

Montanaro European MidCap Fund (€)

30 September 2019

Open Ended

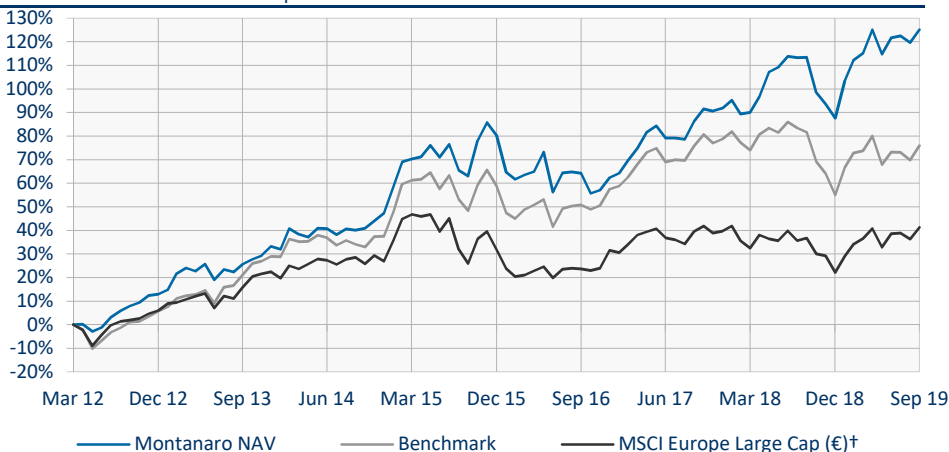
Fund Objective

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.

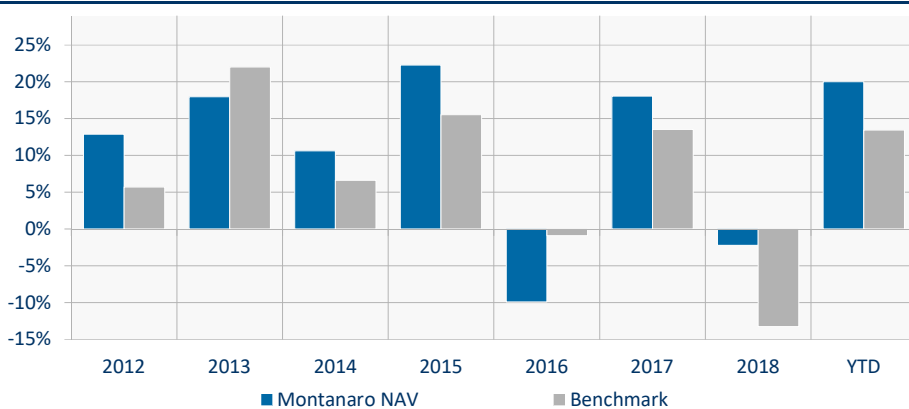
Performance

	YTD	1M	3M	6M	12M	3Y	5Y	Launch
Fund	20.0%	2.5%	1.6%	4.6%	5.5%	37.0%	60.7%	125.1%
Benchmark	13.4%	3.6%	1.6%	1.3%	-3.2%	16.6%	31.2%	75.9%
Fund (TR)‡	20.5%	2.5%	1.6%	4.6%	5.9%	38.1%	62.0%	128.3%
STOXX Europe Mid 200 (€ TR)†	16.1%	3.7%	2.1%	3.2%	-0.6%	25.5%	47.6%	112.0%

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 €2.5 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	€137 million
NAV	€2.251
No. of Holdings	25
Median Mkt Cap	€9826 million
Cash	5.4%
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 6.4

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 30/09/19)

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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

CTS Eventim	5.1%
MTU Aero Engines	4.8%
Ashtead Group	4.8%
Temenos	4.5%
Recordati	4.3%
Kerry Group	4.2%
Symrise AG	4.2%
Sartorius Stedim Biotech	4.1%
Teleperformance	4.1%
Amundi	4.0%
	44.1%

Risk Analysis

	Fund	Index
Jensen's Alpha (annual)	6.3%	
Beta	0.92	1.00
Standard Deviation	11.1%	11.1%
Sharpe Ratio	1.02	0.50
Tracking Error	4.4%	
Information Ratio	1.45	
Active Share	92.5%	

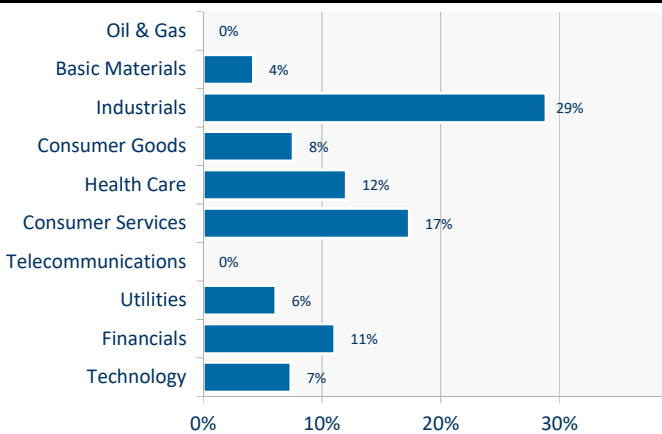
Note: risk statistics over three years

Portfolio Analysis

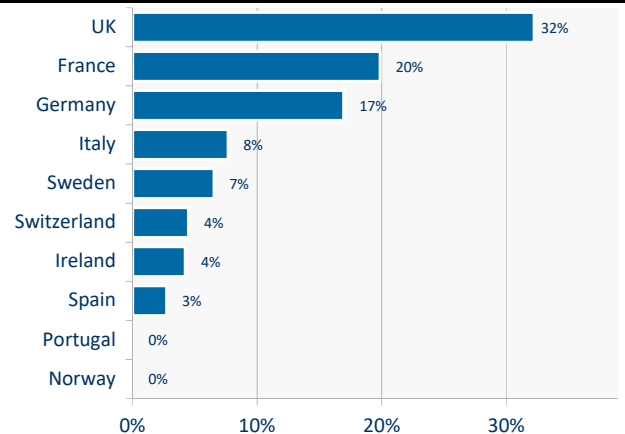
Price / Earnings 20F	20.7
EPS Growth 20F	9.5%
Dividend Yield 20F	2.4%
Dividend Growth 20F	8.1%
Return on Equity 20F	20.2%
EV/EBITDA 20F	16.2
EBIT Margin 20F	28.0%
Net Debt/Equity 20F	47.3%

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

September was a strange month. Investors returned from their summer holidays in a sprightly mood, pushing markets higher despite a backdrop of weakening economic data. The month subsequently saw heightened political stresses with a more combative Brexit position from the UK government, the oil refinery attack in Saudi Arabia, ratcheting trade tensions between the US and China and the eruption of large-scale political demonstrations in Hong Kong. While the Fed's Sept cut in interest rates was largely anticipated, the ECB's renewed QE programme and further cuts in the deposit rate were a controversial surprise. This triggered a dollar rally and a rotation into "value" equity names at the expense of the types of quality-growth equities we prefer to own.

The global economy feels increasingly risk-laden and we are cognisant of mounting signs of economic slowdown. To that end, it seems unlikely that the rotation to more cyclical or "value" stocks can continue to outperform at this stage, and that equity investors will be better rewarded by quality businesses with relatively more resilient business models.

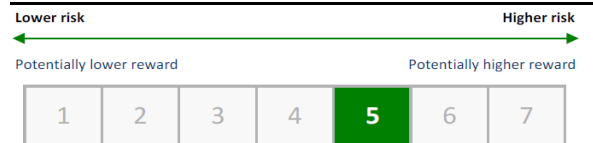
During September, the NAV of the share class increased by 2.5% in Euro terms, 1.1% behind the Stoxx Europe Mid 200 index.

The strongest contribution during the month came from **Amundi**, the European asset manager, which announced strong interim results. **St. James's Place**, the wealth manager, rebounded along with equity markets. **Hexagon**, the global provider of measurement technologies, proved resilient in the face of competitor weakness.

The weakest contribution came from **Sartorius Stedim**, the developer of equipment used in the manufacture of biologic drugs, which experienced some profit taking after a strong run in the share price. **MTU**, the aircraft engine maker, saw its shares trade down after its inclusion in the DAX index. **Moncler**, the Italian apparel manufacturer and lifestyle brand, retreated due to civil unrest in Hong Kong, a key market for the luxury goods sector.

Finally, the Fund sold its position in **Taylor Wimpey** and initiated a position in **Hargreaves Lansdown**.

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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