

# **Montanaro UK Smaller Companies Investment Trust PLC**

## **(“MUSCIT” or the “Company”)**

### **Half-Yearly Report for the six months to 30 September 2019**

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 2019, this was any company below £1.33 billion in size. Montanaro Asset Management Limited (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, 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 Manager is also the Trust’s appointed Alternative Investment Fund Manager (“AIFM”), and 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 25% of shareholders’ funds. Gearing is used to enhance returns when the timing is considered appropriate. The Company currently has credit facilities of £30 million with ING Bank N.V., of which £20 million was utilised via the Fixed Rate Term Loan as at 30 September 2019. Net gearing at that date amounted to 3.6%.

## Highlights

for the six months to 30 September 2019

### Results

	As at 30 September 2019	As at 31 March 2019	% Change
Ordinary share price <sup>1</sup>	109.0p	106.0p	+2.8
Net asset value ("NAV") per Ordinary share <sup>2</sup>	131.0p	129.2p	+1.4
Discount to NAV <sup>2</sup>	16.8%	18.0%	
NSCI <sup>3</sup>	7,508.8	7,547.6	-0.5

<sup>1</sup> LSE closing price.

<sup>2</sup> Including current period revenue.

<sup>3</sup> Capital only.

	As at 30 September 2019	As at 31 March 2019	% Change
Gross assets <sup>1</sup>	£241.0m	£236.5m	+1.9
Net assets	£219.2m	£216.2m	+1.4
Market capitalisation	£182.4m	£177.4m	+2.8
Net gearing employed <sup>2</sup>	3.6%	6.2%	
Ongoing charges <sup>3</sup>	0.82%	0.80%	
Portfolio turnover <sup>4</sup>	15%	20%	

<sup>1</sup> The sum of both fixed and current assets with no deductions.

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

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

<sup>4</sup> 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 2019

Total Return Percentage	6 months	1 year	3 year	5 year	10 year	Since launch
Share Price**	5.2	-6.1	27.3	39.0	201.4	767.2
NAV**	3.5	-4.4	17.6	39.3	183.5	849.8
Benchmark*	1.6	-4.1	16.9	39.6	130.0	n.a.

\* The Benchmark is a composite index comprising the FTSE SmallCap Index (excluding investment companies) until 31 March 2013 and the NSCI from 1 April 2013 onwards.

\*\* Returns have been adjusted for dividends paid.

Source: AIC, Morningstar Direct, Numis, Bloomberg.

### Capital Structure

As at 30 September 2019 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

Over the past six months, Brexit has continued to dominate the investment landscape. Although equity markets reacted positively to the change in prime minister, this did nothing to alter the

parliamentary arithmetic that makes getting a Brexit deal through the House of Commons difficult.

A result of this has been the continued outperformance of the UK's largest companies, which source much of their revenue overseas, compared to the more domestic focus of UK SmallCap.

Besides Brexit, there were some notable reminders that events overseas have the potential to influence the trajectory of markets. A rise in the VIX index (a measure of market volatility) during the summer was influenced by President Trump's Trade War related tweets. Meanwhile, oil prices spiked by over 20% after an attack on Saudi Arabia's oil infrastructure, the largest move in the price of Brent crude since Saddam Hussein invaded Kuwait in 1990.

Furthermore, worries about global growth increased with economic data pointing to a slowing world economy. Bond yields continued their decline with the staggering consequence that the total market value of negative yielding debt reached over \$16 trillion.

Despite a challenging background, the Company's NAV (with dividends reinvested) increased by 3.5% during the six months ending 30 September 2019, an outperformance of 1.9% compared to the benchmark index.

This outperformance was helped by our focus on "Quality" companies that are in control of their own destiny. It was particularly notable that two companies within the Trust received takeover bids: Entertainment One and Charles Taylor both received offers at premia of over 30%.

### **Outlook**

It has been 96 years since a pre-Christmas election in the UK. In 1923, the result was a hung parliament. The outcome may be similar this time, although investors hoping for a removal of "Brexit anxiety" must surely wish that some element of certainty emerges from polling stations.

It is worth remembering that the UK remains home to many high quality businesses. With sterling weaker than it has been in a generation, equity valuations cheaper compared to many other stock markets and economic data weakening in countries such as the US, it may be that investors will look at UK SmallCap once again. MUSCIT's portfolio of quality UK companies may be a good place to start.

**Montanaro Asset Management Limited**

27 November 2019

**Twenty Largest Holdings**  
as at 30 September 2019

Holding	Sector	Value £'000	Market cap £m	% of portfolio 30 September 2019	% of portfolio 31 March 2019
4imprint Group	Media	9,750	843	4.3	4.0
Marshalls	Construction and Materials	8,937	1,324	3.9	4.6
Integrafin	General Financial	8,910	1,312	3.9	2.7
Big Yellow Group	Real Estate Investment Trust	8,832	1,736	3.9	3.7
Hilton Food Group	Food Producers	8,201	812	3.6	3.4
James Fisher and Sons	Industrial Transportation	7,193	1,036	3.2	2.6
Polypipe Group	Construction and Materials	6,692	811	2.9	2.9
Ideagen	Software and Computer Services	6,570	322	2.9	2.4
Entertainment One	Media	6,368	2,820	2.8	4.4
Brewin Dolphin	General Financial	6,336	960	2.8	2.3
Porvair	Industrial Engineering	6,080	279	2.7	2.4
Restore	Support Services	6,075	504	2.7	1.9
XP Power	Electronic and Electrical Equipment	6,025	464	2.6	2.5
Diploma	Support Services	5,821	1,883	2.6	3.2
GB Group	Software and Computer Services	5,420	1,051	2.4	2.1
DiscoverIE Group	Electronic and Electrical Equipment	5,375	347	2.4	1.7
Cranswick Group	Food Producers	5,159	1,535	2.3	2.4
Equiniti Group	Support Services	5,090	790	2.2	2.1
First Derivatives	Software and Computer Services	5,029	596	2.2	1.8
Clarkson	Industrial Transportation	4,900	743	2.1	2.1
<b>Twenty Largest Holdings</b>		<b>132,763</b>		<b>58.4</b>	

A full portfolio listing is available on request from the Manager.

## Breakdown by Index (Ex Cash)

Classification	% of portfolio	
	as at 30 September 2019	as at 31 March 2019
FTSE 250*	19%	20%
NSCI	56%	55%
AIM	25%	25%

\* Represents those holdings that are in the FTSE 250 and are above the threshold for the NSCI.

## 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.

The principal risks facing the Company are unchanged since the date of the Annual Report and Accounts for the year ended 31 March 2019 and continue to be as set out in that report on pages 10 to 13 and pages 45 to 47. These include, but are not limited to, liquidity and discount management, poor investment performance, risk oversight, gearing, key man risk, operational risk and breach of regulation. The principal financial risks include, but are not limited to, credit risk, market price risk, interest rate risk, liquidity risk and gearing level.

### 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**  
**27 November 2019**

**Condensed Income Statement (unaudited)**  
for the six months to 30 September 2019

	6 months to 30 September 2019			6 months to 30 September 2018			Year to 31 March 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments at fair value through profit or loss	-	4,937	4,937	-	13,052	13,052	-	(5,762)	(5,762)
Dividends and interest	3,643	-	3,643	3,210	-	3,210	5,109	-	5,109
Management fee	(159)	(478)	(637)	(170)	(509)	(679)	(320)	(959)	(1,279)
Other expenses	(268)	-	(268)	(264)	-	(264)	(516)	-	(516)
<b>Net return/(loss) before finance costs and taxation</b>	<b>3,216</b>	<b>4,459</b>	<b>7,675</b>	<b>2,776</b>	<b>12,543</b>	<b>15,319</b>	<b>4,273</b>	<b>(6,721)</b>	<b>(2,448)</b>
Interest payable and similar charges	(79)	(237)	(316)	(74)	(223)	(297)	(148)	(441)	(589)
<b>Net return/(loss) before taxation</b>	<b>3,137</b>	<b>4,222</b>	<b>7,359</b>	<b>2,702</b>	<b>12,320</b>	<b>15,022</b>	<b>4,125</b>	<b>(7,162)</b>	<b>(3,037)</b>
Taxation (note 3)	(8)	-	(8)	(7)	-	(7)	(7)	-	(7)
<b>Net return/(loss) after taxation</b>	<b>3,129</b>	<b>4,222</b>	<b>7,351</b>	<b>2,695</b>	<b>12,320</b>	<b>15,015</b>	<b>4,118</b>	<b>(7,162)</b>	<b>(3,044)</b>
<b>Return/(loss) per Ordinary share: Basic and diluted<sup>1</sup></b>	<b>1.87p</b>	<b>2.52p</b>	<b>4.39p</b>	<b>1.6p</b>	<b>7.4p</b>	<b>9.0p</b>	<b>2.46p</b>	<b>(4.28)p</b>	<b>(1.82)p</b>

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.

<sup>1</sup> The comparative return per ordinary share figures for the 6 month period to 30 September 2018 have been restated using the new number of shares in issue following the five for one share split. For weighted average purposes, the share split has been treated as happening on the first day of the accounting period. See note 6 for further details.

## Condensed Statement of Changes in Equity (unaudited)

for the six months to 30 September 2019

	Called-up share capital	Share premium account	Capital redemption reserve	Special reserve*	Capital reserve*	Distributable revenue reserve*	Total equity shareholders' funds
<b>6 months to 30 September 2019</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>As at 31 March 2019</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>184,267</b>	<b>3,296</b>	<b>216,222</b>
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	4,937	-	4,937
Costs allocated to capital	-	-	-	-	(715)	-	(715)
Net revenue for the period	-	-	-	-	-	3,129	3,129
	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>188,489</b>	<b>6,425</b>	<b>223,573</b>
Dividends paid in the period (note 4)	-	-	-	-	(1,072)	(3,297)	(4,369)
<b>As at 30 September 2019</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>187,417</b>	<b>3,128</b>	<b>219,204</b>
<b>6 months to 30 September 2018</b>							
<b>As at 31 March 2018</b>	3,348	19,307	1,362	4,642	191,463	7,213	227,335
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	13,052	-	13,052
Costs allocated to capital	-	-	-	-	(732)	-	(732)
Net revenue for the period	-	-	-	-	-	2,695	2,695
	-	-	-	-	12,320	2,695	15,015
Expenses associated with share split	-	-	-	-	(34)	-	(34)
Dividends paid in the period	-	-	-	-	-	(3,682)	(3,682)
<b>As at 30 September 2018</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>203,749</b>	<b>6,226</b>	<b>238,634</b>
<b>Year to 31 March 2019</b>							
<b>As at 31 March 2018</b>	3,348	19,307	1,362	4,642	191,463	7,213	227,335
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	(5,762)	-	(5,762)
Costs allocated to capital	-	-	-	-	(1,400)	-	(1,400)
Net revenue for the year	-	-	-	-	-	4,118	4,118
	-	-	-	-	(7,162)	4,118	(3,044)
Costs in relation to share split	-	-	-	-	(34)	-	(34)
Dividends paid in the year (note 4)	-	-	-	-	-	(8,035)	(8,035)
<b>As at 31 March 2019</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>184,267</b>	<b>3,296</b>	<b>216,222</b>

\* These reserves are distributable, excluding any unrealised capital reserve. The special reserve is used for the repurchase of the Company's own shares.

**Condensed Balance Sheet (unaudited)**  
as at 30 September 2019

	As at 30 September 2019 £'000	As at 30 September 2018 £'000	As at 31 March 2019 £'000
<b>Fixed assets</b>			
Investments at fair value (note 5)	228,231	244,178	229,476
<b>Current assets</b>			
Debtors	649	841	403
Cash at bank	12,077	13,997	6,663
	<b>12,726</b>	<b>14,838</b>	<b>7,066</b>
<b>Creditors: amounts falling due within one year</b>			
Other creditors	(1,753)	(382)	(320)
	<b>(1,753)</b>	<b>(382)</b>	<b>(320)</b>
<b>Net current assets</b>	<b>10,973</b>	<b>14,456</b>	<b>6,746</b>
<b>Total assets less current liabilities</b>	<b>239,204</b>	<b>258,634</b>	<b>236,222</b>
<b>Creditors: amounts falling due after more than one year</b>			
Fixed rate term loan	(20,000)	(20,000)	(20,000)
<b>Net assets</b>	<b>219,204</b>	<b>238,634</b>	<b>216,222</b>
<b>Share capital and reserves</b>			
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	187,417	203,749	184,267
Distributable revenue reserve	3,128	6,226	3,296
<b>Total equity shareholders' funds</b>	<b>219,204</b>	<b>238,634</b>	<b>216,222</b>
<b>Net asset value per Ordinary share: Basic and Diluted<sup>1</sup></b>	<b>130.96p</b>	<b>142.6p</b>	<b>129.18p</b>
<b>Number of Ordinary shares in issue (restated<sup>1</sup>)</b>	<b>167,379,790</b>	<b>167,379,790</b>	<b>167,379,790</b>

<sup>1</sup> The comparative NAV figures have been restated for the 30 September 2018, using the new number of shares in issue following the five for one share split. Restating the NAVs following the share split allows the reader to see how the NAVs have evolved. See note 6 for further details.

## Notes to the Financial Statements

As at 30 September 2019

### 1 Financial Information

The condensed financial statements for the six months ended 30 September 2019 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 2019 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 2019.

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 2019 and 30 September 2018 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 2019 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 2019 is £8,000 (six months to 30 September 2018: £7,000; year to 31 March 2019: £7,000). The tax charge comprises a corporation tax charge for the six months to 30 September 2019 of £nil (six months to 30 September 2018: £nil; year to 31 March 2019: £nil) and irrecoverable withholding tax suffered of £8,000 (six months to 30 September 2018: £7,000; year to 31 March 2019: £7,000).

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

	<b>6 months to 30 September 2019 £'000</b>	Year to 31 March 2019 £'000
<b>In respect of the previous period:</b>		
Paid		
2018 Final dividend of 2.2p* (2017: 2.1p*) per Ordinary share	-	3,682
<b>In respect of the period under review:</b>		
Paid		
2018 Third quarter dividend of 1.43p per Ordinary share	-	2,394
2018 Fourth quarter dividend of 1.17p per Ordinary share	-	1,958
2019 First quarter dividend of 1.29p per Ordinary share	2,159	-
2019 Second quarter dividend of 1.32p per Ordinary share	2,210	-
	4,369	8,034
<i>Declared</i>		
2019 Third quarter dividend of 1.31p per Ordinary share	2,193	-
	6,561	8,034

\*2018 and 2017 Final dividends restated to reflect the subsequent five for one share split.

## 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 2019			31 March 2019		
	Level 1 £'000	Level 2 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Total £'000
Equity investments	228,231	-	228,231	229,476	-	229,476
	228,231	-	228,231	229,476	-	229,476

There are no financial liabilities measured at fair value for the period ended 30 September 2019 (31 March 2019: nil).

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

## 6 Share Capital

	30 September 2019		31 March 2019	
	Number of shares	£'000	Number of shares	£'000
Allotted, called-up and fully paid: Ordinary shares of 2p each (31 March 2019: 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 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 2019.

The amount charged by the Manager during the period was £612,063 (six months to 30 September 2018: £679,000; year to 31 March 2019: £1,229,000). At 30 September 2019, the amount due to the Manager, included in creditors, was £99,806. With effect from 1 April 2017, the management fee reduced from 0.85% to 0.50% per annum of the gross assets of the Company.

### *Directors' Emoluments*

At 30 September 2019, the Board consisted of three non-executive Directors, following Roger Cuming's retirement at the Annual General Meeting held on 25 July 2019. 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 £35,000, the Chairman of the Audit and Management Engagement Committee receives an annual fee of £28,000 and, the Senior Independent Director receives £25,000.

At 30 September 2019, the amount outstanding in respect of Directors fees was £nil (31 March 2019: £nil).

At 30 September 2019, the interests of the Directors in the ordinary shares of the Company were as follows:

	As at 30 September 2019 No. of shares	As at 31 March 2019 No. of shares
Roger Cuming <sup>3</sup>	50,000	50,000
Kate Bolsover	8,345	8,345
Arthur Copple <sup>1</sup>	125,000	125,000
James Robinson <sup>2</sup>	40,000	40,000

1 Includes 5,000 shares held by Mrs Copple.

2 Held jointly by Mr and Mrs Robinson.

3 Roger Cuming retired as Chairman at the Company's Annual General Meeting on 25 July 2019 and Arthur Copple was appointed as the Chairman on the same date.

There were no changes in the Directors' interests between 30 September 2019 and the date of this report.

## 10 Subsequent events

The Company announced the appointment of Catriona Hoare as a non-executive director of the Company on 19 November 2019 and the resignation of Kate Bolsover as a non-executive director on 19 November 2019.

The Company further announced that James Robinson, currently Chair of the Audit and Management Engagement Committee, will now also act as senior independent director, with effect from 19 November 2019.

**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)  
 Kate Bolsover (Resigned 19 November 2019)  
 James Robinson  
 Catriona Hoare (Appointed 19 November 2019)

**Principal Advisers**

**AIFM and Manager**

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**Depository & Custodian**

THE BANK OF NEW YORK MELLON  
 (INTERNATIONAL) LIMITED  
 ONE Canada Square  
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**Administrator**

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 Fax: 01392 498288

**Banker**

ING BANK N.V (LONDON BRANCH)  
 60 London Wall  
 London EC2M 5TQ

**Company Secretary and Registered Office**

LINK COMPANY MATTERS LIMITED  
 65 Gresham Street  
 London EC2V 7NQ  
 Tel: 020 7954 9547  
 Email: [Muscit\\_Cosec@linkgroup.co.uk](mailto:Muscit_Cosec@linkgroup.co.uk)

**Broker**

CENKOS SECURITIES PLC  
 6-8 Tokenhouse Yard  
 London EC2R 7AS

**Registrar**

LINK ASSET SERVICES  
 Shareholder Services Department  
 The Registry  
 34 Beckenham Road  
 Beckenham  
 Kent BR3 4TU

**Auditor**

ERNST & YOUNG LLP  
 25 Churchill Place  
 Canary Wharf  
 London E14 5EY

**Shareholder Helpline**

Tel: 0871 664 0300  
 (calls will cost 12p per minute plus network charges)  
 Email: [shareholderenquiries@link.co.uk](mailto:shareholderenquiries@link.co.uk)  
 Website: [www.linkassetservices.com](http://www.linkassetservices.com)

**Registered Office**

65 Gresham Street  
 London  
 EC2V 7NQ

**Sources of Further Information**

Information on the Company, including this Half-Yearly Report is available on the Company's website:  
[www.montanaro.co.uk/muscit](http://www.montanaro.co.uk/muscit).

**Key Dates**

February, May, August and November	Quarterly dividend payable
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.

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.

### **Registrar enquiries**

The register for the Ordinary Shares is maintained by Link Asset Services. In the event of queries regarding your holding, please contact the registrar. For calls in the UK call 0871 664 0300; calls cost 12p per minute plus your phone company's access charge. From overseas call +44 371 664 0300; calls outside the UK will be charged at the applicable international rate, or alternatively at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk).

Changes of name must be notified in writing to the registrar, whose address is: Link Asset Services, Shareholder Services Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. A change of address can be updated online via [www.signalshares.com](http://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.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register at [www.fca.org.uk](http://www.fca.org.uk) to see if the person or firm contacting you is authorised by the Financial Conduct Authority ('FCA').
- Call the FCA on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at [www.fca.org.uk/scams](http://www.fca.org.uk/scams).
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice.

If you are approached by fraudsters, please tell the FCA by using the share fraud reporting form at [www.fca.org.uk/scams](http://www.fca.org.uk/scams) where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.