

MONTANARO SMALLER COMPANIES PLC

**CONDENSED INTERIM REPORT
AND
FINANCIAL STATEMENTS
(UNAUDITED)**

FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2020

An open-ended umbrella variable capital investment company with segregated liability between funds authorised by the Central Bank of Ireland under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

Registered Number: 330162

MONTANARO SMALLER COMPANIES PLC

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MONTANARO SMALLER COMPANIES PLC

MANAGEMENT AND OTHER INFORMATION

Directors

Gavin Caldwell (Irish)* (Chairman)
Charles Montanaro (British) (Resigned 30 April 2020)
Cedric Durant des Aulnois (French)
Lisa Martensson (Swedish)*
Matthew Francis (British) (Appointed 30 April 2020)
John Ensor (British)** (Appointed 30 April 2020)

Investment Manager

Montanaro Asset Management Limited
53 Threadneedle Street
London EC2R 8AR
United Kingdom

Depository

The Bank of New York Mellon SA/NV, Dublin Branch
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Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Administrator

BNY Mellon Fund Services (Ireland) Designated Activity
Company
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IFSC
Dublin 1
Ireland

Secretary

Goodbody Secretarial Limited
IFSC
North Wall Quay
Dublin 1
Ireland

Swiss Representative Office

Oligo Swiss Fund Services, SA
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1005 Lausanne
Switzerland

Listing Sponsor

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Independent Auditor

Ernst & Young
Chartered Accountants
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2
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Legal Advisor

As to UK & US Law
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London EC2R 5AR
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Legal Advisor

As to Irish Law
A&L Goodbody
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IFSC
Dublin 1
Ireland

Registered Office

Goodbody Secretarial Limited
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Dublin 1
Ireland

Governance Support

KB Associates
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IFSC
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Swiss Paying Agent

NPB New Private Bank Ltd
Limmatquai 1
P.O. Box
CH – 8022
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*Independent non-executive Directors.

**Alternate Director for Matthew Francis.

INVESTMENT MANAGER'S REVIEW

Review

2020 will enter the history books. The spread of the Coronavirus – widely perceived as the worst global health crisis for at least a century – had an immediate effect on financial markets. In March, the Bull Market came to a shocking end close to its 11th anniversary as the S&P 500 recorded its second fastest 10% drop from peak since the Great Depression; the FTSE-100 suffered its worst one-day crash since Black Monday in 1987; the FTSE-250 fell for ten consecutive days, its worst run since 1998; UK SmallCap (NSCI Index) posted its second largest monthly decline (-26%) since 1955; the European STOXX 600 Index experienced its worst ever one day fall (-11%); the oil price fell to levels not seen since 2002; and weekly jobless claims in the US exceeded 6.6 million (the highest weekly figure reached during the Great Financial Crisis of 2008 was less than 700,000). As financial markets plummeted, the world stopped: planes were grounded; shops, schools and factories closed; and by the end of March, some 4 billion people had been instructed to stay at home.

Given the panic that gripped investors, the speed at which equity markets then recovered was somewhat surprising. Yet Governments and Central Banks did not sit still, unleashing an unprecedented level of monetary and fiscal stimulus estimated at some \$15 trillion across the G10 countries plus China. Plummeting interest rates pushed investors into riskier assets that offered a return on their investment.

Alongside this, there was some evidence that the green shoots of a much hoped for “V-shaped” recovery were beginning to appear. Retail sales in the UK and US bounced back strongly in May as lock down restrictions were eased; housing markets picked up; even pubs reopened. These signs, coupled with a report from the IMF suggesting that the second quarter should be the nadir of the Covid-19 economic crisis, were reasons why SmallCap made up ground on its LargeCap peer.

Outlook

The swift recovery posted by financial markets over the last few months should not disguise the fact that the outlook remains extremely uncertain.

The most obvious risk is that the virus has not yet been fully contained; nor has a vaccine been approved, despite promising signs of progress from the University of Oxford, among others. Fears of a second wave are likely to ebb and flow in the months ahead. It is also worth stating that most equity investors have lost money so far in 2020.

It may therefore be premature to extrapolate the returns of the second quarter. Markets may need time to digest earlier gains from a rally boosted by stimulus and investors suffering from “FOMO” (Fear of Missing Out). As we continue to talk to our companies, it is increasingly clear that any recovery is unlikely to be equally felt. Consider the good fortunes, for example, of online retailers who have been able to continue business almost as usual, compared to their long-suffering high-street competitors, whose shops have been closed for several months. As always, there will be winners and losers.

We will continue to only invest in companies that meet our strict “Quality” criteria: strong balance sheets; good cash flow; run by competent management teams. Our selective and conservative approach is, we believe, the best way of ensuring attractive returns over the long-term in a world where short term uncertainties have seldom been greater.

Charles Montanaro

Montanaro Asset Management Limited
August 2020

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Current assets	Note				
Cash and cash equivalents	3	12,177,413	22,697,614	17,459,353	3,736,231
Financial assets at fair value through profit or loss					
- Equities		438,032,222	608,146,805	340,816,743	130,417,186
Dividends receivable		263,922	1,227,899	453,633	104,091
Receivable for fund Shares sold		115,443	—	10,703	1,472
Receivable for investments sold		—	—	—	—
Other receivables		1,528,857	106,423	976,836	198,437
Total current assets		452,117,857	632,178,741	359,717,268	134,457,417
Current liabilities					
Payable for fund Shares repurchased		(13,041)	—	(20,605)	—
Payable for investments purchased		—	(7,495,583)	—	—
Investment management fees payable		(1,367,490)	(582,705)	(606,025)	(431,108)
Performance fees payable		(3,047)	—	—	(19,271)
Administration fees payable		(122,925)	(119,497)	(64,453)	(21,127)
Depositary fees payable		(54,097)	(42,894)	(32,003)	(11,765)
Legal fees payable		(11,451)	(9,413)	(4,627)	(3,517)
Professional fees payable		(10,987)	(11,111)	(5,992)	(2,972)
Audit fees payable		(8,336)	(7,475)	(4,387)	(2,669)
Other accrued expenses payable		(19,961)	(9,122)	(2,601)	(3,049)
Total current liabilities		(1,611,335)	(8,277,800)	(740,693)	(495,478)
Net asset value attributable to holders of redeemable participating Shares		450,506,522	623,900,941	358,976,575	133,961,939

Please refer to Note 11 for Net Asset Value (“NAV”) and NAV per Share details.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020 (continued)

		Montanaro Select Fund €	Montanaro Better World Fund €	Total* €
Current assets	Note			
Cash and cash equivalents	3	243,216	21,159,467	79,745,781
Financial assets at fair value through profit or loss				
- Equities		5,909,271	256,438,747	1,840,648,693
Dividends receivable		3,486	89,600	2,265,569
Receivable for fund Shares sold		—	72,915	200,533
Receivable for investments sold		—	6,434,392	6,434,392
Other receivables		15,043	110,742	2,946,993
Total current assets		6,171,016	284,305,863	1,932,241,961
Current liabilities				
Payable for fund Shares repurchased		—	(118)	(33,764)
Payable for investments purchased		—	(17,021,650)	(25,267,692)
Investment management fees payable		—	(466,767)	(3,512,435)
Performance fees payable		(113,889)	—	(136,207)
Administration fees payable		(1,363)	(30,313)	(371,642)
Depositary fees payable		(2,923)	(17,731)	(165,708)
Legal fees payable		(164)	(2,874)	(32,988)
Professional fees payable		(275)	(20,760)	(53,210)
Audit fees payable		(184)	(3,156)	(26,955)
Other accrued expenses payable		(209)	(3,579)	(39,434)
Total current liabilities		(119,007)	(17,566,948)	(29,640,035)
Net asset value attributable to holders of redeemable participating Shares		6,052,009	266,738,915	1,902,601,926

*See Foreign Currency Translation Adjustment Note 13.

Please refer to Note 11 for NAV and NAV per Share details.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Current assets	Note				
Cash and cash equivalents	3	10,082,462	15,927,309	15,464,910	8,570,341
Financial assets at fair value through profit or loss					
- Equities		529,015,411	637,561,340	324,309,995	139,963,090
Dividends receivable		232,801	2,077,137	–	147,758
Receivable for fund Shares sold		52,756	51,886	8,687	112,809
Other receivables		1,565,046	150,315	778,848	187,596
Total current assets		540,948,476	655,767,987	340,562,440	148,981,594
Current liabilities					
Payable for fund Shares repurchased		(39,785)	–	–	(3,855)
Payable for investments purchased		–	(395,779)	–	–
Investment management fees payable		(1,584,607)	(461,885)	(546,351)	(480,045)
Performance fees payable		(5,096,462)	–	–	(1,156,805)
Administration fees payable		(85,143)	(53,482)	(31,698)	(11,170)
Depositary fees payable		(30,921)	(15,532)	(12,656)	(5,440)
Legal fees payable		(557)	(25)	(87)	(304)
Professional fees payable		(8,175)	(6,739)	(4,027)	(2,146)
Audit fees payable		(16,478)	(16,348)	(9,146)	(4,793)
Other accrued expenses payable		(24,956)	(15,133)	(4,658)	(3,973)
Total current liabilities		(6,887,084)	(964,923)	(608,623)	(1,668,531)
Net asset value attributable to holders of redeemable participating Shares		534,061,392	654,803,064	339,953,817	147,313,063

Please refer to Note 11 for NAV and NAV per Share details.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019 (continued)

		Montanaro Select Fund €	Montanaro Better World Fund €	Total €
Current assets	Note			
Cash and cash equivalents	3	1,176,827	2,403,351	56,494,963
Financial assets at fair value through profit or loss				
- Equities		15,799,116	188,034,380	1,949,558,371
Dividends receivable		13,312	19,296	2,864,560
Receivable for fund Shares sold		–	7,316	242,803
Other receivables		16,434	91,590	2,816,913
Total current assets		17,005,689	190,555,933	2,011,977,610
Current liabilities				
Payable for fund Shares repurchased		–	–	(43,640)
Payable for investments purchased		–	–	(467,090)
Investment management fees payable		–	(223,123)	(3,379,233)
Performance fees payable		(299,389)	–	(6,552,656)
Administration fees payable		(1,282)	(13,190)	(205,601)
Depositary fees payable		(2,220)	(7,221)	(76,789)
Legal fees payable		(16)	(154)	(1,148)
Professional fees payable		(214)	(20,453)	(42,968)
Audit fees payable		(511)	(5,706)	(55,927)
Other accrued expenses payable		(312)	(6,549)	(58,308)
Total current liabilities		(303,944)	(276,396)	(10,883,360)
Net asset value attributable to holders of redeemable participating Shares		16,701,745	190,279,537	2,001,094,250

Please refer to Note 11 for NAV and NAV per Share details.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF COMPREHENSIVE INCOME

Financial period ended 30 June 2020

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Income	Note				
Net realised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange		36,603,725	(20,253,361)	(3,001,030)	6,646,108
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		(91,014,775)	(154,307,372)	(42,368,300)	(12,480,832)
Dividend income		2,462,979	5,743,370	4,194,101	795,211
Interest income		286,563	54,084	–	–
Investment income		(51,661,508)	(168,763,279)	(41,175,229)	(5,039,513)
Expenses					
Investment management fees	1	(2,956,389)	(1,194,130)	(1,253,404)	(894,774)
Performance fees	1	(3,047)	–	–	(19,287)
Administration fees	1	(76,404)	(117,395)	(61,771)	(18,643)
Depositary fees	1	(43,607)	(44,097)	(33,040)	(11,935)
Legal fees		(15,377)	(18,570)	(9,778)	(4,527)
Directors' fees	1	(7,763)	(10,324)	(5,434)	(2,281)
Professional fees	1	(4,527)	(6,021)	(3,170)	(1,331)
Audit fees		(7,099)	(9,457)	(4,978)	(2,089)
Other expenses	1	(63,086)	(58,245)	(28,481)	(14,836)
Total operating expenses		(3,177,299)	(1,458,239)	(1,400,056)	(969,703)
Net loss from operations		(54,838,807)	(170,221,518)	(42,575,285)	(6,009,216)
Withholding taxes		(332,320)	(190,326)	(368,706)	(65,236)
Finance costs					
Interest expense		(25,290)	(414)	(13,619)	(11,286)
Income distribution	2	–	(6,948,748)	(1,775,091)	–
Loss for the financial period		(55,196,417)	(177,361,006)	(44,732,701)	(6,085,738)

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF COMPREHENSIVE INCOME

Financial period ended 30 June 2020 (continued)

		Montanaro Select Fund €	Montanaro Better World Fund €	Total* €
Income	Note			
Net realised gain on financial assets at fair value through profit or loss and foreign exchange		3,185,913	774,919	21,047,567
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		(3,206,100)	9,678,781	(315,859,605)
Dividend income		38,316	645,688	14,704,505
Interest income		9	–	348,424
Investment income		18,138	11,099,388	(279,759,109)
Expenses				
Investment management fees	1	–	(863,031)	(7,333,224)
Performance fees	1	(113,899)	–	(136,233)
Administration fees	1	(1,181)	(30,842)	(323,096)
Depositary fees	1	(1,694)	(17,727)	(158,433)
Legal fees		(295)	(5,706)	(56,920)
Directors' fees	1	(165)	(3,169)	(30,619)
Professional fees	1	(97)	(20,247)	(36,258)
Audit fees		(150)	(2,905)	(28,036)
Other expenses	1	(861)	(24,856)	(198,730)
Total operating expenses		(118,342)	(968,483)	(8,301,549)
Net (loss)/income from operations		(100,204)	10,130,905	(288,060,658)
Withholding taxes		(4,456)	(102,979)	(1,091,357)
Finance costs				
Interest expense		(1,000)	(7,721)	(59,389)
Income distribution	2	–	(778,205)	(10,499,995)
(Loss)/Profit for the financial period		(105,660)	9,242,000	(299,711,399)

*See Foreign Currency Translation Adjustment Note 13.

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF COMPREHENSIVE INCOME

Financial period ended 30 June 2019

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Income	Note				
Net realised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange		6,181,436	(1,287,615)	583,754	(1,561,095)
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		88,733,635	38,825,918	28,050,575	22,742,898
Dividend income		7,162,254	9,786,685	5,797,475	2,367,407
Interest income		851	–	61	–
Investment income		102,078,176	47,324,988	34,431,865	23,549,210
Expenses					
Investment management fees	1	(2,975,945)	(536,698)	(830,522)	(873,094)
Performance fees	1	(5,382,719)	–	–	(1,566,724)
Administration fees	1	(97,190)	(78,125)	(42,915)	(20,766)
Depository fees	1	(46,156)	(28,650)	(24,248)	(11,954)
Legal fees		(23,956)	(14,731)	(9,022)	(6,150)
Directors' fees	1	(13,893)	(9,552)	(5,785)	(3,534)
Professional fees	1	(6,017)	(4,785)	(2,770)	(1,723)
Audit fees		(9,075)	(6,238)	(3,734)	(2,316)
Other expenses	1	(75,702)	(36,596)	(21,133)	(15,811)
Total operating expenses		(8,630,653)	(715,375)	(940,129)	(2,502,072)
Net income from operations		93,447,523	46,609,613	33,491,736	21,047,138
Withholding taxes		(598,257)	(180,981)	(556,542)	(64,013)
Finance costs					
Interest expense		(10,442)	(685)	(12,335)	(17,921)
Income distribution	2	(863,620)	(5,145,423)	(1,353,157)	(431,345)
Profit for the financial period		91,975,204	41,282,524	31,569,702	20,533,859

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF COMPREHENSIVE INCOME

Financial period ended 30 June 2019 (continued)

		Montanaro Select Fund €	Montanaro Better World Fund €	Total* €
Income	Note			
Net realised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange		105,917	(1,758,727)	2,076,332
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		2,969,632	36,487,648	223,459,179
Dividend income		147,152	1,199,683	27,884,544
Interest income		—	—	912
Investment income		3,222,701	35,928,604	253,420,967
Expenses				
Investment management fees	1	—	(375,378)	(5,669,723)
Performance fees	1	(271,568)	—	(7,221,011)
Administration fees	1	(2,353)	(25,729)	(278,445)
Depositary fees	1	(2,760)	(14,046)	(131,982)
Legal fees		(576)	(7,381)	(63,959)
Directors' fees	1	(376)	(3,571)	(38,101)
Professional fees	1	(222)	(19,790)	(36,003)
Audit fees		(248)	(3,212)	(25,730)
Other expenses	1	(1,349)	(18,379)	(174,290)
Total operating expenses		(279,452)	(467,486)	(13,639,244)
Net income from operations		2,943,249	35,461,118	239,781,723
Withholding taxes		(11,854)	(97,161)	(1,535,139)
Finance costs				
Interest expense		(1,190)	(4,399)	(47,072)
Income distribution	2	(199,732)	(326,441)	(9,068,337)
Profit for the financial period		2,730,473	35,033,117	229,131,175

*See Foreign Currency Translation Adjustment Note 13.

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

Financial period ended 30 June 2020

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
	Note				
Net assets value attributable to holders of redeemable participating Shares at the start of the financial period		534,061,392	654,803,064	339,953,817	147,313,063
Loss for the financial period		(55,196,417)	(177,361,006)	(44,732,701)	(6,085,738)
Proceeds from issuance of Shares		8,751,273	232,853,949	100,677,588	5,762,666
Payments on redemption of Shares		(37,109,726)	(131,059,156)	(36,922,129)	(13,028,052)
Foreign currency translation adjustment	13	—	44,664,090	—	—
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		450,506,522	623,900,941	358,976,575	133,961,939

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

Financial period ended 30 June 2020 (continued)

	Note	Montanaro Select Fund €	Montanaro Better World Fund €	Total* €
Net assets value attributable to holders of redeemable participating Shares at the start of the financial period		16,701,745	190,279,537	2,001,094,250
(Loss)/Profit for the financial period		(105,660)	9,242,000	(299,711,399)
Proceeds from issuance of Shares		298,572	82,789,453	464,575,052
Payments on redemption of Shares		(10,842,648)	(15,572,075)	(263,355,977)
Foreign currency translation adjustment	13	—	—	—
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		6,052,009	266,738,915	1,902,601,926

*See Foreign Currency Translation Adjustment Note 13.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

Financial period ended 30 June 2019

	Note	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Net assets value attributable to holders of redeemable participating Shares at the start of the financial period		443,358,566	313,345,391	193,737,179	112,524,953
Profit for the financial period		91,975,204	41,282,524	31,569,702	20,533,859
Proceeds from issuance of Shares		20,529,912	72,133,211	35,622,222	559,320
Payments on redemption of Shares		(36,158,725)	(17,616,094)	(9,895,891)	(6,375,496)
Foreign currency translation adjustment	13	—	1,420,905	—	—
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		519,704,957	410,565,937	251,033,212	127,242,636

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

Financial period ended 30 June 2019 (continued)

	Note	Montanaro Select Fund €	Montanaro Better World Fund €	Total* €
Net assets value attributable to holders of redeemable participating Shares at the start of the financial period		11,831,804	128,513,635	1,239,068,817
Profit for the financial period		2,730,473	35,033,117	229,131,175
Proceeds from issuance of Shares		305,770	3,764,446	143,409,713
Payments on redemption of Shares		(3,987)	(98,422)	(72,711,623)
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		14,864,060	167,212,776	1,538,898,082

*See Foreign Currency Translation Adjustment Note 13.

The accompanying notes form an integral part of these financial statements.

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF ACCOUNTING POLICIES

Financial period ended 30 June 2020

Principal Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the financial year ended 31 December 2019 as described in those financial statements.

Basis of Preparation

These condensed interim financial statements for the financial period ended 30 June 2020 have been prepared on a going concern basis in accordance with the provisions of Financial Reporting Standard (“FRS”) 104 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council (“FRC”), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019 (the “Central Bank UCITS Regulations”) and the listing rules of Euronext Dublin.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value. The condensed interim financial statements should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2019 that were prepared in accordance with FRS 102 and Irish statute comprising the Companies Act 2014, the UCITS Regulations, the Central Bank UCITS Regulations and the listing rules of Euronext Dublin.

The Company has availed itself of the exemption available to open-ended investment funds under Section 7 “Statement of Cash Flows” of FRS 102, not to prepare a cash flow statement on the basis that substantially all of the Company’s investments are highly liquid and carried at fair value, and the Company provides a Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares. Under FRS 104, as the Company, in accordance with this FRS 102 exemption, has not presented a cash flow statement for its annual audited financial statements, there is a conditional exemption from the preparation of a cash flow statement for the condensed interim financial statements.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial period ended 30 June 2020

1. Fees

Investment Management Fee

The following Management fees are paid to the Investment Manager:

	% of Net Assets	Minimum Subscription
Montanaro European Smaller Companies Fund		
Euro Accumulation Class ¹	1.50	N/A
Euro Class ¹	1.50	N/A
Euro Institutional Accumulation Class	0.50	€250,000,000
Euro Institutional Distribution Class	0.75	€50,000,000
Sterling Class ¹	1.50	N/A
Sterling Institutional Distribution Class	0.75	£50,000,000
Swedish Krona Accumulation Class	1.50	SEK10,000
US Dollar Class ¹	1.50	N/A
Montanaro UK Income Fund		
Euro Class ¹	0.75	N/A
Euro Seed Class ^{1,2}	0.25	N/A
Sterling Accumulation Class ¹	0.75	N/A
Sterling Class ¹	0.75	N/A
Sterling Seed Class ^{1,2}	0.25	N/A
Montanaro European Income Fund		
Euro Class ¹	0.75	N/A
Sterling Accumulation Class ¹	0.75	N/A
Sterling Class ¹	0.75	N/A
Montanaro European MidCap Fund		
Euro Distribution Class ¹	1.50	N/A
Euro Institutional Accumulation Class	0.75	€25,000,000
Montanaro Select Fund		
Euro Distribution Class ^{1,3}	Waived	N/A
Sterling Distribution Class ^{1,3}	Waived	N/A
Montanaro Better World Fund		
Euro Distribution Class ^{1,4}	0.85	N/A
Sterling Distribution Class ^{1,4}	0.85	N/A
Swedish Krona Institutional Accumulation Class ⁴	0.50	€150,000,000

¹ These respective Share Classes have removed the minimum subscription amount required to subscribe to the Share Class as per the updated Prospectus dated 6 May 2020.

² These Share Classes of the Fund pay the Investment Manager a basic Management fee of 0.25% per annum. However, as per the Prospectus, the Investment Manager is entitled to charge a fee of up to 0.75% per annum.

³ The Investment Manager has agreed to waive its basic Management fee. However, as per the Prospectus, the Investment Manager is entitled to charge a fee of up to 0.75% per annum.

⁴ The Swedish Krona Institutional Accumulation Class of the Fund pays the Investment Manager a basic Management fee of 0.50% per annum. However, as per the Prospectus, the Investment Manager is entitled to charge a fee of up to 0.75% in respect of the Swedish Krona Institutional Accumulation Share Class. Effective 1 January 2020, the Management fee on the Euro Distribution and Sterling Distribution Share Classes increased from 0.50% per annum to the maximum allowable 0.85% per annum.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

1. Fees (continued)

Investment Management Fee (continued)

The Investment Management fees accrue daily on the basis of the NAV of the Funds on each dealing day and will be payable quarterly in arrears.

Montanaro Asset Management Limited (the “Investment Manager”) earned an Investment Management fee of €7,333,224 for the financial period ended 30 June 2020 (30 June 2019: €5,669,723).

Performance Fees

The Investment Manager (with the exception of the Euro Institutional Accumulation Class of the Montanaro European Smaller Companies Fund, all Classes of the Montanaro UK Income Fund, all Classes of the Montanaro European Income Fund and all Classes of the Montanaro Better World Fund) may be entitled to receive an annual performance-related fee based on the outperformance per Share over the return on the benchmark in the relevant currency of the Share Class. The Performance fee payable will be 20% (plus VAT, if any) of the amount by which the increase in the NAV per Share, having adjusted the closing NAV per Share by (i) adding back the impact of any accruing Performance fee, and (ii) adding back and compounding any dividends paid or payable by reference to the financial period in question, exceeds the return on the benchmark plus 3 percentage points over the relevant financial period. It will be calculated based on the time weighted average number of Shares in issue during the relevant period.

A Performance fee will only be payable in respect of any financial period if the closing NAV per Share of the relevant Class at the end of the period (adjusted for the matters described above) exceeds the higher of (a) the opening NAV per Share of that Class for the relevant period or the price at which such Shares were issued if the initial issue of the relevant Class of Shares occurred during the period; and (b) the closing NAV per Share of that Class on the last accounting period end when a Performance fee was paid (if any).

Performance fees charged €136,233 to the Statement of Comprehensive Income for the financial period ended 30 June 2020 (30 June 2019: €7,221,011).

Administration and Depositary Fees

The Company has entered into an administration agreement with BNY Mellon Fund Services (Ireland) Designated Activity Company (the “Administrator”) under which the Administrator receives an Administration fee. The Administration fee accrues daily and is paid monthly in arrears. The Administration fee was €323,096 for the financial period ended 30 June 2020 (30 June 2019: €278,445).

The Bank of New York Mellon SA/NV, Dublin Branch (the “Depositary”), is paid an annual fee accruing daily and paid monthly in arrears. The Depositary fee was €158,433 for the financial period ended 30 June 2020 (30 June 2019: €131,982).

The aggregate of the Administration and Depositary fee shall not exceed 0.25% of the NAV of each Fund.

Directors’ Fees

Each of the Directors who are not Directors, officers or employees of the Investment Manager and Promoter or any affiliate thereof shall be entitled to such remuneration for his or her services as the Directors may determine provided that the aggregate emoluments of all Directors in respect of any twelve month period shall not exceed £120,000 plus out of pocket expenses, or such higher amount as may be approved by the Company in general meeting. The Directors’ fees were €30,619 for the financial period ended 30 June 2020 (30 June 2019: €38,101).

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

1. Fees (continued)

Professional Fees

For the financial period ended 30 June 2020, Professional fees, which principally comprised Taxation fees, Directors' indemnity insurance premiums (D&O) and Investment Committee fees, amounted to €36,258 (30 June 2019: €36,003).

30 June 2020

	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €	Montanaro Select Fund €	Montanaro Better World Fund €	Combined Total* €
Taxation fees	(2,812)	(3,735)	(1,965)	(826)	(61)	(1,146)	(11,082)
Directors indemnity insurance premiums (D&O)	(1,715)	(2,286)	(1,205)	(505)	(36)	(702)	(6,777)
Investment Committee fees	–	–	–	–	–	(18,399)	(18,399)
	<u>(4,527)</u>	<u>(6,021)</u>	<u>(3,170)</u>	<u>(1,331)</u>	<u>(97)</u>	<u>(20,247)</u>	<u>(36,258)</u>

30 June 2019

	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €	Montanaro Select Fund €	Montanaro Better World Fund €	Combined Total* €
Taxation fees	(3,637)	(3,236)	(1,812)	(1,140)	(160)	(1,242)	(11,698)
Directors indemnity insurance premiums (D&O)	(2,380)	(1,549)	(958)	(583)	(62)	(490)	(6,247)
Investment Committee fees	–	–	–	–	–	(18,058)	(18,058)
	<u>(6,017)</u>	<u>(4,785)</u>	<u>(2,770)</u>	<u>(1,723)</u>	<u>(222)</u>	<u>(19,790)</u>	<u>(36,003)</u>

*See Foreign Currency Translation Adjustment Note 13.

Other Expenses

Other Expenses are principally comprised of Board Meeting fees, Listing and Publishing fees, VAT costs, Index fees, Printing fees, Electronic payment fees and Rating fees. For the financial period ended 30 June 2020, other expenses totalled €198,730 (30 June 2019: €174,290).

2. Distribution Policy

Distributions may be paid out of the net distributable income of the Company. Otherwise, all income and gains of the Company will be accumulated within the Company. Montanaro European Smaller Companies Fund (with the exception of the Euro Institutional Accumulation Class and the Swedish Krona Accumulation Class), Montanaro UK Income Fund, Montanaro European Income Fund, Montanaro European MidCap Fund and Montanaro Better World Fund are registered as reporting funds under the UK Reporting Fund Regime.

In the event that the net distributable income generated by the Montanaro UK Income Fund and by the Montanaro European Income Fund during the relevant financial period and attributable to the relevant Class is insufficient to pay a distribution which is declared, the Directors may at their discretion determine such dividends may be paid from the capital of the Fund. There were no distributions paid from the capital of the Montanaro UK Income Fund or the Montanaro European Income Fund during the financial period ended 30 June 2020 or for the financial year ended 31 December 2019.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

2. Distribution Policy (continued)

The Company made the following distributions to redeemable participating Shareholders during the financial period ended 30 June 2020 and 30 June 2019:

	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €	Montanaro Select Fund €	Montanaro Better World Fund* €	Combined Total* €
30 June 2020	–	6,948,748	1,775,091	–	–	778,205	10,499,995
30 June 2019	863,620	5,145,423	1,353,157	431,345	199,732	326,441	9,068,337

*See Foreign Currency Translation Adjustment Note 13.

3. Cash and Cash Equivalents

At the financial period end, the Company had a cash balance totalling €79,745,781 (31 December 2019: €56,494,963) with Bank of New York Mellon SA/NV, Dublin Branch.

4. Connected Persons and Related Party Transactions

Parties are considered related if one party has the authority to control the other party or exercise significant influence over the other party in making financial or other reporting decisions, or is a member of the key management personnel of the reporting entity.

A connected person is defined as the Promoter, Manager, Trustee, Investment Adviser and/or associated or group companies of these. The Investment Manager, Administrator and Depositary are deemed to be connected persons to the Company. During the financial period, transactions were entered into with these connected persons of the Company, in the ordinary course of business and on normal commercial terms. Details of fees paid to these entities are disclosed in Note 1.

During the financial period, the following Related Party Transactions were entered into:

Each of the Directors who are not Directors, officers or employees of the Investment Manager and Promoter or any affiliate thereof shall be entitled to such remuneration for his or her services as the Directors may determine provided that the aggregate emoluments of all Directors in respect of any twelve month period shall not exceed £120,000 plus out of pocket expenses, or such higher amount as may be approved by the Company in a general meeting. The Directors' fees were €30,619 for the financial period ended 30 June 2020 (30 June 2019: €38,101).

Charles Montanaro, Director of the Company, until his resignation effective 30 April 2020, and his family members held Shares in the Montanaro Smaller Companies plc during the financial period ended 30 June 2020. Since 31 December 2019 and up to his resignation on 30 April 2020, Charles Montanaro and his family members bought and sold additional Shares from their holdings which were disclosed in the annual financial statements.

Cedric Durant des Aulnois, a Director of the Company, holds Shares in the Montanaro UK Income Fund of the Montanaro Smaller Companies Plc. Since 31 December 2019, Cedric Durant des Aulnois did not buy or sell any Shares from his holdings which were disclosed in the annual financial statements.

Matthew Francis, a Director of the Company appointed 30 April 2020, does not hold any Shares in the Funds of the Montanaro Smaller Companies Plc and did not carry out any transactions during the period.

John Ensor, an alternate Director of the Company appointed 30 April 2020, does not hold any Shares in the Funds of the Montanaro Smaller Companies Plc and did not carry out any transactions during the period.

Other than the Shares and transactions listed above, there were no other transactions, interests in Shares or deferred Shares of the Company held by any of the Directors of the Company or the Secretary during the financial period ending 30 June 2020.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

4. Connected Persons and Related Party Transactions (continued)

The following entities are related parties, by virtue of the fact that each have the same ultimate parent group, Montanaro Asset Management Limited, which held Shares in the Company as follows:

	30 June 2020	31 December 2019	30 June 2019
Montanaro Asset Management Limited	7,320,073	22,693,189	21,186,592
Montanaro Growth & Income Fund Limited Partnership No. 3	11,547,673	8,533,464	8,465,369

The Investment Manager has the discretion to waive some or all of its “Investment Management Fee” on certain Share Classes and information concerning the various waivers in place for the reporting period are disclosed in Note 1. As at 30 June 2020 and 31 December 2019 there were 7 Subscriber Shares of €1 each in issue (being the minimum share capital of the Company) held by the Investment Manager.

Regulation 43 of the Central Bank UCITS Regulations “Restrictions of transactions with connected persons” states that “A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm’s length; and b) in the best interest of the unitholders of the UCITS”.

As required under Central Bank UCITS Regulation 81(4), the Directors, as responsible persons, are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected person; and all transactions with a connected person that were entered into during the financial period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

5. Risks Associated with Financial Instruments

Fair Value Estimation

Under FRS 102, the Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 The unadjusted traded price in an active market for identical assets or liabilities that the entity can access the measurement date.
- Level 2 Inputs other than traded prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The best evidence of fair value is a traded price for an identical asset or liability in an active market and is therefore classified within Level 1. These include actively traded equities, exchange traded derivatives and other traded securities. Traded in an active market in this context means traded prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

When traded prices are unavailable, the price of a recent transaction for an identical asset or liability provides evidence of fair value and is classified within Level 2, as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. These include money market instruments, certain traded equities and open-ended collective investment schemes. If the Company can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), then that price is adjusted.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

5. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

If the market for the asset or liability is not active and recent transactions of an identical asset or liability on their own are not a good estimate of fair value, the Company estimates the fair value by using a valuation technique and classifies the asset or liability within Level 3. These include investment-grade government and corporate bonds, over-the-counter derivatives, private equity and corporate debt securities. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. Valuation techniques include using recent arm's length market transactions for an identical asset or liability between knowledgeable, willing parties, if available, reference to the current fair value of another asset or liability that is substantially the same as the asset or liability being measured, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the asset or liability and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Company uses that technique.

The Company's investments values are based on traded market prices in active markets and therefore all of the Company's investments were classified as Level 1 at 30 June 2020 and 31 December 2019. There were no transfers between levels during the financial period. The Company does not hold any investments classified within Level 2 or Level 3. The fair value levels of the securities held by the Funds are monitored on a monthly basis by the Investment Manager. There were no financial liabilities held at 30 June 2020 and 31 December 2019.

6. Soft Commission Arrangements

No soft commission arrangements were entered into during the financial period ended 30 June 2020, the financial year ended 31 December 2019 or the financial period ended 30 June 2019.

7. Efficient Portfolio Management

The Company may, on behalf of a Fund, use techniques and instruments for the purposes of efficient portfolio management (including but not limited to forward foreign currency contracts, futures contracts, options, put and call options on securities, indices and currencies, stock index contracts, swap contracts) subject to the restrictions and limitations laid down by the Central Bank. The Company may engage in such techniques and instruments for the reduction of risk, cost or the generation of additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of the Company as described in the Prospectus and the general provisions of the UCITS Regulations.

The Company may employ techniques and instruments relating to transferable securities provided that such techniques and instruments are used for efficient portfolio management purposes and techniques and instruments intended to provide protection against exchange rate risk and equity market risk. Where applicable, the entities to which direct and indirect operational costs and/or fees have been paid during the annual period to the relevant accounting year end of a Fund will be disclosed in the annual report for such period.

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward foreign currency contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

The use of such techniques and instruments for efficient portfolio management involves certain special risks including: a dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, imperfect correlations between the hedging instruments and the securities or market sectors being hedged, the fact that skills needed to use these instruments are different from those needed to select the Company's securities, the possible absence of a liquid market for any particular instrument at any particular time and possible impediments to effective portfolio management such as the ability to meet redemption requests or other short term obligations because of the percentage of the Company's assets being segregated to cover its obligations.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

7. Efficient Portfolio Management (continued)

The Company does not currently use financial derivative instruments and it is not the current intention of the Investment Manager to employ efficient portfolio management techniques. A risk management process will be submitted to the Central Bank in accordance with the Central Bank's requirements prior to the Company engaging in financial derivative transactions on behalf of a Fund.

The Company did not enter into any derivative contracts during the financial period ended 30 June 2020, the financial year ended 31 December 2019 or the financial period ended 30 June 2019 for efficient portfolio management or any other purpose.

8. Share Capital and Redeemable Participating Shares

The authorised share capital of the Company is 1,000,000,000 redeemable participating Shares of no par value. The redeemable participating Shares issued by the Company are freely transferable and are entitled to participate equally in the profits and dividends of the relevant Fund and its assets upon liquidation. The redeemable participating Shares, which are of no par value and which must be fully paid up on issue, carry no preferential or pre-emptive rights. Holders of redeemable participating Shares are entitled on a poll to one vote at general meetings of the Company in respect of each redeemable participating Share held.

Subscriber Shares

The Company has authorised share capital of €38,100 (divided into 38,100 Subscriber Shares of one Euro each). As at 30 June 2020 and 31 December 2019 there were 7 Subscriber Shares of €1 each in issue (being the minimum share capital of the Company) held by the Investment Manager. Subscriber Shares do not entitle the holders to any dividend and on a winding-up entitle the holder to receive the amount paid thereon but not otherwise to participate in the assets of the Company. The Subscriber Shares do not form part of redeemable participating Shareholders' Funds. They are thus disclosed by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund.

Redemption of Shares

Shareholders may redeem their Shares on and with effect from any dealing day at the NAV per Share calculated on or with respect to the relevant dealing day in accordance with the procedures specified in the relevant Supplement (save during any period when the calculation of NAV is suspended). If the redemption of part only of a Shareholder's shareholding would leave the Shareholder holding less than the Minimum Holding for the relevant Fund, the Directors or their delegates may, if they think fit, redeem the whole of that Shareholder's holding.

In the event that the net distributable income generated by the Montanaro UK Income Fund and by the Montanaro European Income Fund during the relevant financial period and attributable to the relevant Class is insufficient to pay a distribution which is declared, the Directors may at their discretion determine such dividends may be paid from the capital of the Fund. Shareholders should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount originally invested or capital gains attributable to and may result in an immediate decrease in the value of the Shares of the relevant Class and will reduce any capital appreciation for the Shareholders of such Class.

Share Classes

Shares will be issued to investors as Shares of a Class in the Funds. The Directors may, whether on the establishment of each Fund or from time to time, with prior notification to, and clearance by the Central Bank, create more than one Class of Shares in each of the Funds. The Directors may, in their absolute discretion, differentiate between Classes of Shares, without limitation, as to currency denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of particular Classes, fees and expenses or the minimum subscription or minimum holding applicable.

Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued to the nearest one thousandth of a Share. The holder of a fraction of a Share may not exercise any voting right in respect of such Share.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

8. Share Capital and Redeemable Participating Shares (continued)

30 June 2020

	Shares in issue at beginning of financial period	Subscriptions	Redemptions	Shares in issue at end of financial period
Montanaro European Smaller Companies Fund				
Euro Accumulation Class	33,162,901	493,557	(2,264,849)	31,391,609
Euro Class	20,158,511	29,492	(686,338)	19,501,665
Euro Institutional Accumulation Class	4,339,308	361,065	(1,755,597)	2,944,776
Euro Institutional Distribution Class	2,661,141	125,410	(469,629)	2,316,922
Sterling Class	3,653,239	77,706	(41,981)	3,688,964
Sterling Institutional Distribution Class	12,233,351	244,869	(443,461)	12,034,759
Swedish Krona Accumulation Class	317,630	—	—	317,630
US Dollar Class	85,805	—	(2,365)	83,440
Montanaro UK Income Fund				
Euro Class	194,682	8,479	(11,775)	191,386
Euro Seed Class	2,384,870	245,600	(67,571)	2,562,899
Sterling Accumulation Class	31,460,930	19,334,184	(31,216,016)	19,579,098
Sterling Class	102,782,637	73,876,750	(28,318,047)	148,341,340
Sterling Seed Class	209,795,101	68,222,169	(38,630,449)	239,386,821
Montanaro European Income Fund				
Euro Class	11,446,163	949,490	(815,295)	11,580,358
Sterling Accumulation Class	8,092,622	1,832,136	(3,971,491)	5,953,267
Sterling Class	133,834,098	44,969,453	(15,039,405)	163,764,146
Montanaro European MidCap Fund				
Euro Distribution Class	49,275,318	552,286	(1,946,345)	47,881,259
Euro Institutional Accumulation Class	10,819,311	2,045,464	(3,345,523)	9,519,252
Montanaro Select Fund				
Euro Distribution Class	4,126,287	—	(2,557,681)	1,568,606
Sterling Distribution Class	5,349,332	170,484	(3,466,792)	2,053,024
Montanaro Better World Fund				
Euro Distribution Class	13,099,111	17,278,099	(5,830,349)	24,546,861
Sterling Distribution Class	114,657,438	40,579,115	(5,226,257)	150,010,296
Swedish Krona Institutional Accumulation Class	4,729,227	—	—	4,729,227

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

8. Share Capital and Redeemable Participating Shares (continued)

31 December 2019

	Shares in issue at beginning of financial year	Subscriptions	Redemptions	Shares in issue at end of financial year
Montanaro European Smaller Companies Fund				
Euro Accumulation Class	38,115,539	2,350,720	(7,303,358)	33,162,901
Euro Class	18,139,034	2,758,062	(738,585)	20,158,511
Euro Institutional Accumulation Class	10,195,783	279,387	(6,135,862)	4,339,308
Euro Institutional Distribution Class	3,079,635	801,456	(1,219,950)	2,661,141
Sterling Class	3,652,979	43,341	(43,081)	3,653,239
Sterling Institutional Distribution Class	13,028,475	196,797	(991,921)	12,233,351
Swedish Krona Accumulation Class	473,161	4,469	(160,000)	317,630
US Dollar Class	156,910	–	(71,105)	85,805
Montanaro UK Income Fund				
Euro Class	292,375	70,252	(167,945)	194,682
Euro Seed Class	3,165,872	49,773	(830,775)	2,384,870
Sterling Accumulation Class	940,138	31,213,632	(692,840)	31,460,930
Sterling Class	21,415,154	89,949,268	(8,581,785)	102,782,637
Sterling Seed Class	164,986,839	61,375,996	(16,567,734)	209,795,101
Montanaro European Income Fund				
Euro Class	9,043,142	3,536,669	(1,133,648)	11,446,163
Sterling Accumulation Class	139,911	8,080,243	(127,532)	8,092,622
Sterling Class	96,895,854	46,307,086	(9,368,842)	133,834,098
Montanaro European MidCap Fund				
Euro Distribution Class	53,726,151	1,224,618	(5,675,451)	49,275,318
Euro Institutional Accumulation Class	5,996,143	5,127,999	(304,831)	10,819,311
Montanaro Select Fund				
Euro Distribution Class	4,068,192	58,095	–	4,126,287
Sterling Distribution Class	5,286,215	160,400	(97,283)	5,349,332
Montanaro Better World Fund				
Euro Distribution Class	5,786,980	7,315,252	(3,121)	13,099,111
Sterling Distribution Class	114,821,663	7,214,357	(7,378,582)	114,657,438
Swedish Krona Institutional Accumulation Class*	–	4,729,227	–	4,729,227

*The Swedish Krona Institutional Accumulation Class was launched on 1 July 2019.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

8. Share Capital and Redeemable Participating Shares (continued)

30 June 2019

	Shares in issue at beginning of financial period	Subscriptions	Redemptions	Shares in issue at end of financial period
Montanaro European Smaller Companies Fund				
Euro Accumulation Class	38,115,539	1,001,733	(2,563,646)	36,553,626
Euro Class	18,139,034	1,527,897	(148,633)	19,518,298
Euro Institutional Accumulation Class	10,195,783	192,309	(1,937,738)	8,450,354
Euro Institutional Distribution Class	3,079,635	550,232	(716,768)	2,913,099
Sterling Class	3,652,979	12,891	(31,249)	3,634,621
Sterling Institutional Distribution Class	13,028,475	75,974	(767,844)	12,336,605
Swedish Krona Accumulation Class	473,161	2,165	(160,000)	315,326
US Dollar Class	156,910	–	(54,998)	101,912
Montanaro UK Income Fund				
Euro Class	292,375	69,900	(167,945)	194,330
Euro Seed Class	3,165,872	9,127	(26,446)	3,148,553
Sterling Accumulation Class	940,138	788,750	(361,674)	1,367,214
Sterling Class	21,415,154	31,188,027	(2,621,079)	49,982,102
Sterling Seed Class	164,986,839	19,012,591	(7,358,558)	176,640,872
Montanaro European Income Fund				
Euro Class	9,043,142	2,075,109	(483,119)	10,635,132
Sterling Accumulation Class	139,911	441,259	(619)	580,551
Sterling Class	96,895,854	15,435,168	(4,552,013)	107,779,009
Montanaro European MidCap Fund				
Euro Distribution Class	53,726,151	101,416	(2,890,455)	50,937,112
Euro Institutional Accumulation Class	5,996,143	150,043	–	6,146,186
Montanaro Select Fund				
Euro Distribution Class	4,068,192	58,095	–	4,126,287
Sterling Distribution Class	5,286,215	144,117	(2,412)	5,427,920
Montanaro Better World Fund				
Euro Distribution Class	5,786,980	1,064,360	–	6,851,340
Sterling Distribution Class	114,821,663	1,974,129	(74,029)	116,721,763

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

9. Exchange Rates

The exchange rates to Euro (€) at the financial period ended 30 June 2020, financial year ended 31 December 2019 and financial period ended 30 June 2019 are as follows:

	30 June 2020	31 December 2019	30 June 2019
Australian Dollar	1.6313	1.5968	1.6228
Danish Krone	7.4532	7.4725	7.4637
Hong Kong Dollar	8.7049	8.7463	8.8969
Japanese Yen	121.1711	121.9878	122.6944
New Zealand Dollar	1.7447	1.6638	1.6955
Norwegian Krone	10.8350	9.8638	9.7095
Pound Sterling	0.9089	0.8473	0.8948
Swedish Krona	10.4640	10.5078	10.5660
Swiss Franc	1.0642	1.0870	1.1103
US Dollar	1.1231	1.1225	1.1388

10. Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not liable to Irish tax on its income or gains. However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to Shareholders, any encashment, redemption, cancellation or transfer of Shares and the holding of Shares at the end of each eight year period beginning with the acquisition of such Shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- (a) a Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Fund; and
- (b) certain exempted Irish tax resident Shareholders who have provided the Fund with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Fund or its Shareholders.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

11. Net Asset Value per Redeemable Participating Share at last traded price

30 June 2020

	Net assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€190,615,314	31,391,609	€6.072
Euro Class	€122,850,232	19,501,665	€6.299
Euro Institutional Accumulation Class	€19,466,830	2,944,776	€6.611
Euro Institutional Distribution Class	€14,794,839	2,316,922	€6.386
Sterling Class	£21,332,676	3,688,964	£5.783
Sterling Institutional Distribution Class	£71,278,900	12,034,759	£5.923
Swedish Krona Accumulation Class	SEK6,753,297	317,630	SEK21.261
US Dollar Class	\$280,928	83,440	\$3.367
Montanaro UK Income Fund			
Euro Class	€156,031	191,386	€0.815
Euro Seed Class	€2,959,744	2,562,899	€1.155
Sterling Accumulation Class	£18,823,733	19,579,098	£0.961
Sterling Class	£156,644,518	148,341,340	£1.056
Sterling Seed Class	£445,600,825	239,386,821	£1.861
Montanaro European Income Fund			
Euro Class	€12,714,630	11,580,358	€1.098
Sterling Accumulation Class	£6,166,760	5,953,267	£1.036
Sterling Class	£308,582,638	163,764,146	£1.884
Montanaro European MidCap Fund			
Euro Distribution Class	€110,637,268	47,881,259	€2.311
Euro Institutional Accumulation Class	€23,324,671	9,519,252	€2.450
Montanaro Select Fund			
Euro Distribution Class	€2,409,180	1,568,606	€1.536
Sterling Distribution Class	£3,311,303	2,053,024	£1.613
Montanaro Better World Fund			
Euro Distribution Class	€32,688,489	24,546,861	€1.332
Sterling Distribution Class	£208,166,838	150,010,296	£1.388
Swedish Krona Institutional Accumulation Class	SEK52,759,861	4,729,227	SEK11.156

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

11. Net Asset Value per Redeemable Participating Share at last traded price (continued)

31 December 2019

	Net assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€225,277,870	33,162,901	€6.793
Euro Class	€142,064,065	20,158,511	€7.047
Euro Institutional Accumulation Class	€31,931,369	4,339,308	€7.359
Euro Institutional Distribution Class	€18,939,470	2,661,141	€7.117
Sterling Class	£22,030,727	3,653,239	£6.030
Sterling Institutional Distribution Class	£75,275,533	12,233,351	£6.153
Swedish Krona Accumulation Class	SEK7,586,711	317,630	SEK23.885
US Dollar Class	\$322,998	85,805	\$3.764
Montanaro UK Income Fund			
Euro Class	€210,140	194,682	€1.079
Euro Seed Class	€3,637,362	2,384,870	€1.525
Sterling Accumulation Class	£36,893,054	31,460,930	£1.173
Sterling Class	£133,946,145	102,782,637	£1.303
Sterling Seed Class	£480,703,333	209,795,101	£2.291
Montanaro European Income Fund			
Euro Class	€14,281,928	11,446,163	€1.248
Sterling Accumulation Class	£8,831,295	8,092,622	£1.091
Sterling Class	£267,119,835	133,834,098	£1.996
Montanaro European MidCap Fund			
Euro Distribution Class	€119,575,388	49,275,318	€2.427
Euro Institutional Accumulation Class	€27,737,675	10,819,311	€2.564
Montanaro Select Fund			
Euro Distribution Class	€6,566,754	4,126,287	€1.591
Sterling Distribution Class	£8,587,669	5,349,332	£1.605
Montanaro Better World Fund			
Euro Distribution Class	€16,784,276	13,099,111	€1.281
Sterling Distribution Class	£142,914,079	114,657,438	£1.246
Swedish Krona Institutional Accumulation Class*	SEK50,762,917	4,729,227	SEK10.734

*The Swedish Krona Institutional Accumulation Class was launched on 1 July 2019.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

11. Net Asset Value per Redeemable Participating Share at last traded price (continued)

30 June 2019

	Net assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€220,780,247	36,553,626	€6.040
Euro Class	€122,247,774	19,518,298	€6.263
Euro Institutional Accumulation Class	€55,048,859	8,450,354	€6.514
Euro Institutional Distribution Class	€18,388,406	2,913,099	€6.312
Sterling Class	£20,554,714	3,634,621	£5.655
Sterling Institutional Distribution Class	£70,982,625	12,336,605	£5.754
Swedish Krona Accumulation Class	SEK6,720,792	315,326	SEK21.314
US Dollar Class	\$345,278	101,912	\$3.388
Montanaro UK Income Fund			
Euro Class	€171,834	194,330	€0.884
Euro Seed Class	€3,923,999	3,148,553	€1.246
Sterling Accumulation Class	£1,349,703	1,367,214	£0.987
Sterling Class	£56,344,204	49,982,102	£1.127
Sterling Seed Class	£349,206,859	176,640,872	£1.977
Montanaro European Income Fund			
Euro Class	€12,435,750	10,635,132	€1.169
Sterling Accumulation Class	£613,821	580,551	£1.057
Sterling Class	£212,880,717	107,779,009	£1.975
Montanaro European MidCap Fund			
Euro Distribution Class	€112,886,220	50,937,112	€2.216
Euro Institutional Accumulation Class	€14,356,416	6,146,186	€2.336
Montanaro Select Fund			
Euro Distribution Class	€5,791,870	4,126,287	€1.404
Sterling Distribution Class	£8,117,702	5,427,920	£1.496
Montanaro Better World Fund			
Euro Distribution Class	€8,134,413	6,851,340	€1.187
Sterling Distribution Class	£142,341,672	116,721,763	£1.219

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

12. Comparatives

Comparative information for the Statement of Financial Position is as at 31 December 2019. Comparative information for the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares is for the period ended 30 June 2019.

13. Foreign Currency Translation Adjustment

The difference between the financial period end and average exchange rates has resulted in a notional foreign currency translation adjustment in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares. The foreign currency translation adjustment for the financial period ended 30 June 2020 for Montanaro UK Income Fund was a profit of £44,664,090 (30 June 2019: profit of £1,420,905).

The following exchange rates were used to convert the presentation currency of the Company.

30 June 2020

Average Euro/Pound Sterling 1.1436

Spot Euro/Pound Sterling 1.1001

30 June 2019

Average Euro/Pound Sterling 1.1455

Spot Euro/Pound Sterling 1.1176

14. Right to Publicly Market Shares in Germany

According to Sec. 310 German Capital Investment Code (Kapitalanlagegesetzbuch, KAGB) the Company has notified the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") (Federal Institute for the Supervision of Financial Services) of its intention to publicly distribute Shares in Germany. The Company has the right to publicly distribute Shares in Germany upon completion of the notification process. The following Share Classes of the Montanaro European Smaller Companies Fund may be marketed to investors in Germany:

- Euro Accumulation Class
- Euro Class
- Euro Institutional Distribution Class

15. Events during the Financial Period

The following distributions were approved by the Directors during the financial period ending 30 June 2020.

Ex-Date of 17 January 2020:

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.006511	€1,268
Euro Seed Class	€0.009196	€21,931
Sterling Class	£0.007768	£814,635
Sterling Seed Class	£0.013544	£2,920,713

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.003900	€45,379
Sterling Class	£0.005991	£854,618

Ex-Date of 27 March 2020:

Montanaro Better World Fund

Share Class	Rate per Share	Distribution
Euro Distribution Class	€0.003744	€33,746
Sterling Distribution Class	£0.005365	£666,395

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

15. Events during the Financial Period (continued)

Ex-Date of 1 April 2020:

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.004344	€795
Euro Seed Class	€0.006141	€15,051
Sterling Class	£0.005477	£705,920
Sterling Seed Class	£0.009635	£2,389,924

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.002368	€28,100
Sterling Class	£0.003956	£613,722

The Montanaro UK Smaller Companies Fund is in existence but closed to further subscriptions. The Directors have formally applied to the Central Bank for the withdrawal of approval of the Montanaro UK Smaller Companies Fund which they expect to be completed in due course.

Effective 30 April 2020, Charles Montanaro resigned as a Director of the Company.

Effective 30 April 2020, Matthew Francis was appointed as a Director of the Company and John Ensor was appointed as an alternate Director to Matthew Francis.

An updated Prospectus and Supplements were issued on 6 May 2020 to reflect the following changes: Matthew Francis' appointment as a Director of the Company, John Ensor's appointment as an alternate Director to Matthew Francis, the change in the legal entity of the Depositary, the addition of Brexit Risk as a risk factor and the change in minimum subscriptions and minimum holdings on a number of Share Classes.

There is considerable uncertainty in relation to the outcome of the Brexit negotiations between the European Union and the UK. The Board have been monitoring the situation closely and will take action as required.

Impact of the Coronavirus

In December 2019, an outbreak of a contagious respiratory virus now known as Covid-19 (Coronavirus) occurred and it has since spread globally. The virus has resulted in government authorities in many countries (including the People's Republic of China and Hong Kong, the United States and Europe) taking extreme measures to arrest or delay the spread of the virus including the declaration of states of emergency, restrictions on movement, border controls, travel bans and the closure of offices, schools and other public amenities such as bars, restaurants and sports facilities. This has resulted in a major disruption to businesses both regionally and globally. It is anticipated that these events will have a material effect on general economic conditions and market liquidity, which may in turn adversely affect the financial performance of the Company and its Funds. The full impact of the Covid-19 pandemic, or other future epidemics/pandemics, is currently unknown.

The Directors are actively monitoring the situation and, with the support of the Investment Manager, continue to manage the Company's assets and liabilities within the investment and risk parameters that have been established. The Directors have also noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments. The Directors will continue to review the situation in order to navigate through this period of heightened uncertainty.

There were no other significant events affecting the Company during the financial period.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2020

16. Events since the Financial Period End

The following distributions in respect of the financial period ending 30 June 2020 were approved by the Directors:

Ex-Date of 1 July 2020

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.003811	€730
Euro Seed Class	€0.005396	€13,832
Sterling Class	£0.004938	£733,249
Sterling Seed Class	£0.008696	£2,082,059

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.010308	€118,875
Sterling Class	£0.017691	£2,909,090

The Covid-19 outbreak has caused extensive disruption to businesses and economic activities globally. The uncertainty and instability described in Note 15 continues post financial period end.

There were no other significant events affecting the Company since the financial period end.

17. Approval of Financial Statements

These financial statements were approved by the Directors of the Company on 19 August 2020.

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO EUROPEAN SMALLER COMPANIES FUND

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
Transferable securities admitted to a stock exchange listing or dealt in on another regulated market			
Belgium (31 December 2019: 1.76%)			
140,000	Melexis NV	9,366,000	2.08
		9,366,000	2.08
Denmark (31 December 2019: 3.04%)			
150,000	SimCorp A/S	14,389,847	3.19
		14,389,847	3.19
France (31 December 2019: 5.21%)			
90,000	Sartorius Stedim Biotech	19,998,000	4.44
70,000	Esker SA	8,120,000	1.80
		28,118,000	6.24
Germany (31 December 2019: 16.31%)			
300,000	CTS Eventim AG & Co KGaA	11,064,000	2.45
175,000	Nemetschek SE	10,648,750	2.36
20,000	Hypoport SE	7,870,000	1.75
50,000	MTU Aero Engines AG	7,642,500	1.70
15,000	Rational AG	7,464,000	1.66
100,000	CompuGroup Medical SE & Co KgaA	6,965,000	1.55
100,000	GRENKE AG	6,845,000	1.52
		58,499,250	12.99
Iceland (31 December 2019: 1.70%)			
2,000,000	Marel HF '144A'	9,100,000	2.02
		9,100,000	2.02
Ireland (31 December 2019: 2.42%)			
100,000	Kingspan Group Plc	5,695,000	1.26
		5,695,000	1.26
Italy (31 December 2019: 8.20%)			
1,050,000	Freni Brembo SpA	8,657,250	1.92
150,000	IMA Industria Macchine Automatiche SpA	8,092,500	1.80
100,000	Reply SpA	7,155,000	1.59
350,000	Carel Industries SpA '144A'	5,586,000	1.24
125,000	Recordati SpA	5,557,500	1.23
295,000	MARR SpA	3,964,800	0.88
		39,013,050	8.66
Netherlands (31 December 2019: 3.81%)			
130,000	IMCD NV	10,870,600	2.41
525,000	Intertrust NV '144A'	7,927,500	1.76
		18,798,100	4.17

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND (continued)

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
Norway (31 December 2019: 2.81%)			
150,000	Bakkafrost P/F	8,382,530	1.86
170,000	TOMRA Systems ASA	5,540,084	1.23
		13,922,614	3.09
Spain (31 December 2019: 1.92%)			
800,000	Merlin Properties Socimi SA (REIT)	5,876,000	1.30
		5,876,000	1.30
Sweden (31 December 2019: 13.35%)			
650,000	Thule Group AB '144A'	14,610,089	3.24
657,368	Avanza Bank Holding AB	8,292,485	1.84
365,000	Vitrolife AB	7,255,351	1.61
300,000	Fortnox AB	7,253,439	1.61
450,000	Biotage AB	5,891,628	1.31
650,000	Elekta AB	5,359,517	1.19
85,000	Nolato AB	5,064,745	1.13
350,000	INVISIO AB	4,863,340	1.08
300,000	AAK AB	4,590,022	1.02
		63,180,616	14.03
Switzerland (31 December 2019: 4.68%)			
1,688	Belimo Holding AG	10,991,717	2.44
35,000	Tecan Group AG	10,971,195	2.44
150,000	VZ Holding AG	9,964,844	2.21
40,000	Temenos AG	5,493,115	1.22
		37,420,871	8.31
United Kingdom (31 December 2019: 33.85%)			
1,800,000	Marshalls Plc	12,158,527	2.70
425,000	Halma Plc	10,711,594	2.38
1,950,000	IntegraFin Holdings Plc	9,910,982	2.20
1,500,000	Rightmove Plc	9,009,984	2.00
800,000	Big Yellow Group Plc (REIT)	8,800,961	1.95
300,000	4imprint Group Plc	8,069,381	1.79
4,000,000	NCC Group Plc	7,938,467	1.76
250,000	Ashtead Group Plc	7,475,316	1.66
700,000	St James's Place Plc	7,346,602	1.63
1,250,000	Shaftesbury Plc (REIT)	7,281,420	1.62
165,000	Renishaw Plc	7,199,076	1.60
225,000	Dechra Pharmaceuticals Plc	7,005,015	1.56
170,000	Cranswick Plc	6,730,865	1.49
3,000,000	Ideagen Plc	6,105,666	1.36
400,000	James Fisher & Sons Plc	5,991,408	1.33
50,000	Spirax-Sarco Engineering Plc	5,491,799	1.22
150,000	First Derivatives Plc	4,166,705	0.92

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND (continued)

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
United Kingdom (31 December 2019: 33.85%) (continued)			
1,250,000	Advanced Medical Solutions Group Plc	3,259,106	0.72
		134,652,874	29.89
Total equities		438,032,222	97.23
Total financial assets at fair value through profit or loss		438,032,222	97.23
Cash and cash equivalents		12,177,413	2.70
Other net assets		296,887	0.07
Total net assets attributable to holders of redeemable participating Shares		450,506,522	100.00

	% of Total Assets
Analysis of Total Assets	
Financial assets at fair value through profit or loss	96.88
Cash and cash equivalents	2.69
Other assets	0.43
Total assets	100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO UK INCOME FUND

As at 30 June 2020

Shares	Description	Fair value £	% of net assets
Transferable securities admitted to a stock exchange listing or dealt in on another regulated market			
Belgium (31 December 2019: 1.08%)			
150,000	Melexis NV	9,121,731	1.46
		9,121,731	1.46
Italy (31 December 2019: 0.93%)			
1,750,000	Enav SpA '144A'	6,353,397	1.02
125,000	Recordati SpA	5,051,721	0.81
		11,405,118	1.83
Netherlands (31 December 2019: 0.90%)			
600,000	Intertrust NV '144A'	8,235,464	1.32
		8,235,464	1.32
Norway (31 December 2019: 0.98%)			
165,000	Bakkafrost P/F	8,381,615	1.34
750,000	Atea ASA	5,826,421	0.93
		14,208,036	2.27
Singapore (31 December 2019: Nil%)			
525,000	XP Power Ltd	18,742,500	3.00
		18,742,500	3.00
Sweden (31 December 2019: 2.80%)			
450,000	Thule Group AB '144A'	9,194,157	1.48
425,000	NCAB Group AB	6,257,787	1.00
275,000	Loomis AB - Class B	5,288,986	0.85
		20,740,930	3.33
Switzerland - Nil (31 December 2019: 1.07%)			
United Kingdom (31 December 2019: 89.61%)			
3,650,000	Marshalls Plc	22,411,000	3.59
4,650,000	IntegraFin Holdings Plc	21,483,000	3.44
3,850,000	Avast Plc '144A'	20,328,000	3.26
2,000,000	Big Yellow Group Plc (REIT)	20,000,000	3.21
2,150,000	FDM Group Holdings Plc	19,565,000	3.14
1,700,000	Pennon Group Plc	19,057,000	3.05
9,000,000	LondonMetric Property Plc (REIT)	18,936,000	3.04
1,900,000	St James's Place Plc	18,126,000	2.91
725,000	4imprint Group Plc	17,726,250	2.84
2,250,000	Britvic Plc	17,358,750	2.78
3,750,000	Polypipe Group plc	16,125,000	2.58
1,250,000	Hilton Food Group Plc	15,800,000	2.53
10,000,000	Primary Health Properties Plc (REIT)	15,780,000	2.53
3,000,000	DiscoverIE Group Plc	15,720,000	2.52
6,000,000	Brewin Dolphin Holdings Plc	15,630,000	2.51
11,000,000	Taylor Wimpey Plc	15,570,500	2.50
8,500,000	NCC Group Plc	15,334,000	2.46
6,000,000	Jupiter Fund Management Plc	15,312,000	2.45
600,000	Severn Trent Plc	14,982,000	2.40
750,000	Diploma Plc	13,402,500	2.15
1,786,824	Vistry Group Plc	12,659,648	2.03
6,000,000	Biffa Plc '144A'	12,150,000	1.95

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS
MONTANARO UK INCOME FUND (continued)

As at 30 June 2020

Shares	Description	Fair value £	% of net assets
United Kingdom (31 December 2019: 89.61%) (continued)			
500,000	Clarkson Plc	11,100,000	1.78
1,150,000	United Utilities Group Plc	10,563,900	1.69
2,500,000	Ashmore Group Plc	10,410,000	1.67
1,250,000	Savills Plc	10,362,500	1.66
700,000	Rathbone Brothers Plc	9,856,000	1.58
500,000	Victrex Plc	9,785,000	1.57
650,000	James Fisher & Sons Plc	8,849,978	1.42
225,000	Cranswick Plc	8,097,750	1.30
4,000,000	Bloomsbury Publishing Plc	8,000,000	1.28
6,500,000	XPS Pensions Group Plc	7,442,500	1.19
250,000	Dechra Pharmaceuticals Plc	7,075,000	1.13
900,000	Kainos Group Plc	6,750,000	1.08
4,250,000	Equiniti Group Plc '144A'	6,162,500	0.99
2,250,000	SThree Plc	6,075,000	0.97
1,500,000	Ricardo Plc	5,970,000	0.96
200,000	Derwent London Plc (REIT)	5,548,000	0.89
1,750,000	Headlam Group Plc	5,005,000	0.80
55,000	Games Workshop Group Plc	4,367,000	0.70
7,250,000	RPS Group Plc	3,400,250	0.54
		518,277,026	83.07
United States (31 December 2019: Nil%)			
4,000,000	TI Fluid Systems Plc '144A'	7,416,000	1.19
		7,416,000	1.19
Total equities		608,146,805	97.47
Total financial assets at fair value through profit or loss		608,146,805	97.47
Cash and cash equivalents		22,697,614	3.64
Other net liabilities		(6,943,478)	(1.11)
Total net assets attributable to holders of redeemable participating Shares		623,900,941	100.00
Analysis of Total Assets			% of Total
Financial assets at fair value through profit or loss			Assets
Cash and cash equivalents			96.20
Other assets			3.59
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO EUROPEAN INCOME FUND

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
Transferable securities admitted to a stock exchange listing or dealt in on another regulated market			
Belgium (31 December 2019: 1.58%)			
87,804	Melexis NV	5,874,088	1.64
150,000	Warehouses De Pauw CVA (REIT)	3,632,250	1.01
		9,506,338	2.65
Denmark (31 December 2019: 5.21%)			
413,000	Tryg A/S	10,639,229	2.96
72,300	SimCorp A/S	6,935,906	1.93
53,800	Chr Hansen Holding A/S	4,937,388	1.38
		22,512,523	6.27
Finland (31 December 2019: Nil%)			
34,311	Ponsse Oyj	878,362	0.24
		878,362	0.24
France (31 December 2019: 15.36%)			
264,000	Edenred	10,274,880	2.86
455,000	Bureau Veritas SA	8,508,500	2.37
103,300	Amundi SA '144A'	7,169,020	2.00
121,800	Thermador Groupe	6,333,600	1.76
90,850	Gaztransport Et Technigaz SA	6,127,833	1.71
180,500	Kaufman & Broad SA	5,550,375	1.55
		43,964,208	12.25
Germany (31 December 2019: 13.96%)			
75,200	Amadeus Fire AG	8,226,880	2.29
190,800	CTS Eventim AG & Co KGaA	7,036,704	1.96
188,300	FUCHS PETROLUB SE - Preference	6,707,246	1.87
139,500	Mensch und Maschine Software SE	6,556,500	1.83
40,300	MTU Aero Engines AG	6,159,855	1.72
77,450	Fielmann AG	4,631,510	1.29
8,250	Rational AG	4,105,200	1.14
		43,423,895	12.10
Italy (31 December 2019: 11.65%)			
2,065,000	Enav SpA '144A'	8,247,610	2.30
144,500	IMA Industria Macchine Automatiche SpA	7,795,775	2.17
161,400	Recordati SpA	7,175,844	2.00
459,800	MARR SpA	6,179,712	1.72
852,000	Cerved Group SpA	5,414,460	1.51
646,000	Freni Brembo SpA	5,326,270	1.48
122,900	Cembre SpA	2,083,155	0.58
		42,222,826	11.76
Netherlands (31 December 2019: 2.16%)			
521,500	Intertrust NV '144A'	7,874,650	2.19
72,200	Euronext NV '144A'	6,440,240	1.80
		14,314,890	3.99
Norway (31 December 2019: 10.91%)			
1,291,000	Fjordkraft Holding ASA '144A'	9,400,976	2.62
967,000	Atea ASA	8,264,321	2.30
124,000	Bakkafrost P/F	6,929,558	1.93

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN INCOME FUND (continued)

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
Norway (31 December 2019: 10.91%) (continued)			
3,910,000	Kitron ASA	4,265,441	1.19
208,500	Medistim ASA	4,233,489	1.18
403,000	Borregaard ASA	3,801,243	1.06
247,500	TGS NOPEC Geophysical Co ASA	3,183,112	0.88
		40,078,140	11.16
Portugal (31 December 2019: 3.38%)			
679,000	Corticeira Amorim SGPS SA	6,844,320	1.91
1,240,000	NOS SGPS SA	4,781,440	1.33
		11,625,760	3.24
Spain (31 December 2019: 7.98%)			
144,500	Viscofan SA	8,409,900	2.34
413,000	Red Electrica Corp SA	6,895,035	1.92
908,500	Merlin Properties Socimi SA (REIT)	6,672,932	1.86
		21,977,867	6.12
Sweden (31 December 2019: 17.40%)			
211,500	Nolato AB	12,602,277	3.51
548,000	Thule Group AB '144A'	12,317,429	3.43
758,000	Avanza Bank Holding AB	9,561,925	2.66
361,000	Loomis AB - Class B	7,638,130	2.13
485,500	KNOW IT AB	7,163,722	2.00
360,000	NCAB Group AB	5,831,421	1.62
333,800	Hufvudstaden AB	3,665,292	1.02
400,000	Bravida Holding AB '144A'	3,392,584	0.95
212,000	Biotage AB	2,775,611	0.77
279,000	Beijer Alma AB	2,530,303	0.71
		67,478,694	18.80
Switzerland (31 December 2019: 5.81%)			
188,300	Galenica AG '144A'	11,960,707	3.33
8,000	Partners Group Holding AG	6,454,175	1.80
20,400	Burckhardt Compression Holding AG	4,418,358	1.23
		22,833,240	6.36
Total equities		340,816,743	94.94
Total financial assets at fair value through profit or loss		340,816,743	94.94
Cash and cash equivalents		17,459,353	4.86
Other net assets		700,479	0.20
Total net assets attributable to holders of redeemable participating Shares		358,976,575	100.00
Analysis of Total Assets			% of Total Assets
Financial assets at fair value through profit or loss			94.75
Cash and cash equivalents			4.85
Other assets			0.40
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO EUROPEAN MIDCAP FUND

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
Transferable securities admitted to a stock exchange listing or dealt in on another regulated market			
Denmark (31 December 2019: 2.41%)			
60,000	SimCorp A/S	5,755,939	4.30
		5,755,939	4.30
France (31 December 2019: 19.09%)			
100,000	Worldline SA/France '144A'	7,686,000	5.74
150,000	Edenred	5,838,000	4.36
25,000	Teleperformance	5,607,500	4.18
280,000	Bureau Veritas SA	5,236,000	3.91
21,000	Sartorius Stedim Biotech	4,666,200	3.48
60,000	Amundi SA '144A'	4,164,000	3.11
		33,197,700	24.78
Germany (31 December 2019: 15.04%)			
65,000	Symrise AG - Class A	6,734,000	5.03
90,000	CTS Eventim AG & Co KGaA	3,319,200	2.48
18,000	MTU Aero Engines AG	2,751,300	2.05
		12,804,500	9.56
Ireland (31 December 2019: 4.37%)			
63,000	Kerry Group Plc	6,923,700	5.17
		6,923,700	5.17
Italy (31 December 2019: 8.69%)			
135,000	Recordati SpA	6,002,100	4.48
125,000	Moncler SpA	4,255,000	3.18
		10,257,100	7.66
Spain - Nil (31 December 2019: 2.43%)			
Sweden (31 December 2019: 6.24%)			
90,000	Hexagon AB	4,665,137	3.48
400,000	Elekta AB	3,298,165	2.46
		7,963,302	5.94
Switzerland (31 December 2019: 4.30%)			
50,000	Temenos AG	6,866,393	5.13
16,000	Tecan Group AG	5,015,403	3.74
6,500	Straumann Holding AG	4,963,066	3.70
		16,844,862	12.57
United Kingdom (31 December 2019: 32.44%)			
250,000	Ashtead Group Plc	7,475,316	5.58
230,000	Halma Plc	5,796,863	4.33
550,000	St James's Place Plc	5,772,330	4.31
800,000	Rightmove Plc	4,805,324	3.59
260,000	Hargreaves Lansdown Plc	4,633,706	3.46
150,000	Severn Trent Plc	4,120,500	3.07
700,000	Auto Trader Group Plc '144A'	4,066,044	3.03
		36,670,083	27.37

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN MIDCAP FUND (continued)

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
Total equities		130,417,186	97.35
Total financial assets at fair value through profit or loss		130,417,186	97.35
Cash and cash equivalents		3,736,231	2.79
Other net liabilities		(191,478)	(0.14)
Total net assets attributable to holders of redeemable participating Shares		133,961,939	100.00

Analysis of Total Assets	% of Total Assets
Financial assets at fair value through profit or loss	97.00
Cash and cash equivalents	2.78
Other assets	0.22
Total assets	100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO SELECT FUND

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
Transferable securities admitted to a stock exchange listing or dealt in on another regulated market			
Belgium - Nil (31 December 2019: 1.00%)			
Denmark (31 December 2019: 5.45%)			
2,500	SimCorp A/S	239,831	3.96
2,200	Chr Hansen Holding A/S	201,900	3.34
		441,731	7.30
France (31 December 2019: 6.52%)			
750	Sartorius Stedim Biotech	166,650	2.75
500	Orpea	51,325	0.85
		217,975	3.60
Germany (31 December 2019: 13.22%)			
2,250	Amadeus Fire AG	246,150	4.07
4,000	CTS Eventim AG & Co KGaA	147,520	2.44
1,500	GRENKE AG	102,675	1.69
		496,345	8.20
Italy (31 December 2019: 4.16%)			
4,000	Reply SpA	286,200	4.73
		286,200	4.73
Netherlands (31 December 2019: 3.49%)			
2,600	IMCD NV	217,412	3.59
		217,412	3.59
Sweden (31 December 2019: 15.49%)			
14,000	AAK AB	214,201	3.54
7,000	MIPS AB	214,201	3.54
9,500	Thule Group AB '144A'	213,532	3.53
8,200	Fortnox AB	198,261	3.27
8,500	Vitrolife AB	168,960	2.79
10,000	INVISIO AB	138,953	2.30
10,000	Biotage AB	130,925	2.16
		1,279,033	21.13
Switzerland (31 December 2019: 3.78%)			
3,500	VZ Holding AG	232,513	3.84
650	Tecan Group AG	203,751	3.37
		436,264	7.21
United Kingdom (31 December 2019: 41.49%)			
10,500	Ashtead Group Plc	313,963	5.19
20,000	Hilton Food Group Plc	278,110	4.60
50,000	IntegraFin Holdings Plc	254,128	4.20
24,000	St James's Place Plc	251,884	4.16
5,750	Cranswick Plc	227,662	3.76
75,000	SThree Plc	222,774	3.68
8,000	4imprint Group Plc	215,184	3.56
18,000	Big Yellow Group Plc (REIT)	198,022	3.27

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO SELECT FUND (continued)

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
United Kingdom (31 December 2019: 41.49%) (continued)			
100,000	Calisen Plc	194,446	3.21
6,000	First Derivatives Plc	166,668	2.75
6,500	Halma Plc	163,824	2.71
8,875	Keystone Law Group Plc	47,646	0.79
		2,534,311	41.88
Total equities		5,909,271	97.64
Total financial assets at fair value through profit or loss		5,909,271	97.64
Cash and cash equivalents		243,216	4.02
Other net liabilities		(100,478)	(1.66)
Total net assets attributable to holders of redeemable participating Shares		6,052,009	100.00
Analysis of Total Assets			% of Total Assets
Financial assets at fair value through profit or loss			95.76
Cash and cash equivalents			3.94
Other assets			0.30
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO BETTER WORLD FUND**

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
Transferable securities admitted to a stock exchange listing or dealt in on another regulated market			
Australia (31 December 2019: 7.17%)			
60,000	Cochlear Ltd	6,948,934	2.60
600,000	IDP Education Ltd	5,697,295	2.14
325,000	Pro Medicus Ltd	5,271,561	1.98
		17,917,790	6.72
Belgium (31 December 2019: 1.94%)			
85,000	Melexis NV	5,686,500	2.13
		5,686,500	2.13
China - Nil (31 December 2019: 1.31%)			
Denmark (31 December 2019: 2.78%)			
60,000	Chr Hansen Holding A/S	5,506,381	2.07
80,000	Novozymes A/S	4,116,368	1.54
		9,622,749	3.61
France (31 December 2019: 5.75%)			
40,000	Sartorius Stedim Biotech	8,888,000	3.33
		8,888,000	3.33
Germany (31 December 2019: 6.75%)			
150,000	Nemetschek SE	9,127,500	3.42
57,500	Carl Zeiss Meditec AG	4,965,125	1.86
		14,092,625	5.28
Hong Kong (31 December 2019: 1.27%)			
600,000	Vitasoy International Holdings Ltd	2,043,671	0.77
		2,043,671	0.77
Ireland (31 December 2019: 4.70%)			
50,000	ICON Plc	7,377,461	2.77
85,000	Kingspan Group Plc	4,840,750	1.81
35,000	Kerry Group Plc	3,846,500	1.44
		16,064,711	6.02
Italy - Nil (31 December 2019: 2.69%)			
Japan (31 December 2019: 7.03%)			
100,000	Shionogi & Co Ltd	5,570,635	2.09
300,000	Santen Pharmaceutical Co Ltd	4,909,586	1.84
150,000	Azbil Corp	4,066,563	1.53
165,000	Mani Inc	3,874,067	1.45
120,000	Yaskawa Electric Corp	3,688,998	1.38
300,000	RENOVA Inc	2,329,763	0.87
		24,439,612	9.16
Netherlands (31 December 2019: 2.50%)			
6,500	Adyen NV '144A'	8,378,500	3.14
		8,378,500	3.14

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO BETTER WORLD FUND (continued)

As at 30 June 2020

Shares	Description	Fair value €	% of net assets
New Zealand (31 December 2019: 3.09%)			
1,000,000	Ryman Healthcare Ltd	7,496,991	2.81
		7,496,991	2.81
Sweden (31 December 2019: 3.17%)			
175,000	Thule Group AB '144A'	3,933,486	1.48
275,000	Biotage AB	3,600,439	1.35
		7,533,925	2.83
Switzerland (31 December 2019: 3.96%)			
20,000	Tecan Group AG	6,269,254	2.35
800	Belimo Holding AG	5,209,344	1.95
		11,478,598	4.30
United Kingdom (31 December 2019: 13.21%)			
300,000	Halma Plc	7,561,125	2.84
50,000	Spirax-Sarco Engineering Plc	5,491,800	2.06
650,000	Polypipe Group plc	3,074,836	1.15
100,000	First Derivatives Plc	2,777,803	1.04
500,000	Tristel Plc	2,313,002	0.87
500,000	Restore Plc	1,919,710	0.72
		23,138,276	8.68
United States (31 December 2019: 31.50%)			
40,000	ANSYS Inc	10,239,232	3.84
100,000	Qualys Inc	9,149,262	3.43
65,000	SolarEdge Technologies Inc	7,956,947	2.98
40,000	Masimo Corp	7,926,986	2.97
82,500	CyberArk Software Ltd	7,110,355	2.67
32,500	Veeva Systems Inc - Class A	6,763,897	2.54
47,500	Trex Co Inc	5,517,381	2.07
90,000	Alarm.com Holdings Inc	5,191,734	1.95
60,000	Grand Canyon Education Inc	4,881,090	1.83
85,000	Cognex Corp	4,500,687	1.69
85,000	Simulations Plus Inc	4,495,390	1.68
75,000	Badger Meter Inc	4,184,212	1.57
70,000	Middlesex Water Co	4,151,447	1.56
115,000	Bruker Corp	4,084,358	1.53
25,000	IPG Photonics Corp	3,587,898	1.34
27,500	American Water Works Co Inc	3,118,126	1.17
10,000	IDEXX Laboratories Inc	2,917,151	1.09
47,500	Ormat Technologies Inc	2,700,751	1.01
40,000	US Ecology Inc	1,179,895	0.44
		99,656,799	37.36
Total equities		256,438,747	96.14
Total financial assets at fair value through profit or loss		256,438,747	96.14
Cash and cash equivalents		21,159,467	7.93
Other net liabilities		(10,859,299)	(4.07)
Total net assets attributable to holders of redeemable participating Shares		266,738,915	100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO BETTER WORLD FUND (continued)

As at 30 June 2020

	% of Total
Analysis of Total Assets	Assets
Financial assets at fair value through profit or loss	90.20
Cash and cash equivalents	7.44
Other assets	2.36
Total assets	100.00

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN SMALLER COMPANIES FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2020*

Purchases	Nominal	Cost €
Tecan Group AG	35,000	9,101,334
Reply SpA	100,000	7,738,093
Esker SA	70,000	7,307,749
Ashtead Group Plc	250,000	5,680,470
Spirax-Sarco Engineering Plc	50,000	5,357,660
INVISIO AB	350,000	4,792,671
Nolato AB	85,000	4,711,357
Temenos AG	40,000	4,551,414
4imprint Group Plc	100,000	2,161,066
Thule Group AB '144A'	100,000	1,626,916
Renishaw Plc	35,000	1,482,303
Nemetschek SE	25,000	1,081,479
Fortnox AB	55,268	963,686
NCC Group Plc	500,000	934,660
Dechra Pharmaceuticals Plc	25,000	742,033

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales. The above represents all purchases during the period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN SMALLER COMPANIES FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2020*

Sales	Nominal	Proceeds €
Consort Medical Plc	775,000	9,314,412
Orpea	95,000	9,271,408
Domino's Pizza Group Plc	2,000,000	7,048,408
Carl Zeiss Meditec AG	70,000	6,966,688
Loomis AB - Class B	300,000	6,835,593
Kingspan Group Plc	137,500	5,647,618
Belimo Holding AG	812	5,248,852
Rightmove Plc	875,000	5,170,364
Sartorius Stedim Biotech	25,000	4,630,001
FUCHS PETROLUB SE - Preference	125,000	4,091,370
Amplifon SpA	200,000	3,986,782
Avanza Bank Holding AB	292,632	3,760,152
RaySearch Laboratories AB	550,000	3,402,900
Elekta AB	300,000	3,254,116
St James's Place Plc	250,000	2,408,309
AAK AB	125,000	2,199,141
MTU Aero Engines AG	7,500	2,067,869
Recordati SpA	50,000	2,016,707
Hiscox Ltd	150,000	1,284,214
IMCD NV	15,000	1,228,668
James Fisher & Sons Plc	50,000	1,174,221
Marshalls Plc	100,000	1,007,659

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales.

MONTANARO SMALLER COMPANIES PLC**MONTANARO UK INCOME FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2020*

Purchases	Nominal	Cost £
United Utilities Group Plc	1,150,000	9,271,327
SThree Plc	2,250,000	8,420,887
LondonMetric Property Plc (REIT)	4,000,000	8,094,353
Kainos Group Plc	900,000	7,495,637
Vistry Group Plc	827,264	7,187,177
Dechra Pharmaceuticals Plc	250,000	6,819,595
Avast Plc '144A'	1,650,000	6,716,185
TI Fluid Systems Plc '144A'	4,000,000	6,585,730
Taylor Wimpey Plc	3,750,000	6,441,497
FDM Group Holdings Plc	650,000	5,971,957
Jupiter Fund Management Plc	2,000,000	5,352,054
Big Yellow Group Plc (REIT)	500,000	5,309,797
Savills Plc	550,000	5,177,114
Marshalls Plc	650,000	5,073,495
Biffa Plc '144A'	2,000,000	5,019,268
Severn Trent Plc	185,000	4,943,951
Recordati SpA	125,000	4,843,679
Atea ASA	750,000	4,717,890
Britvic Plc	600,000	4,699,525
Ashmore Group Plc	900,000	4,404,812
NCC Group Plc	2,000,000	4,346,195
Rathbone Brothers Plc	200,000	3,780,603
Primary Health Properties Plc (REIT)	2,250,000	3,654,058
Games Workshop Group Plc	55,000	3,575,229
Derwent London Plc (REIT)	100,000	3,501,771
St James's Place Plc	400,000	3,490,040
Diploma Plc	175,000	3,199,335
Victrex Plc	125,000	3,072,381
Thule Group AB '144A'	175,000	2,914,327
Bakkafrost P/F	50,000	2,906,260
Intertrust NV '144A'	200,000	2,708,043
Brewin Dolphin Holdings Plc	1,250,000	2,622,859
Hilton Food Group Plc	200,000	2,430,559
4imprint Group Plc	75,000	2,345,085
Clarkson Plc	100,000	2,329,421
Pennon Group Plc	200,000	2,183,138
Cranswick Plc	60,000	2,155,374
Cineworld Group Plc	1,000,000	1,950,887

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales.

MONTANARO SMALLER COMPANIES PLC**MONTANARO UK INCOME FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2020*

Sales	Nominal	Proceeds £
Charles Taylor Plc	2,915,000	10,433,408
Galenica AG '144A'	175,000	9,152,529
Avast Plc '144A'	1,650,000	7,549,860
Victrex Plc	350,000	6,750,357
Domino's Pizza Group Plc	2,250,000	6,288,365
Severn Trent Plc	285,000	5,883,711
Consort Medical Plc	550,000	5,829,105
Derwent London Plc (REIT)	200,000	5,583,069
Cineworld Group Plc	9,000,000	5,099,066
Pennon Group Plc	500,000	4,894,488
Vistry Group Plc	375,000	4,777,467
Mears Group Plc	2,475,000	3,883,517
IntegraFin Holdings Plc	600,000	3,098,895
Taylor Wimpey Plc	1,250,000	2,611,406
Thule Group AB '144A'	125,000	2,280,934
Ashmore Group Plc	500,000	2,016,685
St James's Place Plc	200,000	1,869,898
Britvic Plc	150,000	1,181,611
Cranswick Plc	35,000	1,016,924
Diploma Plc	50,000	944,037

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN INCOME FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2020*

Purchases	Nominal	Cost €
Enav SpA '144A'	815,000	3,825,311
Warehouses de Pauw SCA NPV	150,000	3,733,742
Atea ASA	367,000	3,472,788
Bravida Holding AB	400,000	3,332,326
Thermador Groupe	51,800	2,667,089
Knowit AB	210,500	2,636,399
Edenred	54,000	2,464,523
Thule Group AB '144A'	123,000	2,462,555
Nolato AB	41,500	2,325,344
Tryg A/S	88,000	2,311,926
Amadeus Fire AG	25,200	2,173,749
Bureau Veritas SA	95,000	2,147,682
MTU Aero Engines AG	8,300	1,843,510
Fjordkraft Holding ASA '144A'	291,000	1,830,089
Cerved Group SpA	302,000	1,775,187
Loomis AB	50,000	1,767,767
Gaztransport Et Technigaz SA	20,850	1,763,681
SimCorp A/S	17,300	1,731,428
Merlin Properties Socimi SA (REIT)	158,500	1,690,384
Kaufman & Broad SA	45,500	1,616,551
CTS Eventim AG & Co KGaA	30,800	1,610,171
Avanza Bank Holding AB	154,399	1,603,300
FUCHS PETROLUB SE - Preference	38,300	1,586,489
Cembre SpA	95,900	1,563,149
Intertrust NV '144A'	96,500	1,553,479
IMA Industria Macchine Automatiche SpA	24,500	1,487,707
Freni Brembo SpA	146,000	1,448,334
Galenica AG '144A'	23,300	1,435,067
Corticeira Amorim SGPS SA	129,000	1,378,821
Bakkafrost P/F	21,000	1,298,243
Viscofan SA	24,500	1,267,968
TGS NOPEC Geophysical Co ASA	47,500	1,041,460
Euronext NV	13,200	1,036,786
Amundi SA '144A'	13,300	916,367
PONSSE OYJ	34,311	900,714
NCAB Group AB	60,000	883,432
Burckhardt Compression Holding AG	3,400	781,703

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN INCOME FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2020*

Sales	Nominal	Proceeds €
Bolsas y Mercados Espanoles SHMSF SA	150,000	4,947,000
Getlink SE	250,000	2,680,514
Euronext NV	31,000	2,546,438
Avanza Bank Holding AB	171,399	2,202,378
Mercialys SA (REIT)	225,000	1,611,716
Nilorngruppen AB	300,000	873,499

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales. The above represents all sales during the period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN MIDCAP FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2020*

Purchases	Nominal	Cost €
Straumann Holding AG	8,000	6,410,197
Worldline SA/France	100,000	6,306,616
Tecan Group AG	17,000	4,291,083
CTS Eventim AG & Co KGaA	90,000	3,572,535
SimCorp A/S	25,000	2,312,358
Severn Trent Plc	55,000	1,708,797
Hargreaves Lansdown Plc	90,000	1,697,724
Ashtead Group Plc	60,000	1,214,133
Edenred	25,000	1,032,743
Amundi SA '144A'	15,000	935,718
MTU Aero Engines AG	6,500	739,533
Bureau Veritas SA	30,000	715,225
Kerry Group Plc	5,000	591,119
Bunzl Plc	25,000	556,608
Moncler SpA	20,000	555,798
Teleperformance	3,000	525,261
Temenos AG	5,000	517,824
St James's Place Plc	50,000	413,621

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales. The above represents all purchases during the period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN MIDCAP FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2020*

Sales	Nominal	Proceeds €
CTS Eventim AG & Co KGaA	90,000	4,552,636
Bunzl Plc	245,000	4,298,431
Fielmann AG	57,500	4,138,458
Sartorius Stedim Biotech	19,000	3,700,622
Red Electrica Corp SA	200,000	3,575,525
MTU Aero Engines AG	15,500	3,400,303
Severn Trent Plc	95,000	2,450,926
Moncler SpA	55,000	2,087,695
Amundi SA '144A'	20,000	1,430,278
Recordati SpA	35,000	1,375,470
Teleperformance	6,000	1,352,473
Straumann Holding AG	1,500	1,348,814
Auto Trader Group Plc '144A'	200,000	1,238,311
Ashtead Group Plc	40,000	1,158,949
Rightmove Plc	100,000	782,373
Hargreaves Lansdown Plc	30,000	597,451
Tecan Group AG	1,000	299,457

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales. The above represents all sales during the period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO SELECT FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2020*

Purchases	Nominal	Cost €
SThree Plc	75,000	281,754
Amadeus Fire AG	2,250	280,028
Calisen Plc	100,000	204,384
Tecan Group AG	700	178,922
CTS Eventim AG & Co KGaA	4,000	158,779
Fortnox AB	8,200	140,792
INVISIO AB	10,000	136,933
GRENKE AG	1,600	99,446
4imprint Group Plc	3,700	71,124
Restore Plc	10,000	50,000
Keystone Law Group Plc	8,875	45,694
SimCorp A/S	500	45,232
Thule Group AB '144A'	2,500	42,235
St James's Place Plc	4,000	35,459
Chr Hansen Holding A/S	500	32,664
Cranswick Plc	750	31,098
Ashtead Group Plc	1,500	31,041
AAK AB	2,000	30,947
Vitrolife AB	1,500	18,017

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales. The above represents all purchases during the period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO SELECT FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2020*

Sales	Nominal	Proceeds €
MTU Aero Engines AG	3,000	749,535
CTS Eventim AG & Co KGaA	11,500	655,102
Smart Metering Systems PLC	100,000	630,743
Ashtead Group Plc	18,000	533,946
Restore Plc	100,000	510,946
Thule Group AB '144A'	23,000	499,084
Orpea	4,500	488,264
Sartorius Stedim Biotech	2,750	473,899
Reply SpA	6,000	454,800
First Derivatives Plc	14,000	437,747
VZ Holding AG	1,500	436,968
4imprint Group Plc	10,700	424,027
SimCorp A/S	4,000	417,321
Cranswick Plc	10,000	408,844
Rational AG	600	407,851
IntegraFin Holdings Plc	75,000	398,651
Elekta AB	40,000	391,535
St James's Place Plc	30,000	391,431
IMCD NV	4,900	384,287
Big Yellow Group Plc (REIT)	27,000	369,210
Hilton Food Group Plc	30,000	359,844
GRENKE AG	4,100	338,487
AAK AB	18,000	315,050
MIPS AB	13,000	275,520
Halma Plc	10,000	249,180
Vitrolife AB	10,000	197,823
Biotage AB	15,000	178,178
Chr Hansen Holding A/S	2,550	174,691
Melexis NV	2,500	170,380

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales.

MONTANARO SMALLER COMPANIES PLC**MONTANARO BETTER WORLD FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2020*

Purchases	Nominal	Cost €
Spirax-Sarco Engineering Plc	50,000	5,545,777
Trex Co Inc	47,500	4,295,986
Badger Meter Inc	75,000	4,216,656
Bruker Corp	115,000	4,216,306
CyberArk Software Ltd	42,500	3,971,821
Azbil Corp	150,000	3,964,806
Yaskawa Electric Corp	120,000	3,918,251
Kerry Group Plc	35,000	3,901,429
Tecan Group AG	13,500	3,770,169
ICON Plc	25,000	3,722,538
IDP Education Ltd	420,000	3,308,999
American Water Works Co Inc	27,500	3,174,002
Simulations Plus Inc	85,000	3,172,097
ANSYS Inc	12,500	3,100,499
Kingspan Group Plc	55,000	2,957,526
Carl Zeiss Meditec AG	32,500	2,882,015
SolarEdge Technologies Inc	25,000	2,623,017
Nemetschek SE	50,000	2,586,062
Qualys Inc	27,500	2,551,983
Masimo Corp	12,500	2,464,542
Ryman Healthcare Ltd	400,000	2,431,860
Pro Medicus Ltd	150,000	2,135,815
Middlesex Water Co	35,000	2,113,878
Chr Hansen Holding A/S	22,500	1,977,155
Santen Pharmaceutical Co Ltd	120,000	1,936,354
Novozymes A/S	40,000	1,786,364
Melexis NV	30,000	1,774,232
Alarm.com Holdings Inc	32,500	1,642,915
Cochlear Ltd	15,500	1,602,131
Cognex Corp	25,000	1,371,304
Sartorius Stedim Biotech	7,500	1,369,261
Grand Canyon Education Inc	15,000	1,325,453
Renishaw Plc	32,500	1,295,864
Halma Plc	50,000	1,275,212
Shionogi & Co Ltd	25,000	1,188,529
Mani Inc	45,000	1,073,043

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales.

MONTANARO SMALLER COMPANIES PLC**MONTANARO BETTER WORLD FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2020*

Sales	Nominal	Proceeds €
Waters Corp	30,000	6,149,358
Amplifon SpA	220,000	5,295,944
Orpea	37,500	3,883,318
Rational AG	7,000	3,265,694
Renishaw Plc	75,000	3,210,055
Sonic Healthcare Ltd	150,000	2,639,056
Kingspan Group Plc	50,000	2,326,973
Smart Metering Systems Plc	350,000	2,216,212
Victrex Plc	100,000	2,214,786
Sartorius Stedim Biotech	12,500	1,950,005
China Everbright International Ltd	4,000,000	1,884,733
IDP Education Ltd	170,000	1,816,293
US Ecology Inc	45,000	1,401,167
IDEXX Laboratories Inc	5,000	1,174,538
Ormat Technologies Inc	17,500	1,095,926
Veeva Systems Inc	7,500	891,610
SolarEdge Technologies Inc	10,000	887,878
Tecan Group AG	3,500	791,472
Chr Hansen Holding A/S	12,500	756,468
Masimo Corp	5,000	691,046
Mani Inc	30,000	619,049
Belimo Holding AG	94	600,043
ICON Plc	5,000	555,030
Qualys Inc	7,500	554,377
Vitasoy International Holdings Ltd	150,000	481,422

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases and aggregate sales of an investment exceeding 1% of total value of purchases or sales, respectively, for the period, or at a minimum the top 20 purchases and sales.

MONTANARO SMALLER COMPANIES PLC

TOTAL EXPENSE RATIOS (ANNUALISED)

For the financial period ended 30 June 2020

The average total expense ratio table shows the annualised actual expenses incurred by each Fund during the financial reporting period, expressed as a percentage of the average NAV of that Fund for the corresponding financial period.

	Total expense ratio %
Montanaro European Smaller Companies Fund	
Euro Accumulation Class	1.59
Euro Class	1.59
Euro Institutional Accumulation Class	0.59
Euro Institutional Distribution Class	0.84
Sterling Class	1.59
Sterling Institutional Distribution Class	0.84
Swedish Krona Accumulation Class	1.59
US Dollar Class	1.59
Montanaro UK Income Fund	
Euro Class	0.83
Euro Seed Class	0.33
Sterling Accumulation Class	0.83
Sterling Class	0.83
Sterling Seed Class	0.33
Montanaro European Income Fund	
Euro Class	0.84
Sterling Accumulation Class	0.83
Sterling Class	0.84
Montanaro European MidCap Fund	
Euro Distribution Class	1.58
Euro Institutional Accumulation Class	0.83
Montanaro Select Fund	
Euro Distribution Class	0.13
Sterling Distribution Class	0.13
Montanaro Better World Fund	
Euro Distribution Class	0.95
Sterling Distribution Class	0.95
Swedish Krona Institutional Accumulation Class	0.80