

Montanaro UK Smaller Companies Investment Trust PLC

("MUSCIT" or the "Company")

LEI: 213800UDDXXTXIF29P85

Half-Yearly Report for the six months to 30 September 2024

- With effect from 31 December 2024 the Company will be paying a regular quarterly dividend equivalent to 1.5% of the Company's NAV, amounting to a yield of c.6% annually.
- The investment management fee of 0.50% per annum will now be calculated based on net assets rather than gross assets with effect from 31 December 2024.
- The net asset value rose by 4.2% (with dividends reinvested) compared to a total return of +10.6% for the benchmark, the NSCI.
- The discount narrowed to 12.8% from 15.1%, resulting in a higher share price total return of +7.3%. The S&P 500 returned +4%, the NASDAQ +5%, and the FTSE All-Share +6.1%.

Performance

as at 30 September 2024

Total Return Percentage	6 months	1 year	3 years	5 years	10 years	Since launch
Share Price*	7.3	11.1	-26.2	21.0	68.2	912.4
Net asset value*	4.2	14.7	-20.4	13.4	58.0	917.3
Benchmark**	10.6	20.0	0.5	32.6	85.0	624.7

* Returns have been adjusted for dividends paid.

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

Sources: LSEG, Deutsche Numis, Montanaro Asset Management Limited.

	As at 30 September 2024 (unaudited)	As at 31 March 2024 (audited)	% Change
Ordinary share price ¹	106.0p	101.0p	5.0
Net asset value ("NAV") per Ordinary share ²	121.6p	118.9p	2.3
Discount to NAV ²	12.8%	15.1%	
NSCI ³	8,613.3	7,970.9	8.1

1 LSE closing price.

2 Including accrued revenue.

3 Capital only.

	As at 30 September 2024 (unaudited)	As at 31 March 2024 (audited)	% Change
Gross assets ¹	£223.5m	£219.1m	2.0
Net assets	£203.5m	£199.1m	2.3
Market capitalisation	£177.4m	£169.1m	5.0
Net gearing employed ²	6.3%	2.7%	
Ongoing charges ³	0.9%	0.9%	
Portfolio turnover ⁴	22.3%	23.4%	

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.

Chairman's Statement

Performance

In the six-month period ended 30 September 2024, MUSCIT's NAV rose by 4.2% (with dividends reinvested) compared to a total return of +10.6% for the benchmark, the NSCI Index.

Over the past four years, the dominance in performance of Value over Growth as an investment style has been a key theme in SmallCap investing - and it remains as relevant as ever. The last six months have again posed challenges for Growth managers, including our Manager, as SmallCap Growth stocks underperformed SmallCap Value by more than 7% (and a staggering 78% over four years). MUSCIT's underperformance of 6.4% over the past six months is consistent with that of Growth over this period.

Similarly, AIM continued to underperform, lagging Main List SmallCap by 8% during the period. MUSCIT, which held between 15% and 22% in companies traded on AIM during this period, underperformed the NSCI (inclusive of AIM) by less at -3.4%.

The discount narrowed to 12.8% from 15.1% at 31 March 2024, resulting in a higher share price gain of +7.3%. For context, the S&P 500 returned 4%, the NASDAQ 5%, and the FTSE All-Share 6.1% over the same period, all expressed as total returns in Sterling.

Investment Management Fee

The Board is pleased to announce that, with effect from 31 December 2024, the investment management fee of 0.50% per annum will be calculated based on net assets rather than gross assets. This adjustment reflects the Board's ongoing commitment to delivering value for the Company's investors and follows discussions with shareholders. At 0.50% of net assets, the investment management fee remains among the most competitive in the UK SmallCap investment trust sector.

Dividend Policy

The Board last updated the Company's dividend policy in 2018, introducing quarterly dividends amounting to 1% of NAV on the last business day of the preceding financial quarter, being the end of March, June, September and December. The resulting annual yield of approximately 4% offered investors an attractive way to earn regular income and helped to broaden the appeal of the Company's shares. The Board was pleased to see the share price discount to NAV of c.20% at the time of the announcement subsequently tighten and eventually disappear by the end of 2020. By December 2022, MUSCIT's share price had reached a premium of 3%.

However, the Board is aware that the interest rate environment has changed considerably since 2018. At the time of the change in the dividend policy, 10-year Gilt yields stood at around 1.3%, which compares to approximately 4.5% today.

The Board believes that it is important for the Company's dividend policy to continue to fulfil its role of attracting new investors and as a result helping to narrow the discount. Consequently, with effect from 31 December 2024, the Company will be paying a regular quarterly dividend equivalent to 1.5% of the Company's NAV, amounting to a yield of c.6% annually. At the current discount of 12.8% the share price yield would be 6.9%. The first dividend payment to be made at the increased rate will be in February 2025.

The Board believes that the revised dividend policy is in the best interests of the Company and shareholders as a whole.

The dividends will continue to be funded partly from capital reserves and partly from current year revenue. Currently, it is estimated that there are sufficient capital reserves to pay this level of dividend for 28 years even assuming no growth in capital or income in the underlying portfolio companies shares. The Board will keep the dividend policy and its impact on the demand for the Company's shares under regular review.

There will be no change to the existing investment policy or to the strategy. The Investment Manager will continue to seek high quality companies that have strong growth prospects for the Company's portfolio. Dividend yield will not be a significant part of the investment process.

Arthur Copple

Chairman

5 December 2024

Manager's Review

While some assume that the summer months are a quieter time for stock markets, with fund managers escaping to sunnier destinations, this is not the case for us. After reducing our AIM exposure through the sale of YouGov and Judges Scientific, we have been actively seeking new investment opportunities. Our universe constantly evolves, with new flotations, takeovers, spin-offs, and so-called "fallen angels" - companies that were once too large for our focus but now fit our scope. Staying active is essential, as we continue searching for the best opportunities. Our work resulted in us investing in several quality companies, including Alpha Group, Gamma Communications, Telecom Plus, Baltic Classifieds and JTC.

We also participated in the IPO of Raspberry Pi, a Cambridge-based developer of computer boards and computing units serving the Education & Enthusiasts and Industrial & Embedded markets. Founded by Eben Upton in 2008, Raspberry Pi began as a charitable foundation to inspire young minds in computer science, producing credit-card-sized computers priced under £15 for schools. The product line now includes semiconductors, computer modules, and various accessories. With a market capitalisation of approximately £500 million, Raspberry Pi's size aligns well with our focus and is often overlooked by larger institutions. It began trading on June 10, 2024, at £2.80 per share and is currently around £3.30.

As we write these lines, the much-anticipated Budget announcement has come and gone. Despite a range of tax increases - including those on capital gains, National Insurance and Inheritance Tax on AIM - the changes were less severe than feared, and we believe smaller companies will adapt.

Many of these factors are arguably already reflected in current share prices. UK SmallCap valuations look attractive across multiple metrics and, at 15.6x, the Shiller P/E ratio points to the potential for strong returns in SmallCap over the next five years. Earnings expectations are also promising: while SmallCap lagged behind LargeCap in EPS growth in 2022 and 2023, it is projected to catch up in 2024 and move decisively ahead in 2025, with an anticipated 15% growth versus 7% for LargeCap (source: FactSet).

It feels as though the headwinds of the past three years are finally easing. Disinflation is taking hold, political uncertainties have subsided and M&A activity is picking up. SmallCap as a whole has outperformed LargeCap over the past six and twelve months, suggesting that the worst may indeed be behind us. If SmallCap is entering a new, multi-year cycle of outperformance, MUSCIT stands to benefit - particularly given its current discount of around 13%, which compares to a 3% premium less than two years ago. And while waiting, shareholders can enjoy a 6% yield on NAV (c.7% based on share price).

Charles Montanaro

Montanaro Asset Management Limited

5 December 2024

Twenty Largest Holdings
as at 30 September 2024

Holding	Sector	Value £'000	Market cap £m	% of portfolio 30 September 2024	% of portfolio 31 March 2024
Marshalls	Construction and Materials	11,655	842	5.7	4.7
Big Yellow	Real Estate Investment Trusts	10,144	2,488	5.0	5.2
Games Workshop	Leisure Goods	9,138	3,542	4.5	4.9
discoverIE	Electronic and Electrical Equipment	8,816	580	4.3	4.6
4imprint	Media	8,715	1,403	4.3	5.4
Porvair	Industrial Engineering	8,250	306	4.0	3.8
Bytes Technology	Software and Computer Services	8,240	1,238	4.0	3.1
Hilton Food	Food Producers	7,633	805	3.7	3.1
Clarkson	Industrial Transportation	7,360	1,131	3.6	4.9
XPS Pensions	Financial Services	7,225	600	3.5	3.9
NCC Group	Software and Computer Services	7,128	559	3.5	2.1
Kainos	Software and Computer Services	7,064	1,110	3.4	3.5
Cranswick	Food Producers	6,275	2,706	3.1	4.0
Raspberry Pi	Technology Hardware and Equipment	6,272	748	3.1	-
Greggs	Personal Care, Drugs and Grocery Stores	6,248	3,194	3.1	4.6
Baltic Classifieds	Software and Computer Services	6,060	1,478	3.0	-
MP Evans	Food Producers	5,772	512	2.8	2.0
Genuit	Industrial Support Services	5,514	1,195	2.7	2.7
XP Power	Electronic and Electrical Equipment	5,483	312	2.7	2.7
GlobalData	Media	5,075	1,749	2.5	2.6
		148,067		72.5	

Investment Objective

MUSCIT's investment objective is to achieve capital appreciation through investing in smaller quoted companies listed on the LSE or traded on the Alternative Investment Market ("AIM") and to outperform its benchmark, the Deutsche 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 smaller 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 2024, this was any company below £1.68 billion in market capitalisation. The Manager focuses on the smaller end of this index.

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 Board is responsible for setting the Company's gearing strategy and approves the arrangement of any gearing facilities. The Alternative Investment Fund Manager ("AIFM") is responsible for determining the net gearing level within the parameters set by the Board. The Company's borrowings should be limited to 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.

Capital Structure

As at 30 September 2024 and the date of this report, the Company had 167,379,790 Ordinary shares of 2p each in issue (none of which was 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.

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 Chairman's Statement and 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 2024 and continue to be as set out in that report on pages 16 to 18 and pages 58 to 60. These include, but are not limited to, discount management, poor investment performance, risk oversight, gearing, key man risk, operational risk, cyber risk, administrator, breach of regulation, including the impact of pandemics and other unforeseeable events on the Company's business operations, financial and ESG. 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 Cople

Chairman

5 December 2024

Condensed Income Statement (unaudited)
for the six months to 30 September 2024

	Six months to 30 September 2024 £'000			Six months to 30 September 2023 £'000			Year to 31 March 2024 (audited) £'000		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments designated at fair value through profit or loss	-	5,520	5,520	-	(6,033)	(6,033)	-	11,137	11,137
Investment income	4,263	-	4,263	4,325	-	4,325	6,347	-	6,347
Investment management fee	(153)	(460)	(613)	(152)	(457)	(609)	(276)	(828)	(1,104)
Other expenses	(350)	-	(350)	(341)	-	(341)	(618)	-	(618)
Net return before finance costs and taxation	3,760	5,060	8,820	3,832	(6,490)	(2,658)	5,453	10,309	15,762
Interest payable and similar charges	(80)	(241)	(321)	(69)	(206)	(275)	(175)	(522)	(697)
Net return before taxation	3,680	4,819	8,499	3,763	(6,696)	(2,933)	5,278	9,787	15,065
Taxation (note 3)	-	-	-	-	-	-	-	-	-
Net return after taxation	3,680	4,819	8,499	3,763	(6,696)	(2,933)	5,278	9,787	15,065
Return per Ordinary share:	2.20p	2.88p	5.08p	2.25p	(4.00p)	(1.75p)	3.15p	5.85p	9.00p

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC SORP").

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

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 2024

	Called-up share capital	Share premium account	Capital redemption reserve	Special reserve*	Capital reserve**	Distributable revenue reserve**	Total equity shareholders' funds
6 months to 30 September 2024 (unaudited)	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 March 2024	3,348	19,307	1,362	4,642	170,230	193	199,082
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	5,520	-	5,520
Costs allocated to capital	-	-	-	-	(701)	-	(701)
Net revenue for the period	-	-	-	-	-	3,680	3,680
	-	-	-	-	4,819	3,680	8,499
Dividends paid in the period (note 4)	-	-	-	-	(1,992)	(2,076)	(4,068)
As at 30 September 2024	3,348	19,307	1,362	4,642	173,057	1,797	203,513
6 months to 30 September 2023 (unaudited)							
As at 31 March 2023	3,348	19,307	1,362	4,642	162,418	572	191,649
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	(6,033)	-	(6,033)
Costs allocated to capital	-	-	-	-	(663)	-	(663)
Net revenue for the period	-	-	-	-	-	3,763	3,763
	-	-	-	-	(6,696)	3,763	(2,933)
Dividends paid in the period	-	-	-	-	(1,353)	(2,463)	(3,816)
As at 30 September 2023	3,348	19,307	1,362	4,642	154,369	1,872	184,900
Year to 31 March 2024 (audited)							
As at 31 March 2023	3,348	19,307	1,362	4,642	162,418	572	191,649
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	11,137	-	11,137
Costs allocated to capital	-	-	-	-	(1,350)	-	(1,350)
Net revenue for the year	-	-	-	-	-	5,278	5,278
	-	-	-	-	9,787	5,278	15,065
Dividends paid in the year (note 4)	-	-	-	-	(1,975)	(5,657)	(7,632)
As at 31 March 2024	3,348	19,307	1,362	4,642	170,230	193	199,082

* 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 2024

	As at 30 September 2024 £'000 (unaudited)	As at 30 September 2023 £'000 (unaudited)	As at 31 March 2024 £'000 (audited)
Fixed assets			
Investments at fair value (note 5)	216,442	199,033	204,694
Current assets			
Debtors	466	520	312
Cash at bank	7,157	5,902	14,627
	7,623	6,422	14,939
Creditors: amounts falling due within one year			
Other creditors	(552)	(555)	(551)
Fixed rate term loan	(20,000)	-	(20,000)
	(20,552)	(555)	(20,551)
Net current (liabilities)/assets	(12,929)	5,867	(5,612)
Total assets less current liabilities	203,513	204,900	199,082
Creditors: amounts after more than one year			
Fixed rate term loan	-	(20,000)	-
Net assets	203,513	184,900	199,082
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	173,057	154,369	170,230
Distributable revenue reserve	1,797	1,872	193
Total equity shareholders' funds	203,513	184,900	199,082
Net asset value per Ordinary share	121.59p	110.47p	118.94p
Number of Ordinary shares in issue	167,379,790	167,379,790	167,379,790

Notes to the Financial Statements

As at 30 September 2024

1 Financial Information

The condensed financial statements for the six months ended 30 September 2024 comprise the statements together with the related notes. The Company has adopted 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 June 2022. The condensed financial statements for the six months to 30 September 2024 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 2024.

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 2024 and 30 September 2023 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 2024 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 2024 comprises irrecoverable withholding tax suffered of £nil (six months to 30 September 2023: £nil; year to 31 March 2024: £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 2024 £'000 (unaudited)	Year to 31 March 2024 £'000 (audited)
In respect of the previous period:		
Paid		
2023 fourth quarter dividend of 1.15p per Ordinary share	-	1,925
2024 fourth quarter dividend of 1.19p per Ordinary share	1,992	-
In respect of the period under review:		
Paid		
2024 first quarter dividend of 1.13p per Ordinary share	-	1,891
2024 second quarter dividend of 1.10p per Ordinary share	-	1,841
2024 third quarter dividend of 1.18p per Ordinary share	-	1,975
2025 first quarter dividend of 1.24p per Ordinary share	2,076	-
	4,068	7,632
<i>Declared</i>		
2024 fourth quarter dividend of 1.19p per Ordinary share	-	1,992
2025 second quarter dividend of 1.22p per Ordinary share	2,042	-

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 – Valued using quoted prices, unadjusted in active markets for identical assets and liabilities.
- level 2 – Valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in level 1.
- level 3 – Valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability. Assessing the significance of a particular input requires judgement, considering factors specific to 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 2024 (unaudited)		31 March 2024 (audited)	
	Level 1 £'000	Total £'000	Level 1 £'000	Total £'000
Equity investments	216,442	216,442	204,694	204,694
	216,442	216,442	204,694	204,694

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

6 Share Capital

	30 September 2024 (unaudited)		31 March 2024 (audited)	
	Number of shares	£'000	Number of shares	£'000
Allotted, called-up and fully paid: Ordinary shares of 2p each (31 March 2024: 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 its day to day working capital requirements, 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 2024.

The amount charged by the Manager during the period was £613,000 (six months to 30 September 2023: £609,000; year to 31 March 2024: £1,104,000). At 30 September 2024, the amount due to the Manager, included in creditors, was £300,000. 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 2024, 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 £43,500, the Chair of the Audit and Management Engagement Committee receives an annual fee of £35,000 and all other Non-Executive Directors receive £30,000 per annum.

At 30 September 2024, the amount outstanding in respect of Directors' fees was £nil (31 March 2024: £nil).

At 30 September 2024, the interests of the Directors in the ordinary shares of the Company were as follows:

	As at 5 December 2024 No. of shares	As at 30 September 2024 No. of shares	As at 31 March 2024 No. of shares
Arthur Cople	275,000	275,000	275,000
Catriona Hoare	9,039	9,039	9,039
Yuuichiro Nakajima	5,000	5,000	-
Barbara Powley ¹	23,814	23,547	13,026

¹ A further 267 shares were acquired by Barbara Powley on 8 November 2024 as a result of dividend reinvestment.

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)
Barbara Powley (Chair of the Audit & Management Engagement Committee and Senior Independent Director)
Catriona Hoare
Yuuichiro Nakajima (Chairman of the Nomination & Remuneration Committee)

Principal Advisers

AIFM and Investment Manager

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Depository

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London EC4V 4LA

Company Secretary and Administrator

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28 Walker Street
Edinburgh EH3 7HR
Tel: 0131 378 0500
Cosec@junipartners.com

Custodian

BANK OF NEW YORK MELLON SA/NV
160 Queen Victoria Street
London EC4V 4LA

Registered Office

53 Threadneedle Street
London EC2R 8AR

Banker

ING BANK N.V
London Branch
8-10 Moorgate
London EC2R 6DA

Registrar

LINK GROUP
Central Square,
29 Wellington Street
Leeds LS1 4DL

Broker

CAVENDISH
One Bartholomew Close
London EC1A 7BL

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
December	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:
Montanaro Asset Management Limited
Tel: 020 7448 8600
enquiries@montanaro.co.uk