

Montanaro European Smaller Companies Trust

31 December 2020

Fund Objective

To achieve capital growth by investing principally in Continental European quoted smaller companies. The Company's benchmark index is the MSCI Europe SmallCap (ex UK) Index (in sterling terms).

Performance

Rolling Returns (£)

| | YTD | 1M | 3M | 6M | 12M | 3Y | 5Y | 10Y | Launch |
|--------------------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
| Trust (Price) | 47.5% | 11.1% | 17.8% | 38.3% | 47.5% | 103.0% | 180.1% | 264.8% | 417.7% |
| Trust (NAV)[†] | 37.8% | 8.5% | 12.4% | 27.1% | 37.8% | 75.4% | 151.0% | 212.2% | 371.7% |
| Benchmark[*] | 16.4% | 5.2% | 12.9% | 21.5% | 16.4% | 15.6% | 70.4% | 126.0% | 178.3% |

Annual Returns (£) [Financial Year End - 31 March]

| | 19/20 | 18/19 | 17/18 | 16/17 | 15/16 | 14/15 | 13/14 | 12/13 | 11/12 |
|--------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|--------|
| Trust (Price) | -1.1% | 11.3% | 15.1% | 28.7% | 4.9% | -4.6% | 4.0% | 28.2% | -13.3% |
| Trust (NAV)[†] | -5.3% | 12.2% | 10.7% | 27.7% | 11.4% | -3.7% | 6.0% | 18.7% | -12.4% |
| Benchmark[*] | -15.1% | -6.3% | 9.9% | 25.5% | 7.8% | 1.5% | 28.2% | 14.7% | -18.8% |

Cumulative Performance Since Inception



Source: Montanaro, Bloomberg. NAV to NAV, fully diluted.

* Effective June 1st 2009 the index used in this factsheet for comparison purposes is the MSCI European Smaller Companies Index ex-UK (Capital Return). The performance history prior to June 1st 2009 was the MSCI European Smaller Companies Index (Capital Return).

† NAV excludes income.

Key Information

| | |
|------------------------|-------------------------|
| Fund Launch | August 2006 |
| Legal Status | UK Investment Trust |
| Listing | London Stock Exchange |
| Dividend Dates | January and July/August |
| Price | 1652.5p |
| NAV[†] | 1612.52p |
| Discount | 2% |

Fund Facts

| | |
|----------------------------|--------------------------|
| Fund Manager | George Cooke |
| Backup Fund Manager | Stefan Fischerfeier |
| Benchmark | MSCI Europe SmallCap xUK |
| Net Assets | £275 million |
| Gross Assets | £282 million |
| No. of Holdings | 55 |
| Median Mkt Cap | £2,558 million |
| Gearing | 2.4% |

ESG

| | |
|-------------------------|---------|
| Carbon Intensity | 32.1 |
| Water Intensity | 3,762.7 |
| Waste Intensity | 14.0 |
| Fund ESG Score* | 6.2 |

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

Risk & 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.

Important Information

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Top 10 Holdings

| | |
|--------------------------|--------------|
| Fortnox | 5.8% |
| Sartorius Stedim Biotech | 3.7% |
| MIPS | 3.2% |
| Esker | 3.1% |
| Atoss | 3.0% |
| Thule Group | 2.9% |
| NCAB Group | 2.9% |
| VZ | 2.7% |
| Tecan Group | 2.5% |
| Simcorp | 2.5% |
| | 32.4% |

Risk Analysis

| | Fund | Index |
|-------------------------|-------|-------|
| Jensen's Alpha (annual) | 16.0% | |
| Beta | 0.93 | 1.00 |
| Standard Deviation | 19.6% | 19.3% |
| Sharpe Ratio | 1.06 | 0.27 |
| Tracking Error | 7.8% | |
| Information Ratio | 2.16 | |
| Active Share | 90.5% | |

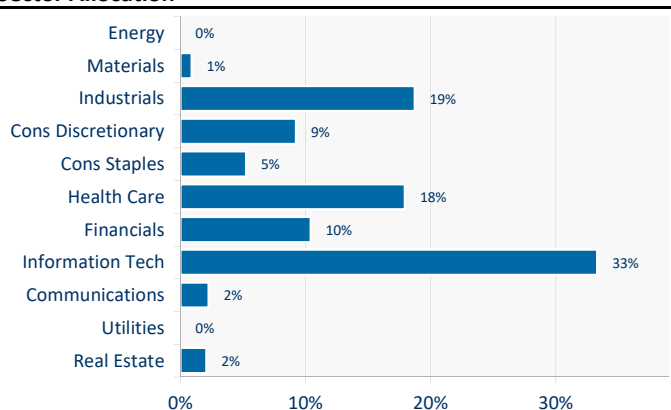
Note: risk statistics over three years

Portfolio Analysis

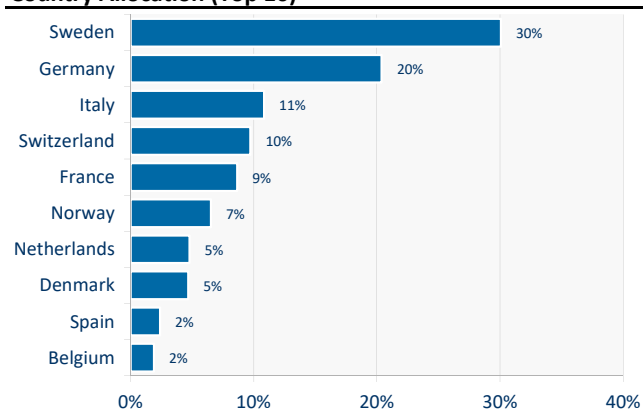
| | |
|----------------------|-------|
| Price / Earnings 21F | 35.1 |
| EPS Growth 21F | 18.5% |
| Dividend Yield 21F | 1.4% |
| Dividend Growth 21F | 20.4% |
| Return on Equity 21F | 15.1% |
| EV/EBITDA 21F | 27.0 |
| EBIT Margin 21F | 21.0% |
| Net Debt/Equity 21F | -4.2% |

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Share Information

| Currency | Ticker | ISIN | SEDOL | Launch | Price | NAV | Discount | Ongoing Charge | Annual AMC | Perf Fee | Hurdle | SRRI |
|----------|--------|--------------|---------|------------|---------|----------|----------|----------------|------------|----------|--------|------|
| Sterling | MTE LN | GB0004543517 | 0454351 | 04/09/2006 | 1652.5p | 1612.52p | 2% | 1.20% | 0.90% | N/A | N/A | 5 |



Important Information

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