

Montanaro European MidCap Fund (€)

28 June 2019

Open Ended

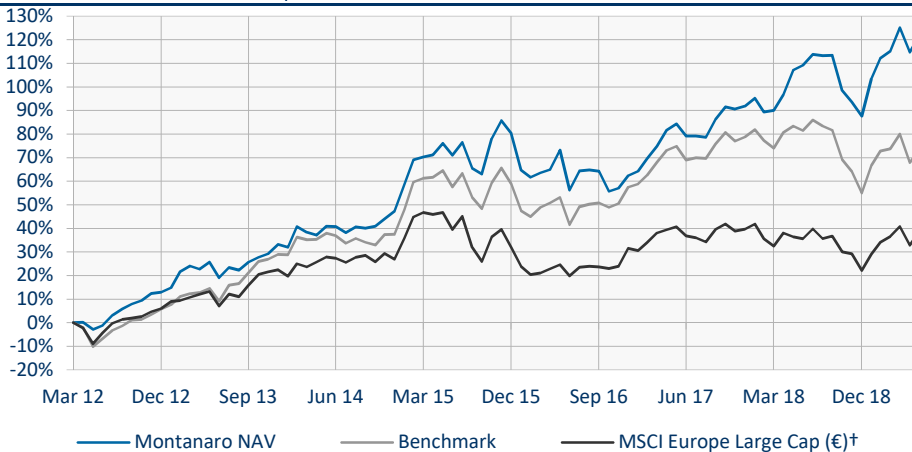
Fund Objective

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.

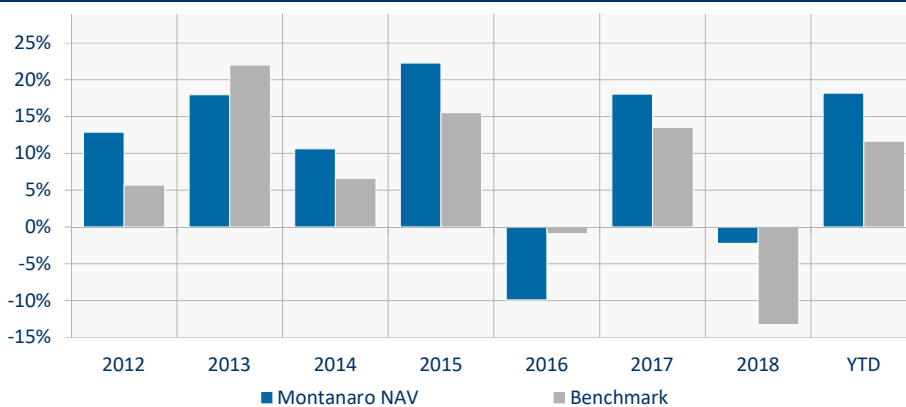
Performance

	YTD	1M	3M	6M	12M	3Y	5Y	Launch
Fund	18.2%	3.2%	3.0%	18.2%	5.9%	41.9%	57.4%	121.6%
Benchmark	11.7%	3.1%	-0.3%	11.7%	-4.6%	22.3%	26.5%	73.2%
Fund (TR)‡	18.6%	3.2%	3.0%	18.6%	6.3%	43.0%	58.6%	124.8%
STOXX Europe Mid 200 (€ TR)†	13.7%	3.5%	1.1%	13.7%	-2.1%	31.3%	42.2%	107.7%

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	€2.216
No. of Holdings	25
Median Mkt Cap	€8597 million
Cash	2.9%
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 6.3

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 30/06/19)

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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.

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Top 10 Holdings

Temenos	4.9%
Sartorius Stedim Biotech	4.8%
Ashtead Group	4.5%
Kerry Group	4.4%
MTU Aero Engines	4.4%
St. James Place	4.3%
CTS Eventim	4.3%
Symrise AG	4.3%
Recordati	4.3%
Halma	4.2%
	44.4%

Risk Analysis

	Fund	Index
Jensen's Alpha (annual)	6.0%	
Beta	0.93	1.00
Standard Deviation	11.3%	11.2%
Sharpe Ratio	1.12	0.64
Tracking Error	4.4%	
Information Ratio	1.40	
Active Share	91.5%	

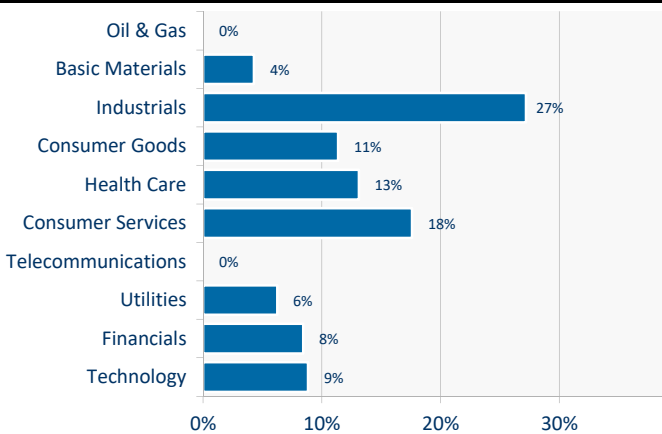
Note: risk statistics over three years

Portfolio Analysis

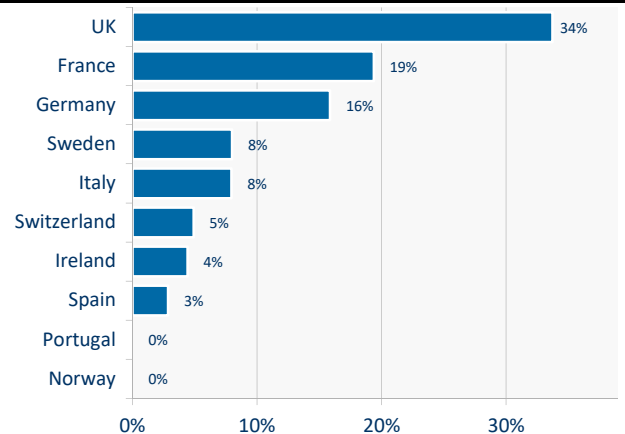
Price / Earnings 19F	21.3
EPS Growth 19F	6.2%
Dividend Yield 19F	2.5%
Dividend Growth 19F	9.9%
Return on Equity 19F	18.9%
EV/EBITDA 19F	16.8
EBIT Margin 19F	27.6%
Net Debt/Equity 19F	44.8%

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

The wobble experienced by markets in May was greeted with the balm that has become so familiar during this Bull Market: the soothing words of Central Bankers. This had the “new normal” effect of turning bad economic data into good news for investors. Equities thus resumed their upwards momentum in June, even as safe haven assets – such as gold – also saw decent gains.

At the mid-point of the year, it is worth noting just how strong equity returns have been. All major equity indices are in positive territory, with European and US markets posting double-digit gains. Even the UK, where Brexit has proven such a headwind to sentiment, experienced good returns. Investors who have tried to “time” the end to the Bull Market have again been caught out.

During June, the NAV of the share class increased by 3.2% in Euro terms, in line with the Stoxx Europe Mid 200 index. Since the beginning of the year, the NAV has increased by over 18%, an outperformance of 6.5%.

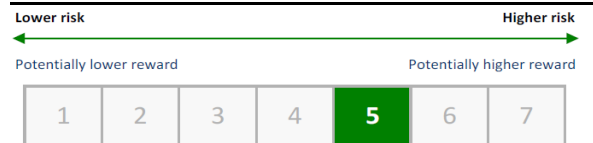
The strongest contribution during the month came from **Ashtead**, the general equipment rental company in the US, which issued another strong trading update and benefitted from general market improvements. **Hexagon**, the leading global provider of measurement technologies, got a boost from their CEO being acquitted of insider trading. **Sartorius Stedim**, the developer of equipment used in the manufacture of biologic drugs, continued to benefit from very good Q1 growth numbers.

The weakest contribution came from **Autotrader**, the UK’s largest online second-hand car market place, which received broker downgrades due to valuation. **Cineworld**, the leading cinema operator in the UK and US, suffered from a weak film season in the US, which we believe will recover in H2 2019. **Rightmove**, the online real estate portal, declined after a broker downgrade on valuation grounds.

Incredibly, two-year sovereign debt for every single country in the Eurozone now trades on negative yields. The probable appointment of Christine Lagarde as President of the ECB, who is seen as even more dovish than the incumbent Mario Draghi, is expected to lead to a continuation of loose monetary policy in Europe. Recent history suggests that this should support equity markets.

Set against this is the likelihood that the narrative of the second half of 2019 may mirror that of the first: politics and trade war could dominate the headlines once again. With this in mind, we continue to believe that the environment remains supportive of owning “Quality” companies. Such businesses are in control of their own destiny and have the resilience and strength to weather periods of market turbulence, which any long-term investor should expect to experience from time to time.

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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