

Montanaro UK Smaller Companies Investment Trust PLC

("MUSCIT" or the "Company")

LEI: 213800UDDXXTXIF29P85

Half-Yearly Report for the six months to 30 September 2022

MUSCIT was launched in March 1995 and is a closed-ended investment trust with shares premium listed on the London Stock Exchange ("LSE").

Investment Objective

MUSCIT's investment objective is capital appreciation through investing in small quoted companies listed on the LSE or traded on the Alternative Investment Market ("AIM") and to outperform its benchmark, the Numis Smaller Companies Index (excluding investment companies) ("NSCI").

No unquoted investments are permitted.

Investment Policy

The Company seeks to achieve its objective and to manage risk by investing in a diversified portfolio of quoted UK small companies. At the time of initial investment, a potential investee company must be profitable and no bigger than the largest constituent of the NSCI, which represents the smallest 10% of the UK Stock Market by value. At the start of 2022, this was any company below £1.63 billion in size.

In order to manage risk, the Manager limits any one holding to a maximum of 4% of the Company's investments at the time of initial investment. The portfolio weighting of each investment is closely monitored to reflect the underlying liquidity of the particular company. The Company's AIM exposure is also closely monitored by the Board and is limited to 40% of total investments at the time of investment, with Board approval required for exposure above 35%.

The Manager is focused on identifying high-quality, niche companies operating in growth markets. This typically leads the Manager to invest in companies that enjoy high barriers to entry, pricing power, a sustainable competitive advantage and strong management teams. The portfolio is constructed on a "bottom-up" basis.

The Alternative Investment Fund Manager ("AIFM"), in consultation with the Board, is responsible for determining the gearing levels of the Company and has determined that the Company's borrowings should be limited to a maximum of 25% of shareholders' funds. Gearing is used to enhance returns when the timing is considered appropriate.

The Company will not invest more than 10%, in aggregate, of the value of its total assets at the time of investment in other investment trusts or investment companies admitted to the Official List of the UK Listing Authority.

All material changes to the policy will require shareholder and FCA approval.

Highlights

for the six months to 30 September 2022

Results

	As at 30 September 2022 (unaudited)	As at 31 March 2022 (audited)	% Change
Ordinary share price ¹	94.0p	125.0p	-24.8
Net asset value (“NAV”) per Ordinary share ²	104.3p	135.5p	-23.0
Discount to NAV ²	9.8%	7.8%	
NSCI ³	6,891.3	8,522.4	-19.1

1 LSE closing price.

2 Including accrued revenue.

3 Capital only.

	As at 30 September 2022 (unaudited)	As at 31 March 2022 (audited)	% Change
Gross assets ¹	£194.5m	£246.8m	-21.2
Net assets	£174.5m	£226.8m	-23.0
Market capitalisation	£157.3m	£209.2m	-24.8
Net gearing employed ²	4.6%	4.3%	
Ongoing charges ³	1.1%	0.8%	
Portfolio turnover ⁴	17.9%	23.3%	

1 Net assets, adding back borrowings.

2 Total debt, net of cash and equivalents, as a percentage of shareholders' funds.

3 Company's expenses (excluding interest payable) expressed as a percentage of its average daily net assets, annualised at the half year end date.

4 Calculated using the total purchases plus the sales proceeds divided by two as a percentage of the average total investments at fair value during the period.

Performance

as at 30 September 2022

Total Return Percentage	6 months	1 year	3 year	5 year	10 year	Since launch
Share Price*	-23.2	-40.1	-1.8	2.1	70.0	721.3
NAV*	-21.8	-37.2	-9.9	-12.0	45.8	704.7
Benchmark**	-17.3	-25.1	-1.2	-3.9	95.3	440.0

*Returns have been adjusted for dividends paid.

** The Benchmark is a composite index with the NSCI used since 1 April 2013.

Sources: AIC, Morningstar Direct, Numis, Montanaro Asset Management Limited.

Capital Structure

As at 30 September 2022 and the date of this report, the Company had 167,379,790 Ordinary shares of 2p each in issue (none of which were held in treasury). See note 6 for further details. Holders of Ordinary shares have unrestricted voting rights of one vote per share at all general meetings of the Company.

Manager's Review

Ever since the Brexit referendum of 2016, politics has had an impact on UK financial markets. The past six months have been no exception. After the resignation of Boris Johnson and a prolonged leadership contest, Liz Truss was appointed Prime Minister in early September 2022. She promised “growth, growth, growth”, but the market reaction to “Trussonomics” – a confused cocktail of tax cuts and unfunded borrowing – meant that she entered with a whimper, rather than the “Big Bang 2” that her (ex) Chancellor pledged. Sterling fell and bond yields increased so dramatically that the Bank of England was forced to intervene by buying Gilts in the market. “Dear oh dear”, as King Charles III lamented when he saw the Prime Minister for her first weekly audience. All this, as the country still reeled from the death of Queen Elizabeth II.

There was no respite for global financial markets either. Hit by higher inflation combined with rising interest rates, all major asset classes – including government bonds and oil - fell in the six months to 30 September 2022. The S&P 500 suffered its second worst September in 30 years and is on track for one of its worst years, in real terms, since 1872. The FTSE All-Share retreated by 10% but this was dwarfed by the 20% loss suffered by investors in long-dated Gilts.

Meanwhile, the rotation out of Quality and Growth continued, although at a slower pace as the year progressed. For Quality Growth investors like ourselves, this has resulted in an extremely difficult period. The threat of higher interest rates has stalked markets, leading to a significant de-rating of growth stocks - businesses for whom the value of future earnings is vulnerable to higher interest rates (or long duration assets as they are known). Consumers have faced a significant increase to the cost of living, mortgage rates have risen sharply and recessionary fears have heightened.

UK equities remain an unloved asset class in general. UK quoted small companies, in particular, have had a torrid six months. MUSCIT's benchmark, the Numis Smaller Companies index (excluding investment companies) fell by 17% and underperformed the FTSE All-Share by 9%. In the year to 30 September 2022, UK smaller companies lagged LargeCap by 24%, the worst such yearly underperformance since 1998. Meanwhile, according to the Investment Association, UK SmallCap open-ended Funds saw almost £1 billion in redemptions in the first part of 2022, matching the Great Financial Crisis of 2008. Unsurprisingly, as a result, UK SmallCap is now trading on its lowest P/E since 2009.

Outlook

As we write these lines, the economic backdrop is deteriorating and it now seems a matter of “when” not “if” the UK enters a recession. Accordingly, investors are turning their attention to the resilience of company earnings in the face of slowing consumer demand and pressures on margins from rising input costs. Balance sheets are all important once again.

In contrast to the end of 2021 when stock markets appeared fully valued after a strong year, we are feeling increasingly optimistic about the next 12 months. UK SmallCap provides an attractive hunting ground for those looking to position themselves for an economic and stock market recovery. At 15.4x 12-month forward earnings, MUSCIT is currently on its lowest P/E since 2014.

As monetary policy tightens and the economy slows down, we would expect “Quality Growth” companies to benefit as investors place increasing value on the greater resilience of their business models and their strong balance sheets. When times are tough, it makes sense to rely on the best management teams who have seen such cycles before.

We are sorry that shareholders in MUSCIT have suffered in 2022 and that returns have been so disappointing. However, such extreme periods of losses in the past have typically led to periods of sustained positive returns. MUSCIT's calendar year absolute performance to date has been this weak on only two prior occasions in over 27 years (2002 and 2008). In both instances, it marked a low point before the Bear Markets ended and heralded the start of new Bull Markets.

Charles Montanaro, Montanaro Asset Management Limited

24 November 2022

Twenty Largest Holdings
as at 30 September 2022

Holding	Sector	Value £'000	Market cap £m	% of portfolio 30 September 2022	% of portfolio 31 March 2022
4imprint Group	Media	10,185	954	5.6	3.6
Kainos Group	Software and Computer Services	8,176	1,597	4.5	3.4
NCC Group	Software and Computer Services	7,648	680	4.2	2.3
Tracsis	Software and Computer Services	7,280	270	4.0	3.3
Ergomed	Pharmaceuticals and Biotechnology	6,996	582	3.8	3.0
Big Yellow Group	Real Estate Investment Trusts	6,625	1,953	3.6	3.6
Clarkson	Industrial Transportation	6,575	802	3.6	3.5
discoverIE Group	Electronic and Electrical Equipment	6,480	619	3.5	3.3
Diploma	Industrial Support Services	6,391	2,896	3.5	1.4
Games Workshop	Leisure Goods	5,795	1,903	3.2	1.4
Greggs	Personal Care, Drug and Grocery Stores	5,564	1,747	3.0	2.1
Marshalls	Construction and Materials	5,121	740	2.8	3.6
Watches of Switzerland	Personal Goods	5,055	1,615	2.8	2.9
Porvair	Industrial Engineering	5,000	231	2.7	2.7
Judges Scientific	Electronic and Electrical Equipment	4,928	464	2.7	2.6
Cranswick	Food Producers	4,690	1,434	2.6	2.6
Cerillion	Software and Computer Services	4,650	274	2.5	1.8
Dechra Pharmaceuticals	Pharmaceuticals and Biotechnology	4,559	2,983	2.5	0.9
Boku	Industrial Support Services	4,517	328	2.5	1.8
Yougov	Media	4,450	982	2.4	3.0
Twenty Largest Holdings		120,685		66.0	

Interim Management Report and Responsibility Statement

Interim Management Report

The important events that have occurred during the period under review and the key factors influencing the financial statements are set out in the Manager's Review above.

Statement of Principal Risks and Uncertainties:

The principal risks facing the Company are unchanged since the date of the Annual Report and Accounts for the year ended 31 March 2022 and continue to be as set out in that report on pages 11 to 14 and pages 55 to 57. These include, but are not limited to, discount management, poor investment performance, risk oversight, gearing, key man risk, operational risk, cyber risk, administrator, Environmental, Social and Governance and breach of regulation, including the impact of pandemics and other unforeseeable events on the Company's business operations. The principal financial risks include, but are not limited to, market risk, market price risk, foreign currency risk, interest rate risk, liquidity risk, credit risk and gearing levels. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

Related party transactions:

Related party transactions are disclosed in note 9 below. There have been no material changes in the related party transactions described in the last annual report.

Going concern:

As stated in note 7 to the condensed financial statements, the Directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements which has not been reviewed or audited by the external Auditor, has been prepared in accordance with Financial Reporting Standard ("FRS") 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- This Half-Yearly Report includes a fair review of the information required by:
 - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
 - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last Annual Report that could do so.

This Half-Yearly Report was approved by the Board and the above Responsibility Statement was signed on its behalf by:

Arthur Copple
Chairman
24 November 2022

Condensed Income Statement (unaudited)
for the six months to 30 September 2022

	6 months to 30 September 2022 (unaudited)			6 months to 30 September 2021 (unaudited)			Year to 31 March 2022 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments at fair value through profit or loss	-	(49,841)	(49,841)	-	44,696	44,696	-	(12,089)	(12,089)
Dividends and interest	2,909	-	2,909	2,189	-	2,189	3,979	-	3,979
Management fee	(144)	(433)	(577)	(197)	(592)	(789)	(383)	(1,147)	(1,530)
Other expenses	(304)	-	(304)	(292)	-	(292)	(593)	-	(593)
Return/(loss) before finance costs and taxation	2,461	(50,274)	(47,813)	1,700	44,104	45,804	3,003	(13,236)	(10,233)
Interest payable and similar charges	(67)	(201)	(268)	(76)	(227)	(303)	(160)	(481)	(641)
Return/(loss) before taxation	2,394	(50,475)	(48,081)	1,624	43,877	45,201	2,843	(13,717)	(10,874)
Taxation (note 3)	-	-	-	-	-	-	-	-	-
Net return/(loss) after taxation	2,394	(50,475)	(48,081)	1,624	43,877	45,501	2,843	(13,717)	(10,874)
Return/(loss) per Ordinary share: Basic and diluted	1.43p	(30.16p)	(28.73p)	0.97p	26.21p	27.18p	1.70p	(8.20p)	(6.50p)

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS 102"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice ("AIC SORP").

All revenue and capital items in the above statement derive from continuing operations.

There are no items of other comprehensive income and therefore the net return after taxation is also the total comprehensive income for the period.

No operations were acquired or discontinued in the period.

Condensed Statement of Changes in Equity
for the six months to 30 September 2022

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special Reserve* £'000	Capital reserve** £'000	Distributable revenue reserve** £'000	Total equity shareholders' funds £'000
6 months to 30 September 2022 (unaudited)							
As at 31 March 2022	3,348	19,307	1,362	4,642	197,758	378	226,795
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	(49,841)	-	(49,841)
Costs allocated to capital	-	-	-	-	(634)	-	(634)
Net revenue for the period	-	-	-	-	-	2,394	2,394
	-	-	-	-	(50,475)	2,394	(48,081)
Dividends paid in the period (note 4)	-	-	-	-	(2,408)	(1,793)	(4,201)
As at 30 September 2022	3,348	19,307	1,362	4,642	144,875	979	174,513
6 months to 30 September 2021 (unaudited)							
As at 31 March 2021	3,348	19,307	1,362	4,642	219,814	193	248,666
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	44,696	-	44,696
Costs allocated to capital	-	-	-	-	(819)	-	(819)
Net revenue for the period	-	-	-	-	-	1,624	1,624
	-	-	-	-	43,877	1,624	45,501
Dividends paid in the period	-	-	-	-	(4,301)	(955)	(5,256)
As at 30 September 2021	3,348	19,307	1,362	4,642	259,390	862	288,911
Year to 31 March 2022 (audited)							
As at 31 March 2021	3,348	19,307	1,362	4,642	219,814	193	248,666
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	(12,089)	-	(12,089)
Costs allocated to capital	-	-	-	-	(1,628)	-	(1,628)
Net revenue for the year	-	-	-	-	-	2,843	2,843
	-	-	-	-	(13,717)	2,843	(10,874)
Dividends paid in the year (note 4)	-	-	-	-	(8,339)	(2,658)	(10,997)
As at 31 March 2022	3,348	19,307	1,362	4,642	197,758	378	226,795

* The special reserve is used for the repurchase of the Company's own shares.

**These reserves are distributable, excluding any unrealised capital reserve.

Condensed Balance Sheet (unaudited)

as at 30 September 2022

	As at 30 September 2022 £'000 (unaudited)	As at 30 September 2021 £'000 (unaudited)	As at 31 March 2022 £'000 (audited)
Fixed assets			
Investments at fair value (note 5)	182,557	299,340	236,487
Current assets			
Debtors	348	3,905	359
Cash at bank	11,906	16,063	10,282
	12,254	19,968	10,641
Creditors: amounts falling due within one year			
Fixed rate term loan	-	(20,000)	-
Floating rate revolving term loan	-	(10,000)	-
Other creditors	(298)	(397)	(333)
	(298)	(30,397)	(333)
Net current assets / (liabilities)	11,956	(10,429)	10,308
Total assets less current liabilities	194,513	288,911	246,795
Creditors: amounts falling due after more than one year			
Fixed rate term loan	(20,000)	-	(20,000)
Net assets	174,513	288,911	226,795
Share capital and reserves			
Called-up share capital	3,348	3,348	3,348
Share premium account	19,307	19,307	19,307
Capital redemption reserve	1,362	1,362	1,362
Special reserve	4,642	4,642	4,642
Capital reserve	144,875	259,390	197,758
Distributable revenue reserve	979	862	378
Total equity shareholders' funds	174,513	288,911	226,795
Net asset value per Ordinary share: Basic and Diluted	104.26p	172.61p	135.50p
Number of Ordinary shares in issue	167,379,790	167,379,790	167,379,790

Notes to the Financial Statements

As at 30 September 2022

1 Financial Information

The condensed financial statements for the six months ended 30 September 2022 comprise the statements together with the related notes. The Company applies FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' in its annual financial statements and the AIC SORP issued in November 2014 and updated in October 2019. The condensed financial statements for the six months to 30 September 2022 have been prepared in accordance with FRS 104 Interim Financial Reporting. The financial statements have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Accounts for the year ended 31 March 2022.

Following the adoption of FRS 102, the Company elected not to present the statement of cash flows per section 7.1.A.

The financial information contained in this Half-Yearly Report does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the six months to 30 September 2022 and 30 September 2021 has not been audited or reviewed by the Company's Auditor pursuant to the Auditing Practices Board guidance on such reviews.

The information for the year ended 31 March 2022 has been extracted from the latest published Annual Report and Accounts, which have been filed with the Registrar of Companies. The Report of the Auditors on those financial statements was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2 Management Expenses and Finance Costs

Management fees and finance costs are allocated 75% to the capital reserve and 25% to the revenue account. Costs arising on early settlement of debt are allocated 100% to capital, in accordance with the requirements of the AIC SORP. All other expenses are allocated in full to the revenue account on an accruals basis.

3 Tax Credit/Charge on Ordinary Activities

The tax charge for the six months to 30 September 2022 comprises irrecoverable withholding tax suffered of £nil (six months to 30 September 2021: £nil; year to 31 March 2022: £nil).

The corporation tax charge is based on an estimated effective tax rate of 0% as investment gains are exempt from tax owing to the Company's status as an investment trust and there is expected to be an excess of management expenses over taxable income.

4 Dividends

	6 months to 30 September 2022 £'000 (unaudited)	Year to 31 March 2022 £'000 (audited)
In respect of the previous period:		
Paid		
2021 fourth quarter dividend of 1.49p per Ordinary share	-	2,494
2022 fourth quarter dividend of 1.36p per Ordinary share	2,276	-
In respect of the period under review:		
Paid		
2022 first quarter dividend of 1.65p per Ordinary share	-	2,762
2022 second quarter dividend of 1.73p per Ordinary share	-	2,896
2022 third quarter dividend of 1.70p per Ordinary share	-	2,845
2023 first quarter dividend of 1.15p per Ordinary share	1,925	-
	4,201	10,997
<i>Declared</i>		
2022 fourth quarter dividend of 1.36p per Ordinary share	-	2,276
2023 second quarter dividend of 1.04p per Ordinary share	1,741	-

The quarters referred to in the table above relate to the Company's financial year, which ends on 31 March.

5 Fair Value Hierarchy

For investments actively traded in organised financial markets, fair value is generally determined by reference to quoted market bid prices or closing prices for SETS (LSE's electronic trading service) stocks sourced from the LSE on the balance sheet date, without adjustment for transaction costs necessary to realise the asset.

In accordance with FRS 102, the Company must disclose the fair value hierarchy of financial instruments.

The fair value hierarchy consists of the following three levels:

- level 1 - The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;
- level 2 - Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3 - Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The table below sets out fair value measurements of financial assets in accordance with the FRS 102 fair value hierarchy system:

	30 September 2022 (unaudited)			31 March 2022 (audited)		
	Level 1 £'000	Level 2 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Total £'000
Equity investments	182,557	-	182,557	236,487	-	236,487
	182,557	-	182,557	236,487	-	236,487

There were no level 2 or 3 investments during the period.

6 Share Capital

	30 September 2022 (unaudited)		31 March 2022 (audited)	
	Number of shares	£'000	Number of shares	£'000
Allotted, called-up and fully paid: Ordinary shares of 2p each (31 March 2022: 2p each)				
Balance at beginning of period	167,379,790	3,348	167,379,790	3,348
Balance at end of period	167,379,790	3,348	167,379,790	3,348

7 Going Concern

The Company has adequate financial resources to meet its investment commitments and as a consequence, the Directors believe that the Company is well placed to manage its business risks. After making appropriate enquiries and due consideration of the Company's cash balances, the liquidity of the Company's investment portfolio and the cost base of the Company, the Directors have a reasonable expectation that the Company has adequate available financial resources to continue in operational existence for the foreseeable future and accordingly have concluded that it is appropriate to continue to adopt the going concern basis in preparing the Half-Yearly Report, consistent with previous years.

8 Segmental Reporting

The Company has one reportable segment, being investing primarily in a portfolio of quoted UK small companies.

9 Related Party Transactions

Under the Listing Rules, the Manager is regarded as a related party and deemed to be Key Management Personnel of the Company. The relationship between the Company, its Directors and the Manager is disclosed in the Directors' Report in the Annual Report and Accounts for the year ended 31 March 2022.

The amount charged by the Manager during the period was £577,000 (six months to 30 September 2021: £790,000; year to 31 March 2022: £1,530,000). At 30 September 2022, the amount due to the Manager, included in creditors, was £89,000. The management fee is 0.50% per annum of the gross assets of the Company, plus £50,000 per annum in respect of acting as the AIFM.

Directors' Emoluments

At 30 September 2022, the Board consisted of four Non-Executive Directors. All Directors are considered to be independent of the Manager. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £38,500, the Chairman of the Audit and Management Engagement Committee receives an annual fee of £31,000 and all other Non-Executive Directors receive £26,500 per annum. The Senior Independent Director is entitled to an additional payment of £1,100, and as disclosed in the Company's Annual Report and Accounts, Mr Robinson has waived his entitlement to this additional fee.

At 30 September 2022, the amount outstanding in respect of Directors' fees was £nil (31 March 2022: £nil).

At 30 September 2022, the interests of the Directors in the ordinary shares of the Company were as follows:

	As at 24 November 2022 No. of shares	As at 30 September 2022 No. of shares	As at 31 March 2022 No. of shares
Arthur Copple ¹	125,000	125,000	125,000
James Robinson ²	40,000	40,000	40,000
Catriona Hoare	9,039	9,039	9,039
Barbara Powley	12,328	12,217	11,960

1 Includes 25,000 shares held by Mrs Copple.

2 Held jointly by Mr and Mrs Robinson.

Montanaro UK Smaller Companies Investment Trust PLC
Registered in England and Wales No. 3004101
An investment company as defined under section 833 of the Companies Act 2006

Directors

Arthur Copple (Chairman)
James Robinson
Catriona Hoare
Barbara Powley

Principal Advisers

AIFM and Investment Manager

MONTANARO ASSET MANAGEMENT LIMITED
53 Threadneedle Street
London EC2R 8AR
www.montanaro.co.uk
enquiries@montanaro.co.uk

Depository

THE BANK OF NEW YORK MELLON
(INTERNATIONAL) LIMITED
One Canada Square
London E14 5AL

Administrator

LINK ALTERNATIVE FUND ADMINISTRATORS
LIMITED
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Exeter EX4 4EP
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Fax: 01392 498288

Custodian

BANK OF NEW YORK MELLON SA/NV
One Canada Square
London E14 5AL

Company Secretary and Registered Office

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Registrar

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Broker

CENKOS SECURITIES PLC
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Shareholder Helpline

Tel: 0371 664 0300

Email: shareholderenquiries@linkgroup.co.uk

Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Lawyers

GOWLING WLG
4 More London Riverside
London SE1 2AU

Sources of Further Information

Information on the Company, including this Half-Yearly Report is available on the Company's website:
<https://montanaro.co.uk/trust/montanaro-uk-smaller-companies-investment-trust/>

Key Dates

February, May, August and November	Quarterly dividends payable
31 March	Company year end
June	Annual results
July	Annual General Meeting
November	Half-yearly results

Frequency of NAV Publication

The Company's NAV is released to the LSE on a daily basis.

ISA Status

The Company's shares are fully eligible for inclusion in ISAs.

AIC

The Company is a member of the AIC.

NMPI Status

The Company currently conducts its affairs so that the shares it issues can be recommended by financial advisers to retail investors in accordance with the FCA's rules in relation to non-mainstream investment products. It is intended to continue to do so for the foreseeable future. The Company's securities are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are securities in a UK listed investment trust.

Registrar enquiries

The register for the Ordinary Shares is maintained by Link Group. In the event of queries regarding your holding, please contact the registrar. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales or alternatively at shareholderenquiries@linkgroup.co.uk.

Changes of name must be notified in writing to the registrar, whose address is: Link Group, Shareholder Services Department, The Registry, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. A change of address can be updated online via www.signalshares.com.

Warning to Shareholders – Beware of Share Fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. Investment scams are often sophisticated and difficult to spot.

How to avoid investment scams:

- Reject unexpected offers: Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.
- Check the FCA Warning List: Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without FCA authorisation.
- Get impartial advice: Get impartial advice before investing – don't use an adviser from the firm that contacted you.

You can report a firm or scam to the Financial Conduct Authority on 0800 111 6768 or through www.fca.org.uk/scamsmart

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

For further information, please contact:
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enquiries@montanaro.co.uk