

Montanaro European MidCap Fund (€)

31 May 2019

Open Ended

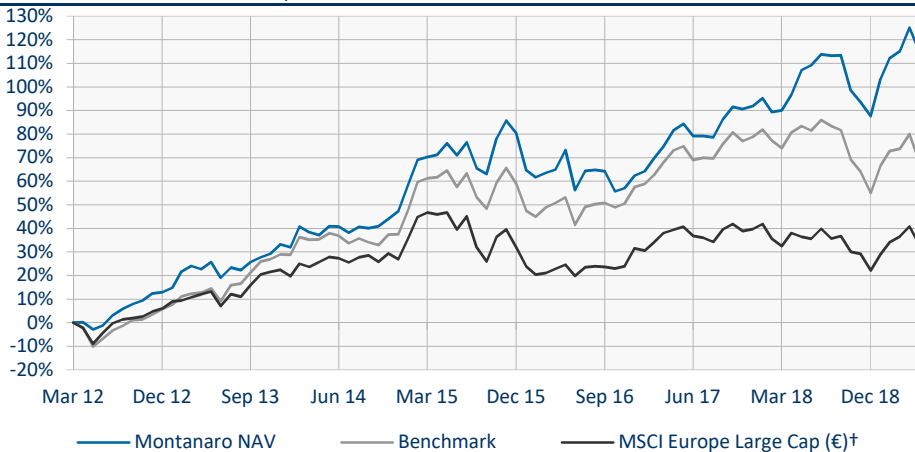
Fund Objective

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.

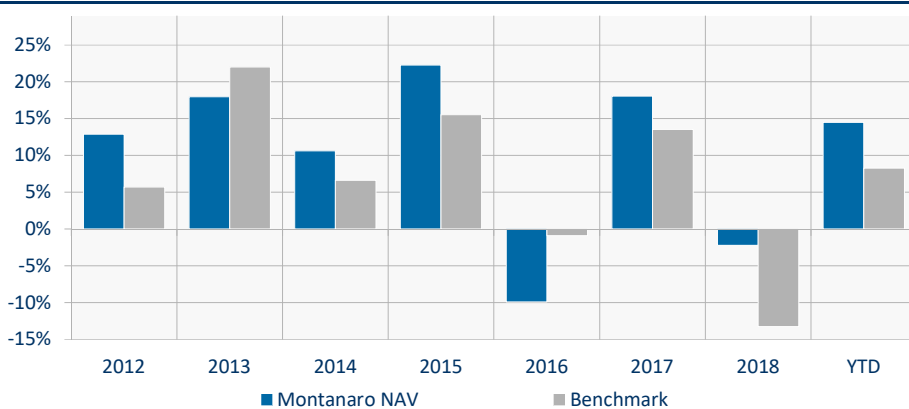
Performance

	YTD	1M	3M	6M	12M	3Y	5Y	Launch
Fund	14.5%	-4.6%	1.2%	11.0%	3.7%	24.0%	52.4%	114.7%
Benchmark	8.3%	-6.7%	-2.8%	2.3%	-8.4%	9.6%	21.7%	67.9%
Fund (TR)‡	14.9%	-4.6%	1.6%	11.4%	4.0%	25.0%	53.7%	117.8%
STOXX Europe Mid 200 (€ TR)†	10.0%	-6.1%	-1.4%	4.0%	-6.1%	17.8%	36.5%	100.8%

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	€125 million
NAV	€2.147
No. of Holdings	24
Median Mkt Cap	€7925 million
Cash	6.4%
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 31/05/19)

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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	5.0%
Kerry Group	4.5%
Auto Trader Group	4.5%
Recordati	4.4%
Sartorius Stedim Biotech	4.4%
Symrise AG	4.3%
CTS Eventim	4.3%
St. James Place	4.3%
MTU Aero Engines	4.2%
Amundi	4.0%
	43.8%

Risk Analysis

	Fund	Index
Jensen's Alpha (annual)	4.4%	
Beta	0.99	1.00
Standard Deviation	12.8%	12.0%
Sharpe Ratio	0.60	0.28
Tracking Error	4.7%	
Information Ratio	0.98	
Active Share	91.4%	

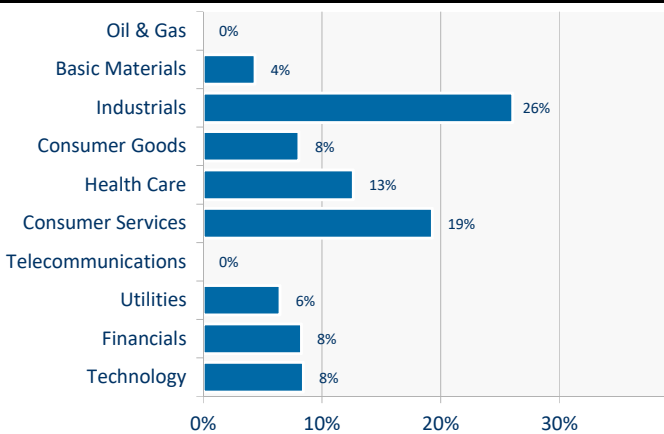
Note: risk statistics over three years

Portfolio Analysis

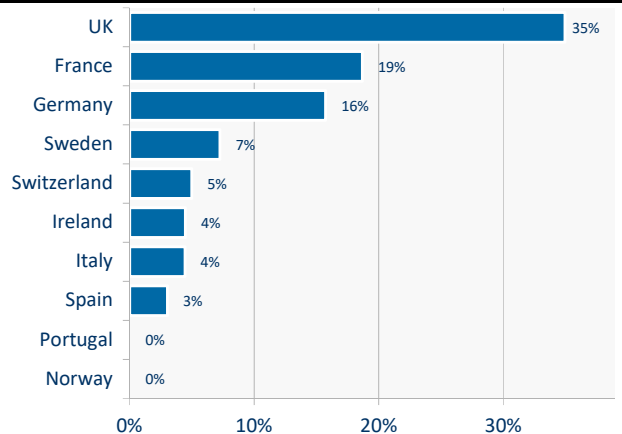
Price / Earnings 19F	20.3
EPS Growth 19F	6.4%
Dividend Yield 19F	2.7%
Dividend Growth 19F	10.2%
Return on Equity 19F	18.8%
EV/EBITDA 19F	16.3
EBIT Margin 19F	27.2%
Net Debt/Equity 19F	32.2%

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

Politics reared its head once again in May, unsettling the market tranquillity that had prevailed in the earlier months of the year. The breakdown in trade negotiations between the US and China led to fears of a deterioration in economic conditions: rising inflation; lower growth; job losses; and falling consumer confidence. Meanwhile, European Parliament elections provided further evidence that Europe's political scene is fragmenting. Certainly, the UK remains as split as ever in relation to Brexit. Given this backdrop, it was little surprise that High Quality companies continued to outperform their Low Quality counterparts.

During May, the NAV of the share class declined by 4.6% in Euro terms, an outperformance of 2.1% versus the Stoxx Europe Mid 200 index.

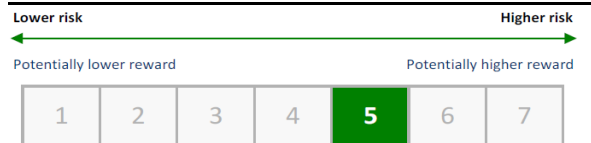
The strongest contribution during the month came from **Elekta**, the developer of clinical solutions for treating cancer and brain disorders: a good set of results demonstrated strong demand from hospitals. **Temenos**, the developer of banking software, delivered a good set of results. **Kerry Group**, the leading Irish food ingredients company, reported Q1 2019 volume growth ahead of the market in its core Taste & Nutrition division.

The weakest contribution came from **Veoneer**, the autonomous driving software company, due to an equity raise. **Prosegur**, the cash in transit business in Latin America and Spain, declined due to weak FX and inflation conditions in Argentina. **Ashtead**, the equipment rental business in the US, traded lower amid the general US/China trade-related sell-off.

One month, talks between the US and China are progressing well; the next, they are off. This encapsulates the unpredictability of politics – and the corresponding madness of making investment decisions based on politics (or President Trump's tweets).

What has driven markets higher this year has largely been a re-rating following the correction that occurred at the end of 2018. It is unlikely that valuation expansion will play such a major role in the second half of the year. Rather, the trajectory of markets is likely to be driven by the outlook for growth and earnings. We believe that such an environment supports the case for owning Quality companies that are cash generative, with strong competitive advantages and managed by good management teams.

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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