

Montanaro European MidCap Fund (€)

30 August 2019

Open Ended

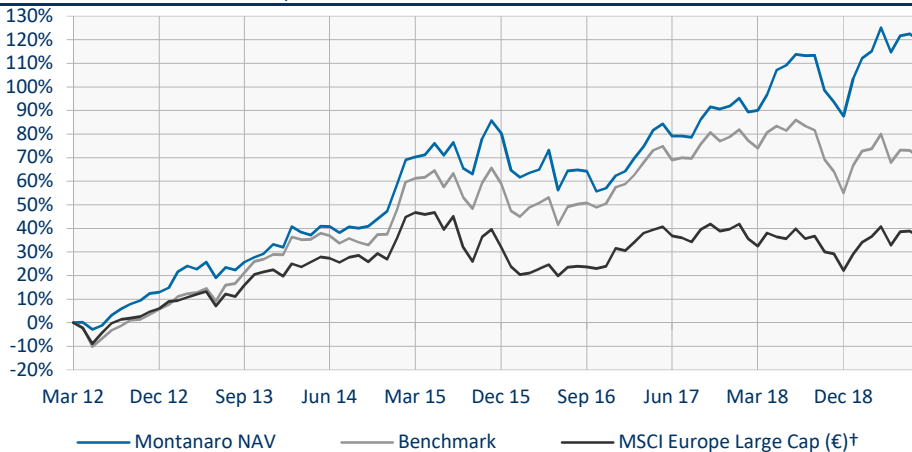
Fund Objective

To outperform its Benchmark, the STOXX Europe Mid 200 (Capital Return) Index. The Fund will invest primarily in MidCap companies quoted in the EU (including the UK), Iceland, Norway and Switzerland with a market capitalisation smaller than the largest constituent of the STOXX Europe Mid 200 (Capital Return) Index at the time of initial investment. No unquoted investments are permitted.

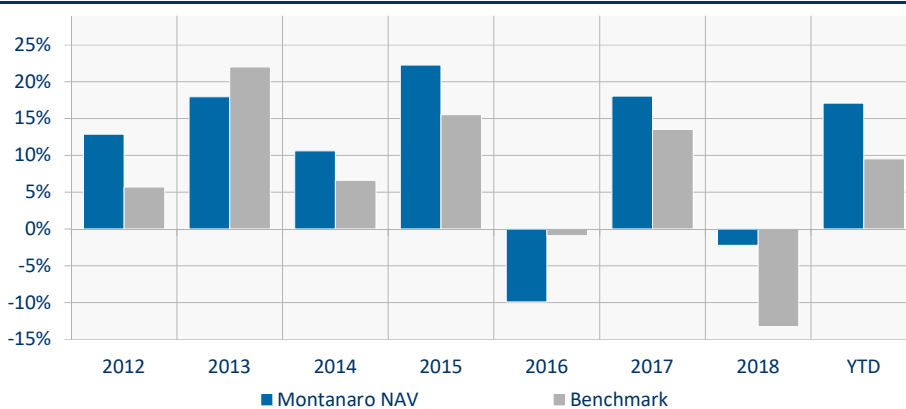
Performance

| | YTD | 1M | 3M | 6M | 12M | 3Y | 5Y | Launch |
|-------------------------------------|-------|-------|------|-------|-------|-------|-------|--------|
| Fund | 17.1% | -1.3% | 2.3% | 3.5% | 3.0% | 33.3% | 56.2% | 119.6% |
| Benchmark | 9.5% | -1.8% | 1.2% | -1.7% | -7.4% | 13.0% | 25.2% | 69.8% |
| Fund (TR)‡ | 17.6% | -1.3% | 2.3% | 3.9% | 3.4% | 34.4% | 57.4% | 122.8% |
| STOXX Europe Mid 200 (€ TR)† | 12.0% | -1.6% | 1.8% | 0.4% | -4.9% | 21.6% | 40.7% | 104.5% |

Cumulative Performance Since Inception



Calendar Year Returns



Source: Montanaro, Bloomberg. NAV to NAV, unrounded.

† The Stoxx Europe Mid 200 index (€ gross TR) and the MSCI LargeCap index are used for comparison purposes only.

‡ Dividends reinvested at ex-date.

About Montanaro

Montanaro, an independent specialist asset manager, was established in 1991 to research and invest in quoted Small & MidCap companies. Funds under management are currently €2.4 billion.

Fund Facts

| | |
|------------------------------------|---|
| Fund Manager | Montanaro Team |
| Contact | Alex Magni |
| Fund Launch | March 2012 |
| Year End | December |
| Currency | EUR |
| Class | Distribution |
| Benchmark | STOXX Europe Mid 200 (€) |
| Ticker | MEUMCED ID |
| ISIN | IE00B6VJL827 |
| Sedol | B6VJL82 |
| Net Assets | €128 million |
| NAV | €2.196 |
| No. of Holdings | 25 |
| Median Mkt Cap | €8755 million |
| Cash | 4.9% |
| Legal Status | Irish OEIC |
| Listing | Irish Stock Exchange |
| Valuation Time | Daily 4pm Dublin time |
| Minimum Investment | €1,000 |
| Dealing Time | 12pm Dublin time |
| Dividend Date | Expected Q1 |
| Management Fee | Annual 1.50% |
| Performance Fee | 20% outperformance of Benchmark + 3%, with a hurdle of €1.917 |
| Authorised for marketing in | Ireland, UK, Switzerland, Sweden, Finland, France |

Fund ESG Score 6.4

The Fund ESG Score is the weighted average of Montanaro's proprietary company ESG Checklist scores (0-10; 10 is best).

Ratings and Awards

★★★★ – Morningstar Rating™
(as at 31/08/19)

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Important Information

All investments are subject to risk and the value of shares and the income from them can fall as well as rise due to stock market and currency movements. You may not get back as much as you originally invested.

Custodian, Fund Administrator and Subscriptions – Contact BNY MELLON
Tel: +353 1 900 6140 Fax: +353 1 900 6141 Email: MontanaroTA@bnymellon.com

Montanaro Asset Management Limited, 53 Threadneedle Street, London, EC2R 8AR

Tel: 020 7448 8600

Fax: 020 7448 8601

www.montanaro.co.uk

enquiries@montanaro.co.uk

Top 10 Holdings

| | |
|--------------------------|--------------|
| CTS Eventim | 5.3% |
| MTU Aero Engines | 5.3% |
| Sartorius Stedim Biotech | 4.9% |
| Temenos | 4.8% |
| Recordati | 4.7% |
| Kerry Group | 4.6% |
| Ashtead Group | 4.5% |
| Symrise AG | 4.3% |
| Amundi | 3.9% |
| Teleperformance | 3.9% |
| Total | 46.1% |

Risk Analysis

| | Fund | Index |
|-------------------------|-------|-------|
| Jensen's Alpha (annual) | 6.2% | |
| Beta | 0.93 | 1.00 |
| Standard Deviation | 11.1% | 10.9% |
| Sharpe Ratio | 0.93 | 0.41 |
| Tracking Error | 4.3% | |
| Information Ratio | 1.46 | |
| Active Share | 91.6% | |

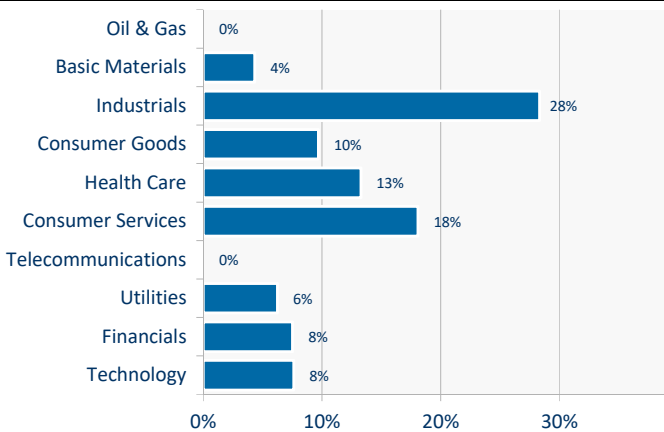
Note: risk statistics over three years

Portfolio Analysis

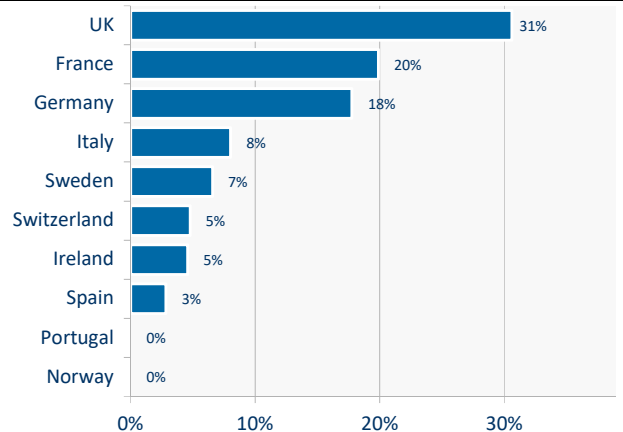
| | |
|----------------------|-------|
| Price / Earnings 19F | 21.1 |
| EPS Growth 19F | 6.4% |
| Dividend Yield 19F | 2.5% |
| Dividend Growth 19F | 10.1% |
| Return on Equity 19F | 19.9% |
| EV/EBITDA 19F | 16.9 |
| EBIT Margin 19F | 25.6% |
| Net Debt/Equity 19F | 63.1% |

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

August proved to be a volatile month for equity markets. A rise in the VIX index (a measure of market volatility) and equity market declines were influenced once again by the social media activity of the US President. Donald Trump announced another escalation in the Trade War with China by threatening to impose additional tariffs on over \$300 billion worth of Chinese imports. With trading volumes thin during the European holiday season, demand for “safe haven” assets soared. Global bond yields continued their decline, with the staggering consequence that the total market value of negative yielding debt reached over \$16 trillion. In Europe, the headlines were dominated by weak economic data, especially in Germany, and increasing political uncertainties, notably in Italy and the UK.

During August, the NAV of the share class declined by 1.3% in Euro terms, 0.5% ahead of the Stoxx Europe Mid 200 index.

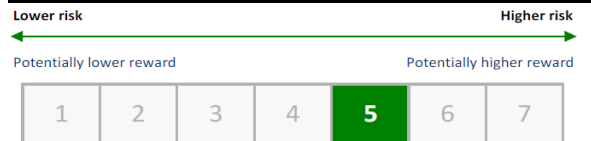
The strongest contribution during the month came from **CTS Eventim**, the provider of ticketing services in Europe, which announced the partial acquisition of France Billet, the ticketing distributor in France, with an option to acquire the remaining stake at a later date. **MTU Aero Engines**, the German aircraft engine manufacturer, benefited from strong passenger numbers during the busy holiday period. **Kerry Group**, the Irish food ingredients company, rose after reporting volume growth ahead of the market in its Taste & Nutrition division.

The weakest contribution came from **Cineworld**, the leading cinema operator in the UK and US, which declined after reporting half-year results that were impacted by poor box office performance. **Elekta**, the developer of clinical solutions for treating cancer and brain disorders, experienced profit taking after a good run. **Amundi**, the European asset manager, weakened in line with equity markets.

We live in a world in which sentiment can be directed by a person living in a white house with a fondness for keying pithy statements into his phone. It is likely that the US President will become ever more volatile in the run-up to next year’s election. Investors in Europe are perhaps a little more used to investing against a backdrop of political uncertainty. Italy, after all, is now on its 66th government since 1946.

Yet it is the prospects for growth that most concerns investors, given the weakness in economic data. As ever in this long Bull Market, Central Banks stand at the ready. Borrowing costs in Europe remain low – and the ECB is expected to unveil new stimulus measures in the coming month. Whether this will be enough to offset a general cooling of the world economy remains to be seen. Reason enough for investors to focus on companies with strong balance sheets that may be less exposed to slowing growth than their more leveraged counterparts.

Risk and Reward Profile



These numbers rate how the Fund may perform and the risk of losing some or all of your investment. In general the potential for higher returns also implies a higher level of risk. However, the lowest category (1) does not mean a risk free investment.

This risk rating is based on historical data which may not be a reliable indication of the future risks and rewards of the fund. The risk rating of the fund may change over time.

Past performance is not a reliable indicator of future results. All investments are subject to risk and the value of shares and the income from them can fall as well as rise due to stock market and currency movements. You may not get back as much as you originally invested.

For further information please see the Risk and Reward section of the Key Investor Information Document (KIID).

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