation Class was admitted to the Official List and to trading on the Main Securities Market of Euronext Dublin on 2 October 2009. The Sterling Institutional Distribution Class was admitted to the Official List and to trading on the Main Securities Market of Euronext Dublin on 3 April 2012. The Directors do not anticipate that an active secondary market will develop in the Shares.

Investors should read and consider the section entitled "Risk Factors" before investing in the Fund.

1. Interpretation

In this Supplement, the following words and phrases have the meanings set forth below, except where the context otherwise requires:

"Accumulation Class Shares"	means Euro Accumulation Class Shares, Euro Institutional Accumulation Class Shares and Swedish Krona Accumulation Class;
"Benchmark"	means the MSCI Europe SmallCap (Capital Return) Index which is calculated daily by Morgan Stanley Capital International. The index represents the small cap segment in 15 developed countries in Europe: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom;
"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin and London are open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance through an announcement to Euronext Dublin;
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day every two weeks;
"Distribution Class"	means Euro Class Shares, Sterling Class Shares, Sterling Institutional Shares "Distribution Class Shares, Euro Institutional Distribution Class Shares and US Dollar Class Shares;

"Minimum Holding"	means the minimum number of Shares required to be held by Shareholders or Shares having such value as may from time to time be specified by the Directors in relation to each Class and set out in this Supplement;
"Minimum Subscription"	means the amount specified in respect of each Class in this Supplement; and
"Valuation Point"	means 16.00 (UK time) on the Dealing Day (or such other time as the Directors may determine)

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Base Currency

The Base Currency shall be Euro. The Net Asset Value per Share of the relevant Class will be published and settlement and dealing will be effected in Euros, Sterling, US Dollars or Swedish Krona as relevant. The Directors have the discretion to convert the Base Currency whenever they consider it to be in the Shareholders' best interests.

3. Investment Objective

The investment objective of the Fund is to outperform its Benchmark.

4. Investment Policy

The Fund shall invest primarily in SmallCap companies quoted in the European Union, the United Kingdom, Iceland, Norway and Switzerland whose market capitalisation shall not exceed that of the largest unadjusted market capitalisation of any of the constituents of the Benchmark at the time of initial investment. No unquoted investments are permitted.

The Fund will invest at least 75% of its net assets in securities eligible for Plan d'Epargne en Actions ("PEA" in France). A PEA is a savings plan which is invested in shares issued by EEA corporation tax paying entities.

The Fund is actively managed and does not track a benchmark. The Benchmark is used for comparison purposes. Shareholders should be aware that the Fund will not be managed to the Benchmark and may invest in securities not included in the Benchmark. Investment returns may deviate materially from the performance of the Benchmark. The Fund is monitored, but is not constrained, in reference to the Benchmark.

5. Sustainability / Compliance with Regulation (EU) 2019/2088

ESG Considerations and Risks

Article 6 of Regulation (EU) 2019/2088 (the "SFDR") provides that financial market participants such as the Company shall include in the Prospectus descriptions of the manner in which Sustainability Risks are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available. Article 3 of SFDR provides that financial market participants such as the Company shall publish on their website information about their policies on the integration of sustainability risks in their investment decision-making process. This Prospectus and the information set out below shall be published on www.montanaro.co.uk pursuant to the requirements of Article 3 of SFDR.

A Sustainability Risk in the context of the Fund is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The following are environmental, social and governance themes that may be relevant for the Fund. Within these themes, events may happen or conditions may arise that impact the valuation of the Fund:

Environmental

- Climate change and greenhouse gas emissions ("GHG")
- Resource depletion, including water
- Waste and pollution

Social

- Working conditions, including no slavery or child labour
- Health and safety
- Employee relations and diversity

Governance

- Executive pay
- Board diversity and structure (in terms of age, gender, educational and professional background)
- Anti-bribery and corruption

The Sustainability Risks arising from the themes listed above are fully integrated into the Investment Manager's investment decisions. These decisions are made in line with the Investment Manager's overall approach to sustainability, which takes into account:

- ethical exclusions. The Fund may not invest in companies with more than 10% revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards;
- a quantitative and qualitative assessment of the environmental, social and governance ("ESG") profile of each company held in the Fund. Companies deemed not to meet the Investment Manager's minimum standards may not be held in the Fund; and
- where relevant, engagement with the Fund's investee companies in relation to the Sustainability Risks relevant to the company.

The Investment Manager undertakes initial and ongoing assessments of the likely impact(s) of the Sustainability Risks on the return of each holding in the Fund. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or sell the holding.

The Investment Manager's Sustainability Committee provides oversight of Sustainability Risks.

Further details about the Investment Manager's ESG policies and ESG approach are available on its website: www.montanaro.co.uk

6. Efficient Portfolio Management Techniques

The Fund may employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes, and techniques and instruments intended to provide protection against exchange rate risk and equity market risk. Such techniques and instruments are set out in Part I to the Prospectus and include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts and when issued and/or delayed delivery securities. It is not the current intention of the Investment Manager to employ any such techniques and instruments.

7. Share Classes

Shares will be issued to investors as Shares of a Class in this Fund. The Directors may, with prior notification to and clearance by the Central Bank, create additional Classes of Shares in this Fund. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses and the Minimum Subscription or Minimum Holding applicable.

At the date of this Supplement, eight Classes of Shares in the Fund are available for subscription and details of which are set out below:-

Class of Share	Minimum Subscription	Minimum Holding
Euro Class	N/A	N/A
Euro Accumulation Class	N/A	N/A

Euro Institutional Accumulation Class	€250,000,000	€250,000,000
Euro Institutional Distribution Class	€50,000,000	€50,000,000
Sterling Class	N/A	N/A
Sterling Institutional Distribution Class	£50,000,000	£50,000,000
US Dollar Class	N/A	N/A
Swedish Krona Accumulation Class	SEK10,000	SEK10,000

8. Application for Shares

Applications for Shares may be made to the Administrator (whose details are set out in the Application Form) and must be received by 12.00 noon (Irish time) on the relevant Dealing Day. Any applications not received by 12.00 noon (Irish time) on a relevant Dealing Day will be processed on the next Dealing Day.

Initial Application Forms shall (save as determined by the Administrator) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent to arrive with the Administrator within 5 Business Days after the prescribed time for receipt of such application. Failure to provide the original Application Form by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Forms has been received.

Subsequent applications and dealing may also be made by telephone, by fax, by post or by electronic transmission to the Administrator, but completion of the transactions will require the payment of the subscription amount.

Applications will be effected on the Dealing Day at the purchase price per Share, which after the initial issue thereof, shall be the Net Asset Value per Share of the relevant Share Class.

The Net Asset Value per Share shall be calculated as at the relevant Valuation Point based on last traded prices. **Provided that the application has been received by the Administrator prior to 12.00 noon (Irish time), the prevailing Net Asset Value per Share of the relevant Share Class applicable on the same day will form the basis for the purchase price.** The Company and the Administrator reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by electronic transfer to the applicant's designated account or by post at the applicant's risk and expense. At the sole discretion of the Investment Manager, Shareholders may subscribe for Shares of the Fund in exchange for an equivalent value of an in specie distribution of eligible investments to the Fund.

Fractions

Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued to the nearest one thousandth of a Share. The holder of a fraction of a Share may not exercise any voting right in respect of such Share.

Method and Timing of Payment

Payment in respect of subscriptions for all Classes of Shares must be received by the Administrator no later than 3 Business Days after the relevant Dealing Day in respect of which an application has been received in the manner set out in the Application Form of the Fund.

Currency of Payment

Investors may place orders for Shares in Euros, Sterling, US Dollars or SEK. Other currencies may be accepted with prior agreement from the Administrator. If an application is made in a currency other than the Base Currency of the Fund, a foreign exchange deal will be placed by the Administrator on behalf of the investor to convert such currency to the Base Currency at the then prevailing exchange rate available to the Administrator. The value of the Shares expressed in the relevant Class currency will be subject to exchange rate risk in relation to the Base Currency of the Fund. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies. Foreign exchange deals may be aggregated. Settlement must be made in the currency in which the order was placed.

Confirmation of Ownership

Shares will be issued in registered form and a written confirmation as to the entry of the applicant on the register will be sent to Shareholders within 21 Business Days after receipt of payment and all relevant documentation. Share Certificates will not be issued. Shares shall not be issued unless the original Application Form has been received by the Administrator and settlement has been made within the prescribed time limits.

9. Redemption of Shares

Requests for the redemption of Shares should be made to the Administrator (whose details are set out in the Application Form) on behalf of the Company by 12.00 noon (Irish time) in Dublin on the relevant Dealing Day and should be made in writing (by letter, by facsimile or by electronic transmission) or by telephone. Any redemption requests not received by 12.00 noon (Irish time) on the relevant Dealing Day shall be processed on the next Dealing Day.

Redemption requests so received will be effected at the redemption price per Share which shall be the Net Asset Value per Share of the relevant Class calculated as at the Valuation Point.

Shareholders may redeem all or part of their holding of Shares, provided that if the request would reduce their holdings below the Minimum Holding, such request will be treated as a request to redeem their entire holding unless the Company otherwise determines. No redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

Method and Timing of Payment

Settlement for redemptions in any Fund will be made to an account in the name of the registered Shareholder normally by electronic transfer at the Shareholders' risk within 3 Business Days after the Dealing Day on which the redemption request has been received.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory Redemption

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the heading "Restrictions on Purchase, Transfer and Compulsory Redemptions".

10. Conversion of Shares

Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

11. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the headings "Deferral of Redemption" and "Suspension of Calculation of Net Asset Value and of Issues and Redemptions". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

12. Fees and Expenses

The fees and operating expenses of the Company are set out in detail under the heading "Charges and Expenses payable by the Funds" in the Prospectus.

Investment Manager's Fees

(i) Management Fee

The Fund will pay the Investment Manager a basic management fee of up to 1.5% per annum (plus VAT, if any) in respect of each Share Class other than the Sterling Institutional Distribution Share Class, the Euro Institutional Accumulation Share Class and Euro Institutional Distribution Share Class. In respect of the Sterling Institutional Distribution Share Class and Euro Institutional Distribution Share Class, the Fund will pay the Investment Manager a basic management fee of 0.75% per annum (plus VAT, if any). In respect of the Euro Institutional Accumulation Share Class, the Fund will pay a basic management fee of 0.5% per annum (plus VAT, if any). The management fees will accrue daily on the basis of the Net Asset Value of the Fund on each Dealing Day and payable quarterly in arrears.

(ii) Performance Fee

With the exception of the Euro Institutional Accumulation Share Class, the Investment Manager may also be entitled to receive an annual performance-related fee based on the outperformance per Share over the return on the Benchmark in the relevant currency of the Share Class. The performance fee payable will be 20% (plus VAT, if any) of the amount by which the increase in the Net Asset Value per Share, having adjusted the closing Net Asset Value per Share by (i) adding back the impact of any accruing performance fee, and (ii) adding back and compounding at the rate of return of the Net Asset Value of the Share Class any dividends paid or payable by reference to the period in question, exceeds the return on the Benchmark plus 3 percentage points over the relevant accounting period. It will be calculated based on the time weighted average number of Shares in issue during the relevant period ("TWANS").

A performance fee will only be payable in respect of any period if the closing Net Asset Value per Share of the relevant Class at the end of the period (adjusted for the matters described above) exceeds the higher of (a) the opening Net Asset Value per Share of that Class for the relevant period or the price at which such Shares were issued if the initial issue of the relevant Class of Shares occurred during the period; and (b) the closing Net Asset Value per Share of that Class on the last accounting period end when a performance fee was paid (if any) (the "Hurdles").

No performance fee will be payable in respect of any accounting period of the Company if the adjusted closing Net Asset Value per Share of the Class does not outperform the Benchmark plus 3 percentage points over the relevant accounting period (the "Outperformance Condition").

The performance fee will accrue and be taken into account in the calculation of the Net Asset Value per Share on each Dealing Day. If a Shareholder redeems Shares during the accounting period, any accrued performance fee in respect of such Shares shall be payable to the Investment Manager within 48 hours.

For the avoidance of doubt, performance fees due as a result of a Shareholder redeeming during the accounting period shall not trigger a reset of the Hurdle under (b).

If the Hurdles and the Outperformance Condition are satisfied in respect of any accounting period of the Company, the performance fee will be triggered and start to accrue and be calculated as follows:

Performance Fee = 20% x [NAV End – (((BM End / BM Start) + 0.03) x NAV Start)] x TWANS where:

NAV End = the Net Asset Value per Share at the end of the accounting period having adjusted for (i) adding back the impact of any accruing performance fee, (ii) adding back and compounding at the rate of return of the Net Asset Value of the Share Class any dividends paid or payable by reference to the accounting period.

NAV Start = the Net Asset Value per Share at the start of the accounting period

BM End = the value of the Benchmark at the end of the accounting period

BM Start = the value of the Benchmark at the start of the accounting period

TWANS = the time weighted average number of Shares of the relevant class in issue during the relevant accounting period, calculated as the total number of Shares of the relevant class in issue on each calendar day during the relevant accounting period divided by the number of calendar days in such accounting period.

Each Class of Shares may have different amounts of accrued performance fees which may impact investors who switch between Share Classes.

Calculation periods of the performance fee will correspond to the accounting period of the Company. The performance fee shall be payable annually in arrears.

The Depositary shall verify the calculation of the performance fee.

The annual performance fee (if any) will be paid to the Investment Manager within 14 days of the end of the relevant accounting period.

Administrator's and Depositary's Fees

The Administrator will be paid by the Fund an annual fee in respect of its duties as Administrator and Registrar accruing daily and paid monthly in arrears. The Depositary will be paid by the Fund an annual fee accruing daily and paid monthly in arrears. The aggregate of the Administrator's and Depositary's fees will not exceed 0.25% per annum of the Net Asset Value of each Fund. The Fund will bear its proportion of the fees and expenses of the Administrator and the Depositary.

In addition, the Depositary shall be reimbursed for all sub-custody fees and charges (both of which shall be charged at a normal commercial rate). The fees payable to the Administrator and the Depositary may be varied from time to time by agreement with the Company and are subject to annual review. Any increase in the fees payable will be notified in advance to Shareholders. The fees are exclusive of VAT (if any) payable by the Fund.

Initial Charge

An initial charge will not be payable in respect of the Fund.

Redemption Charge

A redemption charge will not be payable in respect of the Fund.

13. Distribution Policy

Investors should note that both Distribution Class Shares and Accumulation Class Shares are available in respect of the Fund.

Distribution Class Shares

If sufficient net income is available in the Fund, attributable to the Distribution Class Shares, the Directors' current intention is to pay at their discretion a dividend of substantially the whole of the net income (including interest and dividend income less expenditure and liabilities) to holders of Distribution Class Shares in each calendar year. Owing to the investment objective of the Fund, the intended nature of the Fund's investments and the fact that the expenses of the Fund are in the first instance payable out of income, it is not anticipated that the net income of the Fund or any dividends will be significant.

The Administrator shall pay dividends, attributable to the Distribution Class Shares, in cash by electronic transfer. Shareholders may request that their dividends be reinvested in the Fund, in which case they will be issued an appropriate number of new shares.

Dividends (if any) will be declared within the first six months following the financial year end and shall be paid at such time as so decided by the Directors, provided always that such payment is made within three months of the date of the declaration of the dividend.

Dividends which are not claimed or collected within ten years of payment shall revert to and form part of the assets of the Fund.

Accumulation Class Shares

It is not the current intention of the Directors to pay dividends attributable to the Accumulation Class Shares. Income and other profits attributable to such Shares will be accumulated and reinvested on behalf of Shareholders.

In the event that the Directors determine to declare dividends in respect of the Accumulation Class Shares in the Fund, full details will be provided in an updated prospectus and supplement and Shareholders will be notified in advance of any such change in the dividend policy (including the date by which dividends will be paid and the method by which dividends will be paid).

14. Profile of Typical Investor

The Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

15. Risk Factors

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

Cross Liability of Funds Risk

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims.

Market Capitalisation Risk

Investors' attention is also drawn to the fact that the smaller companies market in which the Fund invests may be less liquid than the market in larger capitalised stocks and can be more sensitive to economic and other factors. As a result, the Fund may experience greater volatility both in the value of its investments and in its Net Asset Value per Share than a fund investing in larger capitalisation shares. This may be particularly relevant where positions need to be liquidated to meet redemption requests or other funding requirements. Smaller capitalisation companies often experience higher failure rates than do larger capitalisation companies.

Performance Fee Risk

Investors should also note that a performance related fee is payable to the Investment Manager by the Fund which is based on net realised and net unrealised gains and losses calculated in respect of twelve monthly performance periods. As a result such fees may be paid by the Fund on unrealised gains which may subsequently never be realised.

Different Shares Classes may incur different performance fees and investors who switch between Share Classes may be disadvantaged.

Risk Factors Not Exhaustive

The investment risks set out in this Supplement and in the Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

15. Benchmark

MSCI Limited has been granted authorisation by the UK FCA as a UK administrator for all MSCI equity indices under the Benchmark Regulations. MSCI Limited is listed on the FCA's register and the ESMA register for administrators.

SECOND SUPPLEMENT

Dated 18 February 2021

to the Prospectus for Montanaro Smaller Companies plc

This Supplement contains information relating specifically to the **Montanaro UK Income Fund** (the "Fund"), a Fund of Montanaro Smaller Companies plc (the "Company"), an open-ended umbrella type investment company, with variable capital and segregated liability between sub-funds, authorised as a UCITS pursuant to the Regulations by the Central Bank.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 February 2021 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear under the heading "Management and Administration" in the Prospectus accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fund was authorised by the Central Bank on 15 November 2006. The Euro Seed Class and Sterling Seed Class were admitted to the Official List and to trading on the Main Market of Euronext Dublin on 20 November 2006 and commenced trading on 5 January 2007. The Directors do not anticipate that an active secondary market will develop in the Shares.

Expenses may be charged to the capital of the Fund so that a higher than market average dividend income can be achieved. This may have the effect of lowering the capital value of a Shareholder's investment by foregoing the potential for future capital growth.

As distributions may be made out of the capital of the Fund, there is a greater risk that capital will be eroded, and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Please note that distributions out of capital may have different tax implications to distributions of income and you are recommended to seek advice in this regard.

Investors should read and consider the section entitled "Risk Factors" before investing in the Fund.

1. Interpretation

In this Supplement, the following words and phrases have the meanings set forth below, except where the context otherwise requires:

"Benchmark"	means the IA UK All Companies Sector (Total Return);
"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin and London are open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance through an announcement to Euronext Dublin;
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day every two weeks;
"Distribution Class Shares"	means the Euro Seed Class Shares, the Sterling Seed Class Shares, Euro Class Shares and Sterling Class Shares;

"Minimum Holding"	means the minimum number of Shares required to be held by Shareholders having such value as may from time to time be specified by the Directors in relation to each Class and set out in this Supplement;
"Minimum Subscription"	means the amount specified in respect of each Class in this Supplement; and
"Valuation Point"	means 16.00 (UK time) on the Dealing Day (or such other time as the Directors may determine)

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Base Currency

The Base Currency shall be Euro. The Net Asset Value per Share of the relevant Class will be published and settlement and dealing will be effected in Euros and Sterling as relevant. The Directors have the discretion to convert the Base Currency whenever they consider it to be in the Shareholders' best interests.

3. Investment Objective

The investment objective of the Fund is to deliver capital growth and income.

4. Investment Policy

The Fund shall invest primarily in SmallCap and MidCap companies quoted in the United Kingdom offering an attractive dividend yield or the potential for dividend growth. Up to 20% of net assets may be invested in companies quoted in the European Union, Iceland, Norway and Switzerland. No unquoted investments are permitted.

The Fund will invest at least 75% of its net assets in securities eligible for Plan d'Epargne en Actions ("PEA" in France). A PEA is a savings plan which is invested in shares issued by EEA corporation tax paying entities.

The Fund is actively managed and does not track a benchmark. The Benchmark is used for comparison purposes. Shareholders should be aware that the Fund will not be managed to the Benchmark and may invest in securities not included in the Benchmark. Investment returns may deviate materially from the performance of the Benchmark. The Fund is monitored, but is not constrained, in reference to the Benchmark.

5. Sustainability / Compliance with Regulation (EU) 2019/2088

ESG Considerations and Risks

Article 6 of Regulation (EU) 2019/2088 (the "SFDR") provides that financial market participants such as the Company shall include in the Prospectus descriptions of the manner in which Sustainability Risks are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available. Article 3 of SFDR provides that financial market participants such as the Company shall publish on their website information about their policies on the integration of sustainability risks in their investment decision-making process. This Prospectus and the information set out below shall be published on www.montanaro.co.uk pursuant to the requirements of Article 3 of SFDR.

A Sustainability Risk in the context of the Fund is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The following are environmental, social and governance themes that may be relevant for the Fund. Within these themes, events may happen or conditions may arise that impact the valuation of the Fund:

Environmental

- Climate change and greenhouse gas emissions ("GHG")
- Resource depletion, including water
- Waste and pollution

Social

- Working conditions, including no slavery or child labour
- Health and safety
- Employee relations and diversity

Governance

- Executive pay
- Board diversity and structure (in terms of age, gender, educational and professional background)
- Anti-bribery and corruption

The Sustainability Risks arising from the themes listed above are fully integrated into the Investment Manager's investment decisions. These decisions are made in line with the Investment Manager's overall approach to sustainability, which takes into account:

- ethical exclusions. The Fund may not invest in companies with more than 10% revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards;
- a quantitative and qualitative assessment of the environmental, social and governance ("ESG") profile of each company held in the Fund. Companies deemed not to meet the Investment Manager's minimum standards may not be held in the Fund; and
- where relevant, engagement with the Fund's investee companies in relation to the Sustainability Risks relevant to the company.

The Investment Manager undertakes initial and ongoing assessments of the likely impact(s) of the Sustainability Risks on the return of each holding in the Fund. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or sell the holding.

The Investment Manager's Sustainability Committee provides oversight of Sustainability Risks.

Further details about the Investment Manager's ESG policies and ESG approach are available on its website: www.montanaro.co.uk

6. Efficient Portfolio Management Techniques

The Fund may employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes, and techniques and instruments intended to provide protection against exchange rate risk and equity market risk. Such techniques and instruments are set out in Part I to the Prospectus and include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts and when issued and/or delayed delivery securities. It is not the current intention of the Investment Manager to employ efficient portfolio management techniques.

7. Share Classes

Shares will be issued to investors as Shares of a Class in this Fund. The Directors may, with prior notification to and clearance by the Central Bank, create additional Classes of Shares in this Fund. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses and the Minimum Subscription or Minimum Holding applicable.

At the date of this Supplement, the Euro Seed Class, the Sterling Seed Class, the Euro Class, the Sterling Class and the Sterling Accumulation Class Classes of Shares in the Fund are available for subscription.

8. Application for Shares

Applications for Shares may be made to the Administrator (whose details are set out in the Application Form) and must be received by 12.00 noon (Irish time) on the relevant Dealing Day. Any applications not received by 12.00 noon (Irish time) on the relevant Dealing Day will be processed on the next Dealing Day.

Initial Application Forms shall (save as determined by the Administrator) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent to arrive with the Administrator within 5 Business Days after the prescribed time for receipt of such application. Failure to provide the original Application Form by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Forms has been received.

Subsequent applications and dealing may be made by telephone, by fax, by post or electronic transmission to the Administrator, but completion of the transactions will require the payment of the subscription amount.

Applications will be effected on the Dealing Day at the purchase price per Share, which shall be the Net Asset Value per Share Class plus any initial charge payable (if applicable) in connection with the purchase.

The Net Asset Value per Share shall be calculated as at the relevant Valuation Point based on last traded prices. **Provided that the application has been received by the Administrator prior to 12.00 noon (Irish time), the prevailing Net Asset Value per Share for the relevant Share Class applicable on the same day will form the basis of the purchase price.** The Company and the Administrator reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by electronic transfer to the applicant's designated account or by post at the applicant's risk and expense. At the sole discretion of the Investment Manager, Shareholders may subscribe for Shares of the Fund in exchange for an equivalent value of an in specie distribution of eligible investments to the Fund.

Fractions

Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued to the nearest one thousandth of a Share. The holder of a fraction of a Share may not exercise any voting right in respect of such Share.

Method and Timing of Payment

Payment in respect of subscriptions for all Classes of Shares must be received by the Administrator no later than 3 Business Days after the relevant Dealing Day in respect of which an application has been received in the manner set out in the Application Form of the Fund.

Currency of Payment

Investors may place orders for Shares in Euros, Sterling or US Dollars. Other currencies may be accepted with prior agreement from the Administrator. If an application is made in a currency other than the Base Currency of the Fund, a foreign exchange deal will be placed by the Administrator on behalf of the investor to convert such currency to the Base Currency at the then prevailing exchange rate available to the Administrator. The value of the Shares expressed in the relevant Class currency will be subject to exchange rate risk in relation to the Base Currency of the Fund. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies. Foreign exchange deals may be aggregated. Settlement must be made in the currency in which the order was placed.

Confirmation of Ownership

Shares will be issued in registered form and a written confirmation as to the entry of the applicant on the register will be sent to Shareholders within 21 Business Days after receipt of payment and all relevant documentation. Share Certificates will not be issued. Shares shall not be issued unless the original Application Form has been received by the Administrator and settlement has been made within the prescribed time limits.

9. Redemption of Shares

Requests for the redemption of Shares should be made to the Administrator (whose details are set out in the Application Form) on behalf of the Company by 12.00 noon (Irish time) in Dublin on the relevant Dealing Day and should be made in writing (by letter, by facsimile or by electronic transmission) or by telephone. Any redemption requests not received by 12.00 noon (Irish time) on the relevant Dealing Day shall be processed on the next Dealing Day.

Redemption requests so received will be effected at the redemption price per Share which shall be the Net Asset Value per Share of the relevant Class calculated as at the Valuation Point.

Shareholders may redeem all or part of their holding of Shares, provided that if the request would reduce their holdings below the Minimum Holding, such request will be treated as a request to redeem their entire holding unless the Company otherwise determines. No redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

Method and Timing of Payment

Settlement for redemptions in any Fund will be made without charge to an account in the name of the registered Shareholder normally by electronic transfer at the Shareholders' risk within 3 Business Days after the Dealing Day on which the redemption request has been received.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory Redemption

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the heading "Restrictions on Purchase, Transfer and Compulsory Redemptions".

10. Conversion of Shares

Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

11. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the headings "Deferral of Redemption" and "Suspension of Calculation of Net Asset Value and of Issues and Redemptions". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

12. Fees and Expenses

The fees and operating expenses of the Company are set out in detail under the heading "Charges and Expenses payable by the Funds" in the Prospectus.

Expenses may be charged to the capital of the Fund so that a higher than market average dividend income can be achieved. This may have the effect of lowering the capital value of a Shareholder's investment by foregoing the potential for future capital growth.

Investment Manager's Fees

The Fund will pay the Investment Manager a basic management fee of up to 0.75% per annum (plus VAT if any). The management fee will accrue daily on the basis of the Net Asset Value of the Fund each Dealing Day and be payable quarterly in arrears.

The management fee may be waived in full or in part at the sole discretion of the Investment Manager.

Administrator's and Depositary's Fees

The Administrator will be paid by the Fund an annual fee in respect of its duties as Administrator and Registrar accruing daily and paid monthly in arrears. The Depositary will be paid by the Fund an annual fee accruing daily and paid monthly in arrears. The aggregate of the Administrator's and Depositary's fees will not exceed 0.25% per annum of the Net Asset Value of each Fund. The Fund will bear its proportion of the fees and expenses of the Administrator and the Depositary.

In addition, the Depositary shall be reimbursed for all sub-custody fees and charges (both of which shall be charged at a normal, agreed commercial rate). The fees payable to the Administrator and the Depositary may be varied from time to time by agreement with the Company and are subject to annual review. Any increase in the fees payable will be notified in advance to Shareholders. The fees are exclusive of VAT (if any) payable by the Fund.

Initial Charge

An initial charge will not be payable in respect of the Fund.

Redemption Charge

A redemption charge will not be payable in respect of the Fund.

Performance Fee

A performance fee will not be payable in respect of the Fund.

13. Distribution Policy

If sufficient net income is available in the Fund, attributable to the Distribution Class Shares, the Directors' current intention is to pay at their discretion a dividend of substantially the whole of the net income (including interest and dividend income less expenditure and liabilities) to holders of Distribution Class Shares in each calendar quarter. In the event that the net distributable income generated by the Fund during the relevant period and attributable to the relevant Class is insufficient to pay a distribution which is declared, the Directors may at their discretion determine such dividends may be paid from the capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount originally invested or capital gains attributable to, and may result in an immediate decrease in the value of, the Shares of the relevant Class and will reduce any capital appreciation for the Shareholders of such Class.

The Directors have determined to operate income equalisation in respect of Shares in the Fund. Further information on income equalisation is contained in the section entitled "Income Equalisation" in the Prospectus.

The Administrator shall pay dividends, attributable to the Distribution Class Shares, in cash by electronic transfer. Shareholders may request that their dividends be reinvested in the Fund, in which case they will be issued an appropriate number of new shares.

Dividends (if any) will be declared and shall be paid at such time as so decided by the Directors provided always that such payment is made within three months of the date of the declaration of the dividend.

Dividends which are not claimed or collected within ten years of payment shall revert to and form part of the assets of the Fund.

14. Profile of Typical Investor

The Fund is suitable for investors seeking both capital growth and income over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

15. Risk Factors

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

Cross Liability of Funds Risk

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims.

Market Capitalisation Risk

Investors' attention is also drawn to the fact that the smaller companies market in which the Fund invests may be less liquid than the market in larger capitalised stocks and can be more sensitive to economic and other factors. As a result, whilst the objective of the Fund is capital growth and income, the Fund may experience greater volatility both in the value of its investments and in its Net Asset Value per Share than a fund investing in larger capitalisation shares. This may be particularly relevant where positions need to be liquidated to meet redemption requests or other funding requirements. Smaller companies often experience higher failure rates than do larger capitalisation companies.

Dividend Risk

Listed smaller companies can be more sensitive to downturns in the economy. During such times, such companies may be less able to distribute dividends to shareholders and may reduce dividend payouts. Attractive dividends and dividend growth cannot be assured.

Risk Factors Not Exhaustive

The investment risks set out in this Supplement and in the Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

THIRD SUPPLEMENT

Dated 18 February 2021

to the Prospectus for Montanaro Smaller Companies plc

This Supplement contains information relating specifically to the **Montanaro European Income Fund** (the "Fund"), a Fund of Montanaro Smaller Companies plc ("Company"), an open-ended umbrella type investment company, with variable capital and segregated liability between sub-funds, authorised as a UCITS pursuant to the Regulations by the Central Bank.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 February 2021 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear under the heading "Management and Administration" in the Prospectus accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fund was authorised by the Central Bank on 26 March 2012. The Sterling Class Shares of the Fund were admitted to the Official List and to trading on the Main Securities Market of Euronext Dublin on 3 April 2012. The Directors do not anticipate that an active secondary market will develop in the Shares.

Shareholders should note that all or a portion of the expenses of the Fund may be charged to the capital of the Fund. This may have the effect of lowering the capital value of a Shareholder's investment by foregoing the potential for future capital growth.

As distributions may be made out of the capital of the Fund, there is a greater risk that capital will be eroded, and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Please note that distributions out of capital may have different tax implications to distributions of income and you are recommended to seek advice in this regard.

Investors should read and consider the section entitled "Risk Factors" before investing in the Fund.

1. Interpretation

In this Supplement, the following words and phrases have the meanings set forth below, except where the context otherwise requires:

"Benchmark"	means the IA Europe (excluding UK) Sector (Total Return);
"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin and London are open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance through an announcement to Euronext Dublin;
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day every two weeks;
"Distribution Class Shares"	means Sterling Class Shares and Euro Class Shares;
"Minimum Holding"	means the minimum number of Shares required to be held by Shareholders or Shares having such value as may from time to time be specified by the Directors in relation to each Class and set out in this Supplement;

"Minimum Subscription"	means the amount specified in respect of each Class in this Supplement; and
"Valuation Point"	means 16.00 (UK time) on the Dealing Day (or such other time as the Directors may determine)

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Base Currency

The Base Currency shall be Euro. The Net Asset Value per Sterling Classes will be published and settlement and dealing will be effected in Sterling. The Directors have the discretion to convert the Base Currency whenever they consider it to be in the Shareholders' best interests.

3. Investment Objective

The investment objective of the Fund is to deliver capital growth and income.

4. Investment Policy

The Fund shall invest primarily in SmallCap and MidCap companies quoted in the European Union, Iceland, Norway and Switzerland offering an attractive dividend yield or the potential for dividend growth. No unquoted investments are permitted.

The Fund will invest at least 75% of its net assets in securities eligible for Plan d'Epargne en Actions ("PEA" in France). A PEA is a savings plan which is invested in shares issued by EEA corporation tax paying entities.

The Fund is actively managed and does not track a benchmark. The Benchmark is used for comparison purposes. Shareholders should be aware that the Fund will not be managed to the Benchmark and may invest in securities not included in the Benchmark. Investment returns may deviate materially from the performance of the Benchmark. The Fund is monitored, but is not constrained, in reference to the Benchmark.

5. Sustainability / Compliance with Regulation (EU) 2019/2088

ESG Considerations and Risks

Article 6 of Regulation (EU) 2019/2088 (the "SFDR") provides that financial market participants such as the Company shall include in the Prospectus descriptions of the manner in which Sustainability Risks are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available. Article 3 of SFDR provides that financial market participants such as the Company shall publish on their website information about their policies on the integration of sustainability risks in their investment decision-making process. This Prospectus and the information set out below shall be published on www.montanaro.co.uk pursuant to the requirements of Article 3 of SFDR.

A Sustainability Risk in the context of the Fund is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The following are environmental, social and governance themes that may be relevant for the Fund. Within these themes, events may happen or conditions may arise that impact the valuation of the Fund:

Environmental

- Climate change and greenhouse gas emissions ("GHG")
- Resource depletion, including water
- Waste and pollution

Social

- Working conditions, including no slavery or child labour
- Health and safety
- Employee relations and diversity

Governance

- Executive pay
- Board diversity and structure (in terms of age, gender, educational and professional background)
- Anti-bribery and corruption

The Sustainability Risks arising from the themes listed above are fully integrated into the Investment Manager's investment decisions. These decisions are made in line with the Investment Manager's overall approach to sustainability, which takes into account:

- ethical exclusions. The Fund may not invest in companies with more than 10% revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards;
- a quantitative and qualitative assessment of the environmental, social and governance ("ESG") profile of each company held in the Fund. Companies deemed not to meet the Investment Manager's minimum standards may not be held in the Fund; and
- where relevant, engagement with the Fund's investee companies in relation to the Sustainability Risks relevant to the company.

The Investment Manager undertakes initial and ongoing assessments of the likely impact(s) of the Sustainability Risks on the return of each holding in the Fund. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or sell the holding.

The Investment Manager's Sustainability Committee provides oversight of Sustainability Risks.

Further details about the Investment Manager's ESG policies and ESG approach are available on its website: www.montanaro.co.uk

6. Efficient Portfolio Management Techniques

The Fund may employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes, and techniques and instruments intended to provide protection against exchange rate risk and equity market risk. Such techniques and instruments are set out in Part I to the Prospectus and include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts and when issued and/or delayed delivery securities. It is not the current intention of the Investment Manager to employ efficient portfolio management techniques.

7. Share Classes

Shares will be issued to investors as Shares of a Class in this Fund. The Directors may, with prior notification to and clearance by the Central Bank, create additional Classes of Shares in this Fund. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses and the Minimum Subscription or Minimum Holding applicable.

At the date of this Supplement, the Sterling Class, the Euro Class and the Sterling Accumulation Class Classes of Shares in the Fund are available for subscription.

8. Application for Shares

Applications for Shares may be made to the Administrator (whose details are set out in the Application Form) and must be received by 12.00 noon (Irish time) on the relevant Dealing Day. Any applications not received by 12.00 noon (Irish time) on a relevant Dealing Day will be processed on the next Dealing Day.

Initial Application Forms shall (save as determined by the Administrator) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent to arrive with the Administrator within 5 Business Days after the prescribed time for receipt of such application. Failure to provide the original Application Form by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares.

However, applicants will be unable to redeem Shares on request until the original Application Forms has been received.

Subsequent applications and dealing may also be made by telephone, by fax, by post or by electronic transmission to the Administrator, but completion of the transactions will require the payment of the subscription amount.

Applications will be effected on the Dealing Day at the purchase price per Share, which after the initial issue thereof shall be the Net Asset Value per Share Class plus any initial charge payable (if applicable) in connection with the purchase.

The Net Asset Value per Share shall be calculated as at the relevant Valuation Point based on last traded prices. **Provided that the application has been received by the Administrator prior to 12.00 noon (Irish time), the prevailing Net Asset Value per Share of the relevant Share Class applicable on the same day will form the basis for the purchase price.** The Company and the Administrator reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by electronic transfer to the applicant's designated account or by post at the applicant's risk and expense. At the sole discretion of the Investment Manager, Shareholders may subscribe for Shares of the Fund in exchange for an equivalent value of an in specie distribution of eligible investments to the Fund.

Fractions

Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued to the nearest one thousandth of a Share. The holder of a fraction of a Share may not exercise any voting right in respect of such Share.

Method and Timing of Payment

Payment in respect of subscriptions for all Classes of Shares must be received by the Administrator no later than 3 Business Days after the relevant Dealing Day in respect of which an application has been received in the manner set out in the Application Form of the Fund.

Currency of Payment

Investors may place orders for Shares in Euros, Sterling or US Dollars. Other currencies may be accepted with prior agreement from the Administrator. If an application is made in a currency other than the Base Currency of the Fund, a foreign exchange deal will be placed by the Administrator on behalf of the investor to convert such currency to the Base Currency at the then prevailing exchange rate available to the Administrator. The value of the Shares expressed in the relevant Class currency will be subject to exchange rate risk in relation to the Base Currency of the Fund. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies. Foreign exchange deals may be aggregated. Settlement must be made in the currency in which the order was placed.

Confirmation of Ownership

Shares will be issued in registered form and a written confirmation as to the entry of the applicant on the register will be sent to Shareholders within 21 Business Days after receipt of payment and all relevant documentation. Share Certificates will not be issued. Shares shall not be issued unless the original Application Form has been received by the Administrator and settlement has been made within the prescribed time limits.

9. Redemption of Shares

Requests for the redemption of Shares should be made to the Administrator (whose details are set out in the Application Form) on behalf of the Company by 12.00 noon (Irish time) in Dublin on the relevant Dealing Day and should be made in writing (by letter, by facsimile or by electronic transmission) or by telephone. Any redemption requests not received by 12.00 noon (Irish time) on the relevant Dealing Day shall be processed on the next Dealing Day.

Redemption requests so received will be effected at the redemption price per Share which shall be the Net Asset Value per Share calculated as at the Valuation Point and may be adjusted to take account of the redemption charges (if applicable) referred to below.

Shareholders may redeem all or part of their holding of Shares, provided that if the request would reduce their holdings below the Minimum Holding, such request will be treated as a request to redeem their entire holding unless the Company otherwise determines. No redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

Method and Timing of Payment

Settlement for redemptions in any Fund will be made to an account in the name of the registered Shareholder normally by electronic transfer at the Shareholders' risk within 3 Business Days after the Dealing Day on which the redemption request has been received.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory Redemption

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the heading "Restrictions on Purchase, Transfer and Compulsory Redemptions".

10. Conversion of Shares

Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

11. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the headings "Deferral of Redemption" and "Suspension of Calculation of Net Asset Value and of Issues and Redemptions". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

12. Fees and Expenses

The fees and operating expenses of the Company are set out in detail under the heading "Charges and Expenses payable by the Funds" in the Prospectus.

Expenses may be charged to the capital of the Fund so that a higher than market average dividend income can be achieved. This may have the effect of lowering the capital value of a Shareholder's investment by foregoing the potential for future capital growth.

Investment Manager's Fees

Management Fee

The Fund will pay the Investment Manager a basic management fee of up to 0.75% per annum (plus VAT, if any). The management fee will accrue daily on the basis of the Net Asset Value of the Fund on each Dealing Day and will be payable quarterly in arrears.

The management fee may be waived in full or in part at the sole discretion of the Investment Manager.

Administrator's and Depositary's Fees

The Administrator will be paid by the Fund an annual fee in respect of its duties as Administrator and Registrar accruing daily and paid monthly in arrears. The Depositary will be paid by the Fund an annual fee accruing daily and paid monthly in arrears. The aggregate of the Administrator's and Depositary's fees will not exceed 0.25% per annum of the Net Asset Value of each Fund. The Fund will bear its proportion of the fees and expenses of the Administrator and the Depositary.

In addition, the Depositary shall be reimbursed for all sub-custody fees and charges (both of which shall be charged at a normal commercial rate). The fees payable to the Administrator and the Depositary may be varied from time to time by agreement with the Company and are subject to annual review. Any increase in the fees payable will be notified in advance to Shareholders. The fees are exclusive of VAT (if any) payable by the Fund.

Initial Charge

An initial charge will not be payable in respect of the Fund.

Redemption Charge

A redemption charge will not be payable in respect of the Fund.

Performance Fee

A performance fee will not be payable in respect of the Fund.

13. Distribution Policy

If sufficient net income is available in the Fund, attributable to the Distribution Class Shares, the Directors' current intention is to pay at their discretion a dividend of substantially the whole of the net income (including interest and dividend income less expenditure and liabilities) to holders of Distribution Class Shares in each calendar quarter. In the event that the net distributable income generated by the Fund during the relevant period and attributable to the relevant Class is insufficient to pay a distribution which is declared, the Directors may at their discretion determine such dividends may be paid from the capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount originally invested or capital gains attributable to, and may result in an immediate decrease in the value of, the Shares of the relevant Class and will reduce any capital appreciation for the Shareholders of such Class.

The Directors have determined to operate income equalisation in respect of Shares in the Fund. Further information on income equalisation is contained in the section entitled "Income Equalisation" in the Prospectus.

The Administrator shall pay dividends, attributable to the Distribution Class Shares, in cash by electronic transfer. Shareholders may request that their dividends be reinvested in the Fund, in which case they will be issued an appropriate number of new shares.

Dividends (if any) will be declared and shall be paid at such time as so decided by the Directors provided always that such payment is made within three months of the date of the declaration of the dividend.

Dividends which are not claimed or collected within ten years of payment shall revert to and form part of the assets of the Fund.

14. Profile of Typical Investor

The Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

15. Risk Factors

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

Cross Liability of Funds Risk

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims.

Market Capitalisation Risk

Investors' attention is also drawn to the fact that the smaller companies market in which the Fund invests may be less liquid than the market in larger capitalised stocks and can be more sensitive to economic and other factors. As a result, the Fund may experience greater volatility both in the value of its investments and in its Net Asset Value per Share than a fund investing in larger capitalisation shares. This may be particularly relevant where positions need to be liquidated to meet redemption requests or other funding requirements. Smaller capitalisation companies often experience higher failure rates than do larger capitalisation companies.

Dividend Risk

Listed smaller companies can be more sensitive to downturns in the economy. During such times, such companies may be less able to distribute dividends to shareholders and may reduce dividend payouts. Attractive dividends and dividend growth cannot be assured.

Risk Factors Not Exhaustive

The investment risks set out in this Supplement and in the Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

FOURTH SUPPLEMENT

Dated 18 February 2021

to the Prospectus for Montanaro Smaller Companies plc

This Supplement contains information relating specifically to the **Montanaro European MidCap Fund** (the "Fund"), a Fund of Montanaro Smaller Companies plc ("Company"), an open-ended umbrella type investment company, with variable capital and segregated liability between sub-funds, authorised as a UCITS pursuant to the Regulations by the Central Bank.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 February 2021 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear under the heading "Management and Administration" in the Prospectus accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fund was authorised by the Central Bank on 26 March 2012. The Euro Distribution Class Shares were admitted to the Official List and to trading on the Main Securities Market of Euronext Dublin on 3 April 2012. The Directors do not anticipate that an active secondary market will develop in the Shares.

Investors should read and consider the section entitled "Risk Factors" before investing in the Fund.

1. Interpretation

In this Supplement, the following words and phrases have the meanings set forth below, except where the context otherwise requires:

"Benchmark"	means the STOXX Europe Mid 200 (Capital Return) Index represents the mid cap segment in 18 developed countries in Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom;
"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin and London are open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance through an announcement to Euronext Dublin;
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day every two weeks;
"Distribution Class Shares"	means Euro Distribution Class Shares;
"Minimum Holding"	means the minimum number of Shares required to be held by Shareholders or Shares having such value as may from time to time be specified by the Directors in relation to each Class and set out in this Supplement;
"Minimum Subscription"	means the amount specified in respect of each Class in this Supplement; and

"Valuation Point" means 16.00 (UK time) on the Dealing Day (or such other time as the Directors may determine)

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Base Currency

The Base Currency shall be Euro. The Net Asset Value per Euro Distribution Class Share will be published and settlement and dealing will be effected in Euro. The Directors have the discretion to convert the Base Currency whenever they consider it to be in the Shareholders' best interests.

3. Investment Objective

The investment objective of the Fund is to outperform its Benchmark.

4. Investment Policy

The Fund shall invest primarily in MidCap companies quoted in the European Union, Iceland, Norway, the United Kingdom and Switzerland whose market capitalisation shall not exceed that of the largest unadjusted market capitalisation of any of the constituents of the Benchmark at the time of initial investment. No unquoted investments are permitted.

The Fund will invest at least 75% of its net assets in securities eligible for Plan d'Epargne en Actions ("PEA" in France). A PEA is a savings plan which is invested in shares issued by EEA corporation tax paying entities.

The Fund is actively managed and does not track a benchmark. The Benchmark is used for comparison purposes. Shareholders should be aware that the Fund will not be managed to the Benchmark and may invest in securities not included in the Benchmark. Investment returns may deviate materially from the performance of the Benchmark. The Fund is monitored, but is not constrained, in reference to the Benchmark.

5. Sustainability / Compliance with Regulation (EU) 2019/2088

ESG Considerations and Risks

Article 6 of Regulation (EU) 2019/2088 (the "SFDR") provides that financial market participants such as the Company shall include in the Prospectus descriptions of the manner in which Sustainability Risks are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available. Article 3 of SFDR provides that financial market participants such as the Company shall publish on their website information about their policies on the integration of sustainability risks in their investment decision-making process. This Prospectus and the information set out below shall be published on www.montanaro.co.uk pursuant to the requirements of Article 3 of SFDR.

A Sustainability Risk in the context of the Fund is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The following are environmental, social and governance themes that may be relevant for the Fund. Within these themes, events may happen or conditions may arise that impact the valuation of the Fund:

Environmental

- Climate change and greenhouse gas emissions ("GHG")
- Resource depletion, including water
- Waste and pollution

Social

- Working conditions, including no slavery or child labour
- Health and safety
- Employee relations and diversity

Governance

- Executive pay
- Board diversity and structure (in terms of age, gender, educational and professional background)

- Anti-bribery and corruption

The Sustainability Risks arising from the themes listed above are fully integrated into the Investment Manager's investment decisions. These decisions are made in line with the Investment Manager's overall approach to sustainability, which takes into account:

- ethical exclusions. The Fund may not invest in companies with more than 10% revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards;
- a quantitative and qualitative assessment of the environmental, social and governance ("ESG") profile of each company held in the Fund. Companies deemed not to meet the Investment Manager's minimum standards may not be held in the Fund; and
- where relevant, engagement with the Fund's investee companies in relation to the Sustainability Risks relevant to the company.

The Investment Manager undertakes initial and ongoing assessments of the likely impact(s) of the Sustainability Risks on the return of each holding in the Fund. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or sell the holding.

The Investment Manager's Sustainability Committee provides oversight of Sustainability Risks.

Further details about the Investment Manager's ESG policies and ESG approach are available on its website: www.montanaro.co.uk

6. Efficient Portfolio Management Techniques

The Fund may employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes, and techniques and instruments intended to provide protection against exchange rate risk and equity market risk. Such techniques and instruments are set out in Part I to the Prospectus and include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts and when issued and/or delayed delivery securities. It is not the current intention of the Investment Manager to employ efficient portfolio management techniques.

7. Share Classes

Shares will be issued to investors as Shares of a Class in this Fund. The Directors may, with prior notification to and clearance by the Central Bank, create additional Classes of Shares in this Fund. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses and the Minimum Subscription or Minimum Holding applicable.

At the date of this Supplement, two Classes of Shares in the Fund are available for subscription and details of which are set out below:

Class of Share	Minimum Subscription	Minimum Holding
Euro Distribution Class	N/A	N/A
Euro Institutional Accumulation Class	€25,000,000	€25,000,000

8. Application for Shares

Applications for Shares may be made to the Administrator (whose details are set out in the Application Form) and must be received by 12.00 noon (Irish time) on the relevant Dealing Day. Any applications not received by 12.00 noon (Irish time) on a relevant Dealing Day will be processed on the next Dealing Day.

Initial Application Forms shall (save as determined by the Administrator) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent to arrive with the Administrator within 5 Business Days after the prescribed time for receipt of such application. Failure to provide the original Application Form by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Forms has been received.

Subsequent applications and dealing may also be made by telephone, by fax, by post or by electronic transmission to the Administrator, but completion of the transactions will require the payment of the subscription amount.

Applications will be effected on the Dealing Day at the purchase price per Share, which after the initial issue thereof shall be the Net Asset Value per Share Class plus any initial charge payable (if applicable) in connection with the purchase.

The Net Asset Value per Share shall be calculated as at the relevant Valuation Point based on last traded prices. **Provided that the application has been received by the Administrator prior to 12.00 noon (Irish time), the prevailing Net Asset Value per Share of the relevant Share Class applicable on the same day will form the basis for the purchase price.** The Company and the Administrator reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by electronic transfer to the applicant's designated account or by post at the applicant's risk and expense. At the sole discretion of the Investment Manager, Shareholders may subscribe for Shares of the Fund in exchange for an equivalent value of an in specie distribution of eligible investments to the Fund.

Fractions

Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued to the nearest one thousandth of a Share. The holder of a fraction of a Share may not exercise any voting right in respect of such Share.

Method and Timing of Payment

Payment in respect of subscriptions for all Classes of Shares must be received by the Administrator no later than 3 Business Days after the relevant Dealing Day in respect of which an application has been received in the manner set out in the Application Form of the Fund.

Currency of Payment

Investors may place orders for Shares in Euros, Sterling or US Dollars. Other currencies may be accepted with prior agreement from the Administrator. If an application is made in a currency other than the Base Currency of the Fund, a foreign exchange deal will be placed by the Administrator on behalf of the investor to convert such currency to the Base Currency at the then prevailing exchange rate available to the Administrator. The value of the Shares expressed in the relevant Class currency will be subject to exchange rate risk in relation to the Base Currency of the Fund. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies. Foreign exchange deals may be aggregated. Settlement must be made in the currency in which the order was placed.

Confirmation of Ownership

Shares will be issued in registered form and a written confirmation as to the entry of the applicant on the register will be sent to Shareholders within 21 Business Days after receipt of payment and all relevant documentation. Share Certificates will not be issued. Shares shall not be issued unless the original Application Form has been received by the Administrator and settlement has been made within the prescribed time limits.

9. Redemption of Shares

Requests for the redemption of Shares should be made to the Administrator (whose details are set out in the Application Form) on behalf of the Company by 12.00 noon (Irish time) in Dublin on the relevant Dealing Day and should be made in writing (by letter, by facsimile or by electronic transmission) or by telephone. Any

redemption requests not received by 12.00 noon (Irish time) on the relevant Dealing Day shall be processed on the next Dealing Day.

Redemption requests so received will be effected at the redemption price per Share which shall be the Net Asset Value per Share calculated as at the Valuation Point.

Shareholders may redeem all or part of their holding of Shares provided that if the request would reduce their holdings below the Minimum Holding such request will be treated as a request to redeem their entire holding unless the Company otherwise determines. No redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

Method and Timing of Payment

Settlement for redemptions in any Fund will be made to an account in the name of the registered Shareholder normally by electronic transfer at the Shareholders' risk within 3 Business Days after the Dealing Day on which the redemption request is dealt with.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory Redemption

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the heading "Restrictions on Purchase, Transfer and Compulsory Redemptions".

10. Conversion of Shares

Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

11. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the headings "Deferral of Redemption" and "Suspension of Calculation of Net Asset Value and of Issues and Redemptions". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

12. Fees and Expenses

The fees and operating expenses of the Company are set out in detail under the heading "Charges and Expenses payable by the Funds" in the Prospectus.

Investment Manager's Fees

(i) Management Fee

The Fund will pay the Investment Manager a basic management fee of 1.5% per annum (plus VAT if any) in respect of the Euro Distribution Class and 0.75% per annum (plus VAT if any) in respect of the Euro Institutional Accumulation Class. The management fee will accrue daily on the basis of the Net Asset Value of the Fund on each Dealing Day and will be payable quarterly in arrears.

(ii) Performance Fee

The Investment Manager may also be entitled to receive an annual performance-related fee based on the outperformance per Share over the return on the Benchmark in the relevant currency of the Share Class. The performance fee payable will be 20% (plus VAT, if any) of the amount by which the increase in the Net Asset Value per Share, having adjusted the closing Net Asset Value per Share by (i) adding back the impact of any accruing performance fee, and (ii) adding back and compounding at the rate of return of the Net Asset Value of the Share Class any dividends paid or payable by reference to the period in question, exceeds the return on the Benchmark plus 3 percentage points over the relevant accounting period. It will be calculated based on the time weighted average number of Shares in issue during the relevant period ("TWANS").

A performance fee will only be payable in respect of any period if the closing Net Asset Value per Share of the relevant Class at the end of the period (adjusted for the matters described above) exceeds the higher of (a) the opening Net Asset Value per Share of that Class for the relevant period or the price at which such Shares were issued if the initial issue of the relevant Class of Shares occurred during the period; and (b) the closing Net Asset Value per Share of that Class on the last accounting period end when a performance fee was paid (if any) (the "Hurdles").

No performance fee will be payable in respect of any accounting period of the Company if the adjusted closing Net Asset Value per Share of the Class does not outperform the Benchmark plus 3 percentage points over the relevant accounting period (the "Outperformance Condition").

The performance fee will accrue and be taken into account in the calculation of the Net Asset Value per Share on each Dealing Day. If a Shareholder redeems Shares during the accounting period, any accrued performance fee in respect of such Shares shall be payable to the Investment Manager within 48 hours.

For the avoidance of doubt, performance fees due as a result of a Shareholder redeeming during the accounting period shall not trigger a reset of the Hurdle under (b).

If the Hurdles and the Outperformance Condition are satisfied in respect of any accounting period of the Company, the performance fee will be triggered and start to accrue and be calculated as follows:

Performance Fee = $20\% \times [\text{NAV End} - (((\text{BM End} / \text{BM Start}) + 0.03) \times \text{NAV Start})] \times \text{TWANS}$ where:

NAV End = the Net Asset Value per Share at the end of the accounting period having adjusted for (i) adding back the impact of any accruing performance fee, (ii) adding back and compounding at the rate of return of the Net Asset Value of the Share Class any dividends paid or payable by reference to the accounting period.

NAV Start = the Net Asset Value per Share at the start of the accounting period

BM End = the value of the Benchmark at the end of the accounting period

BM Start = the value of the Benchmark at the start of the accounting period

TWANS = the time weighted average number of Shares of the relevant class in issue during the relevant accounting period, calculated as the total number of Shares of the relevant class in issue on each calendar day during the relevant accounting period divided by the number of calendar days in such accounting period.

Each Class of Shares may have different amounts of accrued performance fees which may impact investors who switch between Share Classes.

Calculation periods of the performance fee will correspond to the accounting period of the Company. The performance fee shall be payable annually in arrears.

The Depositary shall verify the calculation of the performance fee.

The annual performance fee (if any) will be paid to the Investment Manager within 14 days of the end of the relevant accounting period.

Administrator's and Depositary's Fees

The Administrator will be paid by the Fund an annual fee in respect of its duties as Administrator and Registrar accruing daily and paid monthly in arrears. The Depositary will be paid by the Fund an annual fee accruing daily and paid monthly in arrears. The aggregate of the Administrator's and Depositary's fees will not exceed 0.25% per annum of the Net Asset Value of each Fund. The Fund will bear its proportion of the fees and expenses of the Administrator and the Depositary.

In addition, the Depositary shall be reimbursed for all sub-custody fees and charges (both of which shall be charged at a normal, agreed commercial rate). The fees payable to the Administrator and the Depositary may be varied from time to time by agreement with the Company and are subject to annual review. Any increase in the fees payable will be notified in advance to Shareholders. The fees are exclusive of VAT (if any) payable by the Fund.

Initial Charge

An initial charge will not be payable in respect of the Fund.

Redemption Charge

A redemption charge will not be payable in respect of the Fund.

13. Distribution Policy

If sufficient net income is available in the Fund attributable to the Distribution Class Shares, the Directors' current intention is to pay at their discretion a dividend of substantially the whole of the net income (including interest and dividend income less expenditure and liabilities) to holders of Distribution Class Shares in each calendar year. Owing to the investment objective of the Fund, the intended nature of the Fund's investments and the fact that the expenses of the Fund are in the first instance payable out of income, it is not anticipated that the net income of the Fund or any dividends will be significant.

The Administrator shall pay dividends, attributable to the Distribution Class Shares, in cash by electronic transfer. Shareholders may request that their dividends be reinvested in the Fund, in which case they will be issued an appropriate number of new shares.

Dividends (if any) will be declared within the first six months following the financial year end and shall be paid at such time as so decided by the Directors, provided always that such payment is made within three months of the date of the declaration of the dividend.

Dividends which are not claimed or collected within ten years of payment shall revert to and form part of the assets of the Fund.

14. Profile of Typical Investor

The Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

15. Risk Factors

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

Cross Liability of Funds Risk

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims.

Market Capitalisation Risk

Investors' attention is also drawn to the fact that the MidCap companies market in which the Fund invests may be less liquid than the market in larger capitalised stocks and can be more sensitive to economic and other factors.

As a result, the Fund may experience greater volatility both in the value of its investments and in its Net Asset Value per Share than a fund investing in larger capitalisation shares. This may be particularly relevant where positions need to be liquidated to meet redemption requests or other funding requirements. MidCap companies often experience higher failure rates than do larger capitalisation companies.

Performance Fee Risk

Investors should also note that a performance related fee is payable to the Investment Manager by the Fund which is based on net realised and net unrealised gains and losses calculated in respect of twelve monthly performance periods. As a result, such fees may be paid by the Fund on unrealised gains which may subsequently never be realised.

Risk Factors Not Exhaustive

The investment risks set out in this Supplement and in the Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

16. Benchmark

STOXX Limited has been granted recognition by the German Federal Financial Supervisory Authority (BaFin) as a third country administrator in accordance with Art. 32 of the Benchmarks Regulation.

FIFTH SUPPLEMENT

Dated 18 February 2021

to the Prospectus for Montanaro Smaller Companies plc

This Supplement contains information relating specifically to the **Montanaro Select Fund** (the "Fund"), a Fund of Montanaro Smaller Companies plc ("Company"), an open-ended umbrella type investment company, with variable capital and segregated liability between sub-funds, authorised as a UCITS pursuant to the Regulations by the Central Bank.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 February 2021 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear under the heading "Management and Administration" in the Prospectus accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fund was authorised by the Central Bank on 1 July 2016.

Investors should read and consider the section entitled "Risk Factors" before investing in the Fund.

1. Interpretation

In this Supplement, the following words and phrases have the meanings set forth below, except where the context otherwise requires:

"Benchmark"	means the MSCI Europe SmallCap (Capital Return) Index which is calculated daily by Morgan Stanley Capital International. The index represents the small cap segment in 15 developed countries in Europe: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom;
"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin and London are open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance through an announcement to Euronext Dublin;
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day every two weeks;
"Distribution Class Shares"	means Euro Distribution Class Shares and Sterling Distribution Class Shares;
"Minimum Holding"	means the minimum number of Shares required to be held by Shareholders or Shares having such value as may from time to time be specified by the Directors in relation to each Class and set out in this Supplement;
"Minimum Subscription"	means the amount specified in respect of each Class in this Supplement; and
"Valuation Point"	means 16.00 (UK time) on the Dealing Day (or such other time as the Directors may determine)

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Base Currency

The Base Currency shall be Euro. The Net Asset Value per Distribution Class Shares will be published and settlement and dealing will be effected in Euro or Sterling. The Directors have the discretion to convert the Base Currency whenever they consider it to be in the Shareholders' best interests.

3. Investment Objective

The investment objective of the Fund is to outperform its Benchmark.

4. Investment Policy

The Fund shall invest primarily in SmallCap and MidCap companies quoted in the European Union, Iceland, Norway, the United Kingdom and Switzerland whose market capitalisation shall not exceed that of the largest unadjusted market capitalisation of any of the constituents of the STOXX Europe Mid 200 index at the time of initial investment. No unquoted investments are permitted.

When fully invested, the Investment Manager's current intention is that the Fund shall consist of a portfolio of a target 20 - 30 quoted companies.

The Fund will invest at least 75% of its net assets in securities eligible for Plan d'Epargne en Actions ("PEA" in France). A PEA is a savings plan which is invested in shares issued by EEA corporation tax paying entities.

The Fund is actively managed and does not track a benchmark. The Benchmark is used for comparison purposes. Shareholders should be aware that the Fund will not be managed to the Benchmark and may invest in securities not included in the Benchmark. Investment returns may deviate materially from the performance of the Benchmark. The Fund is monitored, but is not constrained, in reference to the Benchmark.

5. Sustainability / Compliance with Regulation (EU) 2019/2088

ESG Considerations and Risks

Article 6 of Regulation (EU) 2019/2088 (the "SFDR") provides that financial market participants such as the Company shall include in the Prospectus descriptions of the manner in which Sustainability Risks are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available. Article 3 of SFDR provides that financial market participants such as the Company shall publish on their website information about their policies on the integration of sustainability risks in their investment decision-making process. This Prospectus and the information set out below shall be published on www.montanaro.co.uk pursuant to the requirements of Article 3 of SFDR.

A Sustainability Risk in the context of the Fund is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The following are environmental, social and governance themes that may be relevant for the Fund. Within these themes, events may happen or conditions may arise that impact the valuation of the Fund:

Environmental

- Climate change and greenhouse gas emissions ("GHG")
- Resource depletion, including water
- Waste and pollution

Social

- Working conditions, including no slavery or child labour
- Health and safety
- Employee relations and diversity

Governance

- Executive pay
- Board diversity and structure (in terms of age, gender, educational and professional background)
- Anti-bribery and corruption

The Sustainability Risks arising from the themes listed above are fully integrated into the Investment Manager's investment decisions. These decisions are made in line with the Investment Manager's overall approach to sustainability, which takes into account:

- ethical exclusions. The Fund may not invest in companies with more than 10% revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards;
- a quantitative and qualitative assessment of the environmental, social and governance ("ESG") profile of each company held in the Fund. Companies deemed not to meet the Investment Manager's minimum standards may not be held in the Fund; and
- where relevant, engagement with the Fund's investee companies in relation to the Sustainability Risks relevant to the company.

The Investment Manager undertakes initial and ongoing assessments of the likely impact(s) of the Sustainability Risks on the return of each holding in the Fund. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or sell the holding.

The Investment Manager's Sustainability Committee provides oversight of Sustainability Risks.

Further details about the Investment Manager's ESG policies and ESG approach are available on its website: www.montanaro.co.uk

6. Efficient Portfolio Management Techniques

The Fund may employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes, and techniques and instruments intended to provide protection against exchange rate risk and equity market risk. Such techniques and instruments are set out in Part I to the Prospectus and include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts and when issued and/or delayed delivery securities. It is not the current intention of the Investment Manager to employ efficient portfolio management techniques.

7. Share Classes

Shares will be issued to investors as Shares of a Class in this Fund. The Directors may, with prior notification to and clearance by the Central Bank, create additional Classes of Shares in this Fund. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses and the Minimum Subscription or Minimum Holding applicable.

At the date of this Supplement, the Euro Distribution Class and Sterling Distribution Class Classes of Shares in the Fund are available for subscription.

8. Application for Shares

Applications for Shares may be made to the Administrator (whose details are set out in the Application Form) and must be received by 12.00 noon (Irish time) on the relevant Dealing Day. Any applications not received by 12.00 noon (Irish time) on a relevant Dealing Day will be processed on the next Dealing Day.

Initial Application Forms shall (save as determined by the Administrator) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent to arrive with the Administrator within 5 Business Days after the prescribed time for receipt of such application. Failure to provide the original Application Form by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Forms has been received.

Subsequent applications and dealing may also be made by telephone, by fax, by post or by electronic transmission to the Administrator, but completion of the transactions will require the payment of the subscription amount.

Applications will be effected on the Dealing Day at the purchase price per Share, which after the initial issue thereof shall be the Net Asset Value per Share Class.

The Net Asset Value per Share shall be calculated as at the relevant Valuation Point based on last traded prices. Provided that the application has been received by the Administrator prior to 12.00 noon (Irish time), the prevailing Net Asset Value per Share of the relevant Share Class applicable on the same day will form the basis for the purchase price. The Company and the Administrator reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by electronic transfer to the applicant's designated account or by post at the applicant's risk and expense. At the sole discretion of the Investment Manager, Shareholders may subscribe for Shares of the Fund in exchange for an equivalent value of an in specie distribution of eligible investments to the Fund.

Fractions

Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued to the nearest one thousandth of a Share. The holder of a fraction of a Share may not exercise any voting right in respect of such Share.

Method and Timing of Payment

Payment in respect of subscriptions for all Classes of Shares must be received by the Administrator no later than 3 Business Days after the relevant Dealing Day in respect of which an application has been received in the manner set out in the Application Form of the Fund.

Currency of Payment

Investors may place orders for Shares in Euros, Sterling or US Dollars. Other currencies may be accepted with prior agreement from the Administrator. If an application is made in a currency other than the Base Currency of the Fund, a foreign exchange deal will be placed by the Administrator on behalf of the investor to convert such currency to the Base Currency at the then prevailing exchange rate available to the Administrator. The value of the Shares expressed in the relevant Class currency will be subject to exchange rate risk in relation to the Base Currency of the Fund. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies. Foreign exchange deals may be aggregated. Settlement must be made in the currency in which the order was placed.

Confirmation of Ownership

Shares will be issued in registered form and a written confirmation as to the entry of the applicant on the register will be sent to Shareholders within 21 Business Days after receipt of payment and all relevant documentation. Share Certificates will not be issued. Shares shall not be issued unless the original Application Form has been received by the Administrator and settlement has been made within the prescribed time limits.

9. Redemption of Shares

Requests for the redemption of Shares should be made to the Administrator (whose details are set out in the Application Form) on behalf of the Company by 12.00 noon (Irish time) in Dublin on the relevant Dealing Day and should be made in writing (by letter, by facsimile or by electronic transmission) or by telephone. Any redemption requests not received by 12.00 noon (Irish time) on the relevant Dealing Day shall be processed on the next Dealing Day.

Redemption requests so received will be effected at the redemption price per Share which shall be the Net Asset Value per Share of the relevant Class calculated as at the Valuation Point.

Shareholders may redeem all or part of their holding of Shares provided that if the request would reduce their holdings below the Minimum Holding such request will be treated as a request to redeem their entire holding unless the Company otherwise determines. No redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

Method and Timing of Payment

Settlement for redemptions in any Fund will be made to an account in the name of the registered Shareholder normally by electronic transfer at the Shareholders' risk within 3 Business Days after the Dealing Day on which the redemption request has been received.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory Redemption

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the heading "Restrictions on Purchase, Transfer and Compulsory Redemptions".

10. Conversion of Shares

Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

11. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the headings "Deferral of Redemption" and "Suspension of Calculation of Net Asset Value and of Issues and Redemptions". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

12. Fees and Expenses

The fees and operating expenses of the Company are set out in detail under the heading "Charges and Expenses payable by the Funds" in the Prospectus.

The Fund shall bear the fees and expenses relating to the establishment of the Fund including the fees and expenses incurred in listing the Shares of the Fund on Euronext Dublin where applicable and registering them for sale in various markets. Such fees and expenses are not expected to exceed €20,000 and may be amortised over the first five accounting periods of the Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

Investment Manager's Fees

Management Fee

The Fund will pay the Investment Manager a basic management fee of 0.75% per annum (plus VAT if any) in respect of the Euro Distribution and Sterling Distribution Classes. The management fee will accrue daily on the basis of the Net Asset Value of the Fund on each Dealing Day and will be payable quarterly in arrears.

The management fee may be waived in full or in part at the sole discretion of the Investment Manager.

Performance Fee

The Investment Manager may also be entitled to receive an annual performance-related fee based on the outperformance per Share over the return on the Benchmark in the relevant currency of the Share Class. The performance fee payable will be 20% (plus VAT, if any) of the amount by which the increase in the Net Asset Value per Share, having adjusted the closing Net Asset Value per Share by (i) adding back the impact of any accruing performance fee, and (ii) adding back and compounding at the rate of return of the Net Asset Value of the Share Class any dividends paid or payable by reference to the period in question, exceeds the return on the

Benchmark plus 3 percentage points over the relevant accounting period. It will be calculated based on the time weighted average number of Shares in issue during the relevant period ("TWANS").

A performance fee will only be payable in respect of any period if the closing Net Asset Value per Share of the relevant Class at the end of the period (adjusted for the matters described above) exceeds the higher of (a) the opening Net Asset Value per Share of that Class for the relevant period or the price at which such Shares were issued if the initial issue of the relevant Class of Shares occurred during the period; and (b) the closing Net Asset Value per Share of that Class on the last accounting period end when a performance fee was paid (if any) (the "Hurdles").

No performance fee will be payable in respect of any accounting period of the Company if the adjusted closing Net Asset Value per Share of the Class does not outperform the Benchmark plus 3 percentage points over the relevant accounting period (the "Outperformance Condition").

The performance fee will accrue and be taken into account in the calculation of the Net Asset Value per Share on each Dealing Day. If a Shareholder redeems Shares during the accounting period, any accrued performance fee in respect of such Shares shall be payable to the Investment Manager within 48 hours.

For the avoidance of doubt, performance fees due as a result of a Shareholder redeeming during the accounting period shall not trigger a reset of the Hurdle under (b).

If the Hurdles and the Outperformance Condition are satisfied in respect of any accounting period of the Company, the performance fee will be triggered and start to accrue and be calculated as follows:

Performance Fee = $20\% \times [\text{NAV End} - (((\text{BM End} / \text{BM Start}) + 0.03) \times \text{NAV Start})] \times \text{TWANS}$ where:

NAV End = the Net Asset Value per Share at the end of the accounting period having adjusted for (i) adding back the impact of any accruing performance fee, (ii) adding back and compounding at the rate of return of the Net Asset Value of the Share Class any dividends paid or payable by reference to the accounting period.

NAV Start = the Net Asset Value per Share at the start of the accounting period

BM End = the value of the Benchmark at the end of the accounting period

BM Start = the value of the Benchmark at the start of the accounting period

TWANS = the time weighted average number of Shares of the relevant class in issue during the relevant accounting period, calculated as the total number of Shares of the relevant class in issue on each calendar day during the relevant accounting period divided by the number of calendar days in such accounting period.

Each Class of Shares may have different amounts of accrued performance fees which may impact investors who switch between Share Classes.

The first Calculation Period will be the period commencing on the calendar day immediately following the close of the Initial Offer Period of the relevant Share Class to 31 December in that year. Thereafter, calculation periods of the performance fee will correspond to the accounting period of the Company. The performance fee shall be payable annually in arrears.

The Depositary shall verify the calculation of the performance fee.

The annual performance fee (if any) will be paid to the Investment Manager within 14 days of the end of the relevant accounting period.

Administrator's and Depositary's Fees

The Administrator will be paid by the Fund an annual fee in respect of its duties as Administrator and Registrar accruing daily and paid monthly in arrears. The Depositary will be paid by the Fund an annual fee accruing daily and paid monthly in arrears. The aggregate of the Administrator's and Depositary's fees will not exceed 0.25% per annum of the Net Asset Value of each Fund. The Fund will bear its proportion of the fees and expenses of the Administrator and the Depositary.

In addition, the Depositary shall be reimbursed for all sub-custody fees and charges (both of which shall be charged at a normal, agreed commercial rate). The fees payable to the Administrator and the Depositary may be varied from time to time by agreement with the Company and are subject to annual review. Any increase in the fees payable will be notified in advance to Shareholders. The fees are exclusive of VAT (if any) payable by the Fund.

Investment Committee Fees

It is envisaged that an Investment Committee will be established of senior individuals with experience of investing in pan-European Small and MidCap companies. The Investment Committee shall consist of no more than five members and each member shall be entitled to a fee not exceeding £15,000 in any twelve months period which shall be payable out of the assets of the Fund.

Initial Charge

An initial charge will not be payable in respect of the Fund.

Redemption Charge

A redemption charge will not be payable in respect of the Fund.

13. Distribution Policy

If sufficient net income is available in the Fund attributable to the Distribution Class Shares, the Directors' current intention is to pay at their discretion a dividend of substantially the whole of the net income (including interest and dividend income less expenditure and liabilities) to holders of Distribution Class Shares in each calendar year. Owing to the investment objective of the Fund, the intended nature of the Fund's investments and the fact that the expenses of the Fund are in the first instance payable out of income, it is not anticipated that the net income of the Fund or any dividends will be significant.

The Administrator shall pay dividends, attributable to the Distribution Class Shares, in cash by electronic transfer. Shareholders may request that their dividends be reinvested in the Fund, in which case they will be issued an appropriate number of new shares.

Dividends (if any) will be declared within the first six months following the financial year end and shall be paid at such time as so decided by the Directors, provided always that such payment is made within three months of the date of the declaration of the dividend.

Dividends which are not claimed or collected within ten years of payment shall revert to and form part of the assets of the Fund.

14. Profile of Typical Investor

The Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

15. Risk Factors

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

Cross Liability of Funds Risk

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims.

Market Capitalisation Risk

Investors' attention is also drawn to the fact that the smaller companies market in which the Fund invests may be less liquid than the market in larger capitalised stocks and can be more sensitive to economic and other factors. As a result, the Fund may experience greater volatility both in the value of its investments and in its Net Asset Value per Share than a fund investing in larger capitalisation shares. This may be particularly relevant where positions need to be liquidated to meet redemption requests or other funding requirements. Smaller capitalisation companies often experience higher failure rates than do larger capitalisation companies.

Performance Fee Risk

Investors should also note that a performance related fee is payable to the Investment Manager by the Fund which is based on net realised and net unrealised gains and losses calculated in respect of twelve monthly performance periods. As a result such fees may be paid by the Fund on unrealised gains which may subsequently never be realised.

Concentration Risk

The Fund's strategy to invest in a focused portfolio of securities may result in a higher level of risk including higher volatility.

Risk Factors Not Exhaustive

The investment risks set out in this Supplement and in the Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

16. Benchmarks

MSCI Limited has been granted authorisation by the UK FCA as a UK administrator for all MSCI equity indices under the Benchmark Regulations. MSCI Limited is listed on the FCA's register and the ESMA register for administrators.

STOXX Limited has been granted recognition by the German Federal Financial Supervisory Authority (BaFin) as a third country administrator in accordance with Art. 32 of the Benchmarks Regulation.

SIXTH SUPPLEMENT

Dated 18 February 2021 to the Prospectus for Montanaro Smaller Companies plc

This Supplement contains information relating specifically to the **Montanaro Better World Fund** (the "Fund"), a Fund of Montanaro Smaller Companies plc ("Company"), an open-ended umbrella type investment company, with variable capital and segregated liability between sub-funds, authorised as a UCITS pursuant to the Regulations by the Central Bank.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 February 2021 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The Directors of the Company whose names appear under the heading "Management and Administration" in the Prospectus accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fund was authorised by the Central Bank on 21 March 2018.

Investors should read and consider the section entitled "Risk Factors" before investing in the Fund.

1. Interpretation

In this Supplement, the following words and phrases have the meanings set forth below, except where the context otherwise requires:

"Accumulation Class Shares"	means the Swedish Krona Institutional Accumulation Class Shares and Euro Accumulation Class Shares;
"Benchmark"	means the MSCI World SMID Cap Index (Total Return) which is calculated daily by Morgan Stanley Capital International. The index represents the small and midcap segments in 23 developed countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. The index rebalances semi-annually. Further information in relation to the index is available at www.msci.com ;
"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin and London are open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance through an announcement to Euronext Dublin;
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day every two weeks;
"Distribution Class Shares"	means Euro Distribution Class Shares and Sterling Distribution Class Shares;
"Minimum Holding"	means the minimum number of Shares required to be held by Shareholders or Shares having such value as may from time to time be specified by the Directors in relation to each Class and set out in this Supplement;
"Minimum Subscription"	means the amount specified in respect of each Class in this Supplement; and

"Valuation Point" means 16.00 (UK time) on the Dealing Day (or such other time as the Directors may determine)

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Base Currency

The Base Currency shall be Euro. The Net Asset Value per Distribution Class Shares will be published and settlement and dealing will be effected in Euro, Sterling or Swedish Krona as relevant. The Directors have the discretion to convert the Base Currency whenever they consider it to be in the Shareholders' best interests.

3. Investment Objective

The investment objective of the Fund is to deliver long-term capital growth.

4. Sustainability Objective

The Fund will seek to invest in high quality companies whose products, services or behaviour are deemed to make a positive impact on society and which emphasise sound environmental, social and governance (ESG) practices. Through the Fund's investments, the Investment Manager seeks to improve access to, and quality of, basic life essentials, reduce inequality, and mitigate the effects of climate change.

5. Investment Policy

The Fund shall invest in small and midcap companies primarily quoted in global markets and whose market capitalisation does not exceed that of the largest unadjusted market capitalisation of any of the constituents of Benchmark at the time of initial investment.

The securities in which the Fund invests will be listed or traded on Recognised Markets.

The Fund will seek to invest in high quality companies whose products, services or behaviour are deemed to make a positive impact on society and which emphasise sound ESG practices. In particular, the Investment Manager will seek to identify profitable and well managed businesses operating in markets that offer attractive structural growth opportunities, i.e. through the investment process outlined below the Investment Manager will seek to identify market sectors it expects to grow faster than GDP of the relevant country or region for a prolonged period of time. In order to achieve this, the Investment Manager will rely on a research-intensive investment process designed to evaluate potential investments based on the use of proprietary databases, financial models and direct engagement with companies.

Through their research and direct engagement with companies, the Investment Manager will seek to identify companies with management they consider to be entrepreneurial, competent, honest and trustworthy.

The Fund may not invest in companies with material revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards.

As set out in the Prospectus, pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, the Fund may hold cash deposits.

The Fund is actively managed and does not track a benchmark. The Benchmark is used for comparison purposes. Shareholders should be aware that the Fund will not be managed to the Benchmark and may invest in securities not included in the Benchmark. Investment returns may deviate materially from the performance of the Benchmark. The Fund is monitored, but is not constrained, in reference to the Benchmark and accordingly the Benchmark is not relevant for the purposes of the Fund's sustainability objective.

6. Sustainability / Compliance with Regulation (EU) 2019/2088

ESG Considerations and Risks

Article 6 of Regulation (EU) 2019/2088 (the "SFDR") provides that financial market participants such as the Company shall include in the Prospectus descriptions of the manner in which Sustainability Risks are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available. Article 3 of SFDR provides that financial market participants such as the Company shall publish on their website information about their policies on the integration of sustainability risks in their investment decision-making process. This Prospectus and the information set out below shall be published on www.montanaro.co.uk pursuant to the requirements of Article 3 of SFDR.

A Sustainability Risk in the context of the Fund is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The following are environmental, social and governance themes that may be relevant for the Fund. Within these themes, events may happen or conditions may arise that impact the valuation of the Fund:

Environmental

- Climate change and greenhouse gas emissions ("GHG")
- Resource depletion, including water
- Waste and pollution

Social

- Working conditions, including no slavery or child labour
- Health and safety
- Employee relations and diversity

Governance

- Executive pay
- Board diversity and structure (in terms of age, gender, educational and professional background)
- Anti-bribery and corruption

In order to meet the Fund's sustainable investment objective, the Sustainability Risks arising from the themes listed above are fully integrated into the Investment Manager's investment decisions. Investments of the Fund will demonstrate characteristics that align with the Fund's sustainability objective and the Investment Manager believes that investments will not significantly harm the Fund's sustainability investment objective. These decisions are made in line with the Investment Manager's overall approach to sustainability, which takes into account:

- ethical exclusions. The Fund may not invest in companies with more than 10% revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards;
- a quantitative and qualitative assessment of the environmental, social and governance ("ESG") profile of each company held in the Fund. Companies deemed not to meet the Investment Manager's minimum standards may not be held in the Fund; and
- where relevant, engagement with the Fund's investee companies in relation to the Sustainability Risks relevant to the company.

The Investment Manager undertakes initial and ongoing assessments of the likely impact(s) of the Sustainability Risks on the return of each holding in the Fund. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or sell the holding.

The Investment Manager's Sustainability Committee provides oversight of Sustainability Risks.

Further details about the Investment Manager's ESG policies and ESG approach are available on its website: www.montanaro.co.uk

5. Efficient Portfolio Management Techniques

The Fund may employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments relating to transferable securities provided that such techniques and instruments are used for

efficient portfolio management purposes and techniques and instruments intended to provide protection against exchange rate risk and equity market risk. Such techniques and instruments are set out in Part I to the Prospectus and include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts. Where applicable, the entities to which direct and indirect operational costs and/or fees have been paid during the annual period to the relevant accounting year end of the Fund (including whether such entities are related to the Company or Depositary) will be disclosed in the annual report for such period. It is not the current intention of the Investment Manager to employ efficient portfolio management techniques and a risk management process will be submitted to the Central Bank prior to the Fund engaging in such transactions.

6. Share Classes

Shares will be issued to investors as Shares of a Class in this Fund. The Directors may, with prior notification to and clearance by the Central Bank, create additional Classes of Shares in this Fund. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses and the Minimum Subscription or Minimum Holding applicable.

At the date of this Supplement, four Classes of Shares in the Fund are available for subscription and details of which are set out below:

Class of Share	Minimum Subscription	Minimum Holding
Euro Distribution Class	N/A	N/A
Sterling Distribution Class	N/A	N/A
Euro Accumulation Class	N/A	N/A
Swedish Krona Institutional Accumulation Class	€150,000,000	€150,000,000

7. Application for Shares

Applications for Shares may be made to the Administrator (whose details are set out in the Application Form) and must be received by 12.00 noon (Irish time) on the relevant Dealing Day. Any applications not received by 12.00 noon (Irish time) on a relevant Dealing Day will be processed on the next Dealing Day.

Initial Application Forms shall (save as determined by the Administrator) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent to arrive with the Administrator within 5 Business Days after the prescribed time for receipt of such application. Failure to provide the original Application Form by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Forms has been received.

Subsequent applications and dealing may also be made by telephone, by fax, by post or by electronic transmission to the Administrator, but completion of the transactions will require the payment of the subscription amount.

Applications will be effected on the Dealing Day at the purchase price per Share which, after the initial issue thereof, shall be the Net Asset Value per Share Class.

The Net Asset Value per Share shall be calculated as at the relevant Valuation Point based on last traded prices. Provided that the application has been received by the Administrator prior to 12.00 noon (Irish time), the prevailing Net Asset Value per Share of the relevant Share Class applicable on the same day will form the basis for the purchase price. The Company and the Administrator reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned to the

applicant by electronic transfer to the applicant's designated account or by post at the applicant's risk and expense. At the sole discretion of the Investment Manager, Shareholders may subscribe for Shares of the Fund in exchange for an equivalent value of an in specie distribution of eligible investments to the Fund.

Fractions

Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued to the nearest one thousandth of a Share. The holder of a fraction of a Share may not exercise any voting right in respect of such Share.

Method and Timing of Payment

Payment in respect of subscriptions for all Classes of Shares must be received by the Administrator no later than 3 Business Days after the relevant Dealing Day in respect of which an application has been received in the manner set out in the Application Form of the Fund.

Currency of Payment

Investors may place orders for Shares in Euros, Sterling, Swedish Krona or US Dollars. Other currencies may be accepted with prior agreement from the Administrator. If an application is made in a currency other than the Base Currency of the Fund, a foreign exchange deal will be placed by the Administrator on behalf of the investor to convert such currency to the Base Currency at the then prevailing exchange rate available to the Administrator. The value of the Shares expressed in the relevant Class currency will be subject to exchange rate risk in relation to the Base Currency of the Fund. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies. Foreign exchange deals may be aggregated. Settlement must be made in the currency in which the order was placed.

Confirmation of Ownership

Shares will be issued in registered form and a written confirmation as to the entry of the applicant on the register will be sent to Shareholders within 21 Business Days after receipt of payment and all relevant documentation. Share Certificates will not be issued. Shares shall not be issued unless the original Application Form has been received by the Administrator and settlement has been made within the prescribed time limits.

8. Redemption of Shares

Requests for the redemption of Shares should be made to the Administrator (whose details are set out in the Application Form) on behalf of the Company by 12.00 noon (Irish time) in Dublin on the relevant Dealing Day and should be made in writing (by letter, by facsimile or by electronic transmission) or by telephone. Any redemption requests not received by 12.00 noon (Irish time) on the relevant Dealing Day shall be processed on the next Dealing Day.

Redemption requests so received will be effected at the redemption price per Share which shall be the Net Asset Value per Share of the relevant Class calculated as at the Valuation Point.

Shareholders may redeem all or part of their holding of Shares provided that if the request would reduce their holdings below the Minimum Holding such request will be treated as a request to redeem their entire holding unless the Company otherwise determines. No redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

Method and Timing of Payment

Settlement for redemptions in any Fund will be made to an account in the name of the registered Shareholder normally by electronic transfer at the Shareholders' risk within 3 Business Days after the Dealing Day on which the redemption request has been received.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory Redemption

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the heading "Restrictions on Purchase, Transfer and Compulsory Redemptions".

9. Conversion of Shares

Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

10. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the headings "Deferral of Redemption" and "Suspension of Calculation of Net Asset Value and of Issues and Redemptions". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

11. Fees and Expenses

The fees and operating expenses of the Company are set out in detail under the heading "Charges and Expenses payable by the Funds" in the Prospectus.

The Fund shall bear the fees and expenses relating to the establishment of the Fund and registering the Fund for sale in various markets. Such fees and expenses are not expected to exceed €20,000 and may be amortised over the first five accounting periods of the Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

Investment Manager's Fees

Management Fee

The Fund will pay the Investment Manager a basic management fee of 0.85% per annum (plus VAT if any) in respect of the Euro Distribution, Euro Accumulation and Sterling Distribution Share Classes and 0.75% per annum (plus VAT if any) in respect of the Swedish Krona Institutional Accumulation Class Shares. The management fee will accrue daily on the basis of the Net Asset Value of the Fund on each Dealing Day and will be payable quarterly in arrears.

The management fee may be waived in full or in part at the sole discretion of the Investment Manager.

Administrator's and Depositary's Fees

The Administrator will be paid by the Fund an annual fee in respect of its duties as Administrator and Registrar accruing daily and paid monthly in arrears. The Depositary will be paid by the Fund an annual fee accruing daily and paid monthly in arrears. The aggregate of the Administrator's and Depositary's fees will not exceed 0.25% per annum of the Net Asset Value of each Fund. The Fund will bear its proportion of the fees and expenses of the Administrator and the Depositary.

In addition, the Depositary shall be reimbursed for all sub-custody fees and charges (both of which shall be charged at a normal, agreed commercial rate). The fees payable to the Administrator and the Depositary may be varied from time to time by agreement with the Company and are subject to annual review. Any increase in the fees payable will be notified in advance to Shareholders. The fees are exclusive of VAT (if any) payable by the Fund.

Advisory Committee Fees

It is envisaged that an Advisory Committee will be established of senior individuals with experience in the field of Environmental, Social and Governance ("ESG") or of investing globally in Socially Responsible Investments ("SRI"). The aggregate emoluments to all members shall not exceed £100,000 plus out of pocket expenses in any twelve months period. The fees shall be payable out of the assets of the Fund. In addition, the Advisory Committee may provide the Investment Manager with marketing advice in respect of the Fund. The Advisory Committee will not have discretion in making investment decisions.

Initial Charge

An initial charge will not be payable in respect of the Fund.

Redemption Charge

A redemption charge will not be payable in respect of the Fund.

Performance Fee

A performance fee will not be payable in respect of the Fund.

12. Distribution Policy

Investors should note that both Distribution Class Shares and Accumulation Class Shares are available in respect of the Fund.

Distribution Class Shares

If sufficient net income is available in the Fund attributable to the Distribution Class Shares, the Directors' current intention is to pay at their discretion a dividend of substantially the whole of the net income (including interest and dividend income less expenditure and liabilities) to holders of Distribution Class Shares in each calendar year. Owing to the investment objective of the Fund, the intended nature of the Fund's investments and the fact that the expenses of the Fund are in the first instance payable out of income, it is not anticipated that the net income of the Fund or any dividends will be significant.

The Administrator shall pay dividends, attributable to the Distribution Class Shares, in cash by electronic transfer. Shareholders may request that their dividends be reinvested in the Fund, in which case they will be issued an appropriate number of new shares.

Dividends (if any) will be declared within the first six months following the financial year end and shall be paid at such time as so decided by the Directors, provided always that such payment is made within three months of the date of the declaration of the dividend.

Dividends which are not claimed or collected within ten years of payment shall revert to and form part of the assets of the Fund.

Accumulation Class Shares

It is not the current intention of the Directors to pay dividends attributable to the Accumulation Class Shares. Income and other profits attributable to such Shares will be accumulated and reinvested on behalf of Shareholders.

In the event that the Directors determine to declare dividends in respect of the Accumulation Class Shares in the Fund, full details will be provided in an updated prospectus and supplement and Shareholders will be notified in advance of any such change in the dividend policy (including the date by which dividends will be paid and the method by which dividends will be paid).

13. Profile of Typical Investor

The Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

14. Risk Factors

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

Cross Liability of Funds Risk

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims.

Market Capitalisation Risk

Investors' attention is also drawn to the fact that the small and midcap companies in which the Fund invests may be less liquid than larger capitalised stocks and can be more sensitive to economic and other factors. As a result, the Fund may experience greater volatility both in the value of its investments and in its Net Asset Value per Share than a fund investing in larger capitalisation shares. This may be particularly relevant where positions need to be liquidated to meet redemption requests or other funding requirements. Small capitalisation companies often experience higher failure rates than do larger capitalisation companies.

Risk Factors Not Exhaustive

The investment risks set out in this Supplement and in the Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

15. Benchmark

MSCI Limited has been granted authorisation by the UK FCA as a UK administrator for all MSCI equity indices under the Benchmark Regulations. MSCI Limited is listed on the FCA's register and the ESMA register for administrators.

MONTANARO SMALLER COMPANIES PLC

(the “Company”)

ADDITIONAL INFORMATION FOR INVESTORS RESIDENT IN GERMANY

Dated: 24 February 2021

This document is supplemental to, forms part of and should be read in conjunction with the prospectus of the Company dated 18 February 2021 and any supplements thereto as may be amended from time to time (the “Prospectus”).

All capitalised terms contained herein shall have the same meaning as prescribed to such terms in the Prospectus unless indicated otherwise. The Directors whose names appear under the heading “Management and Administration” in the Prospectus accept responsibility for the information contained in this document and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information.

Right to publicly market shares in Germany

According to § 310 German Capital Investment Code (*Kapitalanlagegesetzbuch* (“KAGB”)) the Company has notified with the German Supervisory Authorities (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and is entitled to publicly market and distribute shares in Germany.

Montanaro European Smaller Companies Fund is entitled to market to investors in Germany the following of its share classes:

Euro Class – ISIN IE00B1FZRP01

Euro Accumulation Class – ISIN IE00B411W698

Euro Institutional Class – ISIN IE00BBT35671

No notification has been filed for the remaining classes of the Montanaro European Smaller Companies Fund (Sterling Class, Sterling Institutional Distribution Class, Euro Institutional Accumulation Class, Swedish Krona Accumulation Class and US Dollar Class), Montanaro UK Income Fund, Montanaro European Income Fund, Montanaro UK Smaller Companies Fund, Montanaro European MidCap Fund, Montanaro Select Fund and Montanaro Better World Fund.

Information agent in Germany

The function of the information agent in the Federal Republic of Germany is carried out by:

Landesbank Baden-Württemberg

Große Bleiche 54-56

55116 Mainz

Germany

(the “Information Agent”).

Copies of the Prospectus, key investor information, memorandum and articles of association and the annual and semi-annual report are available free of charge in paper form at the registered office of the Information Agent.

The fund prices as well as possible notices to investors are available for inspection free of charge at the registered office of the Information Agent.

Redemption Requests from and Payments to shareholders in the Federal Republic of Germany

Due to the fact that there are no physical shares (*effective Stücke*) are issued to investors there is no requirement to determine a specific paying agent in Germany. Investors in Germany can submit their redemption and conversion requests relating to the Shares of the Company to the respective entity in Germany maintaining their custody accounts (*depotführende Stelle*) which will in turn forward the

requests for processing to the Administrator of the Company or will request the redemption on its own name for the account of the investor.

Distributions of the Company, the payments of redemption proceeds and other payments to the investors in Germany will also be made through the respective entity in Germany maintaining the client's custody account (*depotführende Stelle*) which will credit the payments to the investor's account.

Publication

The prices will be published in the newspaper Boersen Zeitung and on the website www.boersen-zeitung.de, as well as on the Manager's website www.montanaro.co.uk.

In the cases enumerated in § 298 Abs. 2 KAGB, shareholders will also be notified by means of a durable medium in accordance with the terms of § 167 KAGB about the following changes:

- the suspension of the redemption of the Shares;
- the termination of the Company's management or the liquidation of the Company or the Sub-Fund;
- changes to the Constitution of the Company that are incompatible with the existing investment policies, that affect material investor rights or that affect the fees and reimbursement of expenses that can be paid out of the assets of the Company or the Sub-Fund, including the reasons for such changes, the investor rights and where and how investors may obtain additional information;
- the merger of sub-funds in the form of the information on the merger that is required to be prepared according to article 43 of the Directive 2009/65/EC; and
- the conversion of a sub-fund into a feeder fund or changes to a master fund in the form of the information that are required to be prepared according to article 64 of the Directive 2009/65/EC

German Investment Tax Act 2018 – Equity Fund qualification

The following section provides for a very brief overview of certain German income tax consequences of purchasing, owning and disposing of Shares in the Fund at the level of investors that are tax resident in Germany ("German Tax Residents"). It does by no means purport to be a comprehensive description of all German tax considerations relating to an investment of German Tax Residents in the Fund. In particular, it does not consider any specific facts or circumstances applicable to any particular investor or group of investors. Hence, the following does not constitute, and cannot be construed as tax advice to any particular investor. This section is based on the laws and regulations in force and applied by German courts and fiscal authorities at the date of the Memorandum. Such laws and regulations may change after the date of the Memorandum, possibly with retroactive effect.

In 2017, the German Investment Tax Act has been reformed with general application as from 1 January 2018 ("Investment Tax Act"). The Investment Tax Act is, subject to certain exceptions, applicable to investment funds (*Investmentvermögen*) within the meaning of the German Investment Law Act (*Kapitalanlagegesetzbuch*) that qualify as corporations (*Körperschaften*) or asset pools (*Vermögensmassen*) from a German tax perspective. The applicable rules of the Investment Tax Act depend on whether the respective fund is considered an investment fund within the meaning of chapter 2 of the Investment Tax Act ("**Chapter 2-Fund**") or within the meaning of chapter 3 of the Investment Tax Act (so-called special investment funds; "**Chapter 3-Fund**").

The Fund conceptually qualifies as a Chapter 2-Fund. Hence, the following items of income resulting from an investment in the Shares in the Fund are generally taxable at the level of German Tax Residents (so-called "**Investment Income**"):

- current distributions, including distributions of capital (*Substanzausschüttungen*), by the Fund;
- advance lump-sum amounts (*Vorabpauschale*); the advance lump-sum amounts correspond to the amount by which the distributions of the Fund in a calendar year fall short of the base income (*Basisertrag*) for such a calendar year. The basic income is determined by multiplying the redemption price for the investment fund unit at the beginning of a calendar year with 70% of the base interest rate derived from the long-term return obtainable from government bonds as determined by German Federal Bank (*Deutsche Bundesbank*) and published by the Federal Ministry for Finance (*Bundesfinanzministerium*). The base income may not exceed the surplus which results from the difference between the first and the last redemption price of the respective calendar year plus the distributions during such calendar year. The advance lump-sum amount is deemed to be received on the first working day of the following calendar year. For the year during which Shares are acquired the advance lump-sum amount is reduced by 1/12 for each full month preceding the month during which Shares were acquired; and
- capital gains from a disposal, including a redemption, of the Shares in the Fund.

In general, such Investment Income is fully taxable at the level of German Tax Residents. Most notably, the participation exemption provision under the German Corporate Income Tax Act does not apply. The applicable tax rates depend on the personal tax status of the particular investor. The tax due may be collected by way of German withholding tax.

However, the Investment Income may be partially tax-exempt at investor level pursuant to the so-called partial exemption regimes (*Teilfreistellungsregime*) in case the Fund is considered a stock fund (*Aktienfonds*), mixed fund (*Mischfonds*) or real estate fund (*Immobilienfonds*). In the latter case, Investment Income is generally tax-exempt at a percentage of 60% for corporate income tax and personal income tax purposes and 30% for trade tax purposes. Provided that the fund qualifies as a so-called foreign real estate fund (*Auslands-Immobilienfonds*), the percentage of the exemption amounts to 80% and 40%, respectively. For stock funds and mixed funds, the applicable tax-exemption rates also depend on the personal tax status of the particular German Tax Resident.

The share classes of the Montanaro European Smaller Companies Fund listed below will continuously invest at least 51% of their net assets in equity assets as defined in sec. 2 para 8 German Investment Tax Act (2018) and therefore ensure eligibility for the partial tax exemption for equity funds for German resident investors as defined in sec. 2 para 6 German Investment Tax Act (2018):

- Euro Class – ISIN IE00B1FZRP01
- Euro Accumulation Class – ISIN IE00B411W698
- Euro Institutional Class – ISIN IE00BBT35671

According to the current legal situation, the German CFC rules (*Hinzurechnungsbesteuerung*) do not apply to the Fund based on its classification as an investment fund (*Investmentfonds*). Due to the implementation of ATAD I & II into German law, it is expected that the German CFC rules will be amended in 2020. Therefore, it cannot be ruled out that as a consequence of this implementation, the German CFC might in the future become applicable with regard to the Fund at the level of German Tax Residents.

Prospective investors are strongly advised to seek professional advice concerning the tax consequences of acquiring, holding and disposing Shares in the Company prior to making the investment.

