

MONTANARO SMALLER COMPANIES PLC

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

FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2022

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)†
Cedric Durant des Aulnois (French)
Lisa Martensson (Swedish)*†
Matthew Francis (British)
John Ensor (British)**

Investment Manager

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Administrator

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Secretary

Goodbody Secretarial Limited
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MONTANARO SMALLER COMPANIES PLC

INVESTMENT MANAGER'S REVIEW

Performance Review

6-month NAV Returns to 30 June 2022:

	NAV Return	Benchmark	Relative	Reference Share Class*
Montanaro European Smaller Companies Fund	-34.9%	-24.5%	-10.4%	EUR Institutional Distribution
Montanaro UK Income Fund	-27.5%	-14.8%	-12.7%	EUR Share Class
Montanaro European Income Fund	-23.7%	-19.2%	-4.5%	EUR Share Class
Montanaro European MidCap Fund	-30.1%	-22.6%	-7.5%	EUR Institutional Accumulation
Montanaro Better World Fund	-33.1%	-15.8%	-17.3%	EUR Accumulation Share Class
Montanaro Global Innovation Fund	-35.2%	-15.8%	-19.4%	EUR Accumulation B Share Class

*Please note that these are representative Share Classes for each Fund. Other Share Classes are available, details of these can be found in the Prospectus.

Review

This has been the worst first half of a year for developed market equities in over 50 years. To make matters worse, there has been no hiding place: government bonds and cash, usually safe havens, have been hit by higher inflation. Central banks have struggled to deal with the resurgence of inflation, even as they have brought to an end the long era of “easy money” that has been in place since the Global Financial Crisis of 2008. It seems the adage rings true: one crisis leads to another.

For Growth investors, this has resulted in an extremely tricky period, to say the least. The threat of higher interest rates has stalked markets, leading to a significant de-rating of Growth stocks with no correlation to the resilience of the earnings. By the end of May 2022, the MSCI World Growth index had underperformed its Value counterpart by 25% over the prior 6 months, the greatest such underperformance since records began more than 45 years ago.

Similarly, Quality underperformed across most geographies during the period, including the US (by 2%), Europe (by 4%) and the UK (by 13%).

Although some may have anticipated a marked underperformance of SmallCap versus LargeCap as is historically typical during periods of market stress, on a global basis, SmallCap has held up relatively well. On a more localised basis, however, the underperformance of the asset class was far more pronounced: in the UK, notably, SmallCap underperformed LargeCap by a whopping 19% during the first 6 months of the year, the largest such underperformance in 20 years. SmallCap also had a tough time on the Continent, where it underperformed by 11%. This, however, is explained not so much by investors' aversion to smaller companies, but by the make-up of index constituents. In both the UK and Europe, the best performing sector has been Energy, an area of the market dominated by LargeCap names.

This synchronised rotation out of Growth, Quality and SmallCap resulted in a perfect storm for our Fund range, which has a distinctive and consistent “Quality Growth” bias.

Outlook

While the outlook remains uncertain, the significant decline in equity prices has shifted the risk / reward balance. Equities have significantly de-rated, particularly those in the Quality and Growth parts of the market.

MONTANARO SMALLER COMPANIES PLC

INVESTMENT MANAGER'S REVIEW (continued)

Outlook (continued)

As fears of a central bank-induced recession grow, we feel increasingly confident that most of the outperformance of Value versus Growth may now be behind us. As consumer demand starts to show signs of weakening, some raw material prices are also starting to fall, paving the way for inflation to come down in due course. This, in turn, should halt the de-rating of Growth and Quality companies.

In an uncertain economic environment, the Quality companies that we favour – those with sound fundamentals, plenty of cash on their balance sheets and good management teams – are now trading at attractive valuation levels. As long-term investors, this is an exciting time to be investing.

We thank you for your continued support.

Montanaro Asset Management Limited
August 2022

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		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	16,243,160	14,654,378	13,746,363	3,857,016
Financial assets at fair value through profit or loss					
- Equities		374,957,297	643,635,684	309,770,333	113,966,189
Dividends receivable		299,706	2,898,972	206,190	62,134
Receivable for fund Shares sold		108,695	17,218	1,946	9,490
Other receivables		601,256	278,725	867,936	133,615
Total current assets		392,210,114	661,484,977	324,592,768	118,028,444
Current liabilities					
Payable for fund Shares repurchased		(3,892,828)	–	(17,423)	–
Payable for investments purchased		(830,602)	(1,631,184)	–	–
Management fees payable		(6,623)	(10,927)	(5,321)	(1,959)
Investment management fees payable		(1,284,728)	(1,008,990)	(666,841)	(467,666)
Administration fees payable		(91,913)	(94,441)	(52,001)	(12,903)
Depositary fees payable		(42,310)	(29,276)	(28,791)	(9,160)
Legal fees payable		(2,908)	(5,507)	(3,149)	(1,112)
Professional fees payable		(5,905)	(9,111)	(4,623)	(1,945)
Audit fees payable		(17,060)	(24,534)	(12,396)	(5,159)
Other accrued expenses payable		(14,926)	(9,894)	(1,515)	(1,655)
Total current liabilities		(6,189,803)	(2,823,864)	(792,060)	(501,559)
Net asset value attributable to holders of redeemable participating Shares		386,020,311	658,661,113	323,800,708	117,526,885

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 2022 (continued)

		Montanaro Global Innovation Fund €	Montanaro Better World Fund €	Total* €
Current assets	Note			
Cash and cash equivalents	3	407,985	16,266,230	67,544,058
Financial assets at fair value through profit or loss				
- Equities		10,788,925	694,108,639	2,251,272,776
Dividends receivable		–	139,398	4,075,028
Receivable for fund Shares sold		–	75,055	215,187
Other receivables		10,641	243,139	2,180,369
Total current assets		11,207,551	710,832,461	2,325,287,418
Current liabilities				
Payable for fund Shares repurchased		–	(98,710)	(4,008,961)
Payable for investments purchased		–	(302,209)	(3,027,681)
Management fees payable		378	(11,458)	(37,676)
Investment management fees payable		(7,626)	(1,401,237)	(5,000,194)
Administration fees payable		(1,965)	(83,396)	(351,886)
Depositary fees payable		(3,392)	(43,048)	(160,710)
Legal fees payable		(91)	(4,336)	(17,993)
Professional fees payable		(174)	(4,904)	(28,135)
Audit fees payable		(466)	(25,658)	(89,239)
Other accrued expenses payable		(70)	(10,646)	(40,305)
Total current liabilities		(13,406)	(1,985,602)	(12,762,780)
Net asset value attributable to holders of redeemable participating Shares		11,194,145	708,846,859	2,312,524,638

*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 2021

		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	25,417,507	12,378,802	6,633,676	1,221,233
Financial assets at fair value through profit or loss					
- Equities		608,443,167	831,668,777	408,134,139	173,857,619
Dividends receivable		400,779	2,049,016	–	–
Receivable for fund Shares sold		103,281	–	17,979	–
Receivable for investments sold		–	–	–	2,361,114
Other receivables		563,210	129,381	782,457	116,326
Total current assets		634,927,944	846,225,976	415,568,251	177,556,292
Current liabilities					
Payable for fund Shares repurchased		(304,308)	–	(3)	(1,233,987)
Payable for investments purchased		–	–	–	(933,814)
Management fees payable		(8,747)	(11,846)	(6,031)	(2,552)
Investment management fees payable		(1,784,534)	(1,083,956)	(778,655)	(611,089)
Performance fees payable**		(5,743,450)	–	–	(3,141,946)
Administration fees payable		(140,130)	(177,723)	(92,559)	(25,953)
Depositary fees payable		(47,814)	(31,677)	(31,136)	(10,759)
Legal fees payable		(3,137)	(5,190)	(2,718)	(955)
Professional fees payable		(5,007)	(6,988)	(3,656)	(1,531)
Audit fees payable		(11,460)	(15,994)	(8,364)	(3,504)
Other accrued expenses payable		(9,283)	(7,316)	(668)	(133)
Total current liabilities		(8,057,870)	(1,340,690)	(923,790)	(5,966,223)
Net asset value attributable to holders of redeemable participating Shares		626,870,074	844,885,286	414,644,461	171,590,069

**Performance fees are accrued and taken into account in the calculation of the NAV on each dealing day when the performance fee conditions have been met. They crystallise at the financial year end of the Company, i.e. 31 December and daily on redemptions where applicable. Please refer to the Prospectus for further details.

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 2021 (continued)

		Montanaro Global Innovation Fund €	Montanaro Better World Fund €	Total* €
Current assets	Note			
Cash and cash equivalents	3	625,289	28,168,036	76,809,388
Financial assets at fair value through profit or loss				
- Equities		16,752,880	965,716,067	3,163,454,569
Dividends receivable		–	45,959	2,887,197
Receivable for fund Shares sold		–	330,588	451,848
Receivable for investments sold		–	–	2,361,114
Other receivables		11,628	227,436	1,855,155
Total current assets		<u>17,389,797</u>	<u>994,488,086</u>	<u>3,247,819,271</u>
Current liabilities				
Payable for fund Shares repurchased		(10,145)	(2,240)	(1,550,683)
Payable for investments purchased		–	–	(933,814)
Management fees payable		(245)	(13,600)	(45,284)
Investment management fees payable		(10,544)	(1,712,111)	(6,187,968)
Performance fees payable**		–	–	(8,885,396)
Administration fees payable		(5,444)	(169,786)	(645,547)
Depositary fees payable		(3,717)	(51,261)	(182,416)
Legal fees payable		(102)	(5,514)	(18,607)
Professional fees payable		(136)	(7,413)	(26,066)
Audit fees payable		(312)	(16,966)	(59,655)
Other accrued expenses payable		(50)	(8,032)	(26,880)
Total current liabilities		<u>(30,695)</u>	<u>(1,986,923)</u>	<u>(18,562,316)</u>
Net asset value attributable to holders of redeemable participating Shares		<u>17,359,102</u>	<u>992,501,163</u>	<u>3,229,256,955</u>

*See Foreign Currency Translation Adjustment Note 13.

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

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MONTANARO SMALLER COMPANIES PLC

STATEMENT OF COMPREHENSIVE INCOME

Financial period ended 30 June 2022

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Income	Note				
Net realised gain on financial assets at fair value through profit or loss and foreign exchange		6,764,174	3,733,993	12,142,419	7,091,375
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		(225,484,180)	(252,524,807)	(118,035,020)	(60,449,519)
Dividend income		4,422,981	14,286,794	7,855,577	1,928,502
Investment income		(214,297,025)	(234,504,020)	(98,037,024)	(51,429,642)
Expenses					
Management fee	1	(14,231)	(21,762)	(10,822)	(4,059)
Investment management fees	1	(2,849,923)	(2,025,255)	(1,367,602)	(969,167)
Administration fees	1	(78,619)	(151,439)	(75,916)	(18,761)
Depository fees	1	(43,589)	(48,768)	(36,557)	(12,205)
Legal fees		(10,935)	(15,496)	(7,917)	(3,287)
Directors' fees	1	(5,956)	(8,485)	(4,349)	(1,798)
Professional fees	1	(5,581)	(7,265)	(3,713)	(1,535)
Audit fees		(5,599)	(7,959)	(4,031)	(1,655)
Other expenses	1	(55,414)	(55,219)	(26,825)	(13,247)
Total operating expenses		(3,069,847)	(2,341,648)	(1,537,732)	(1,025,714)
Net loss from operations		(217,366,872)	(236,845,668)	(99,574,756)	(52,455,356)
Withholding taxes		(376,231)	(94,969)	(360,775)	(118,756)
Finance costs					
Interest expense		(41,968)	(174)	(23,952)	(7,844)
Income distribution	2	–	(6,365,754)	(1,159,757)	–
Loss for the financial period		(217,785,071)	(243,306,565)	(101,119,240)	(52,581,956)

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 2022 (continued)

		Montanaro Global Innovation Fund €	Montanaro Better World Fund €	Total* €
Income	Note			
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange		(405,475)	4,721,122	34,747,375
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		(5,625,021)	(343,097,722)	(1,052,540,541)
Dividend income		15,743	2,977,112	34,164,118
Interest income		–	–	–
Investment income		(6,014,753)	(335,399,488)	(983,629,048)
Expenses				
Management fee	1	176	(23,492)	(78,268)
Investment management fees	1	(16,184)	(2,901,667)	(10,509,340)
Administration fees	1	(4,412)	(142,875)	(500,402)
Depository fees	1	(2,730)	(64,709)	(217,698)
Legal fees		(298)	(16,706)	(57,543)
Directors' fees	1	(162)	(9,078)	(31,418)
Professional fees	1	(26,447)	(12,275)	(58,177)
Audit fees		(154)	(8,692)	(29,582)
Other expenses	1	(999)	(74,832)	(236,884)
Total operating expenses		(51,210)	(3,254,326)	(11,719,312)
Net loss from operations		(6,065,963)	(338,653,814)	(995,348,360)
Withholding taxes		(2,046)	(457,188)	(1,427,763)
Finance costs				
Interest expense		(701)	(51,644)	(126,316)
Income distribution	2	–	–	(8,718,481)
Loss for the financial period		(6,068,710)	(339,162,646)	(1,005,620,920)

*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 2021

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Income	Note				
Net realised gain on financial assets at fair value through profit or loss and foreign exchange		19,172,832	17,401,646	5,178,542	17,326,084
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		36,981,690	103,736,165	31,022,122	6,246,647
Dividend income		3,634,692	11,476,749	6,967,792	1,352,346
Interest income		–	–	585	–
Investment income		59,789,214	132,614,560	43,169,041	24,925,077
Expenses					
Investment management fees	1	(3,048,107)	(1,966,311)	(1,518,350)	(1,147,541)
Performance fees**	1	(13)	–	–	(364,563)
Administration fees	1	(68,359)	(133,324)	(73,549)	(19,951)
Depositary fees	1	(38,264)	(49,314)	(40,461)	(13,824)
Legal fees		(9,081)	(15,412)	(9,171)	(3,725)
Directors' fees	1	(5,041)	(8,556)	(5,092)	(2,069)
Professional fees	1	(3,319)	(5,633)	(3,350)	(1,363)
Audit fees		(4,862)	(8,251)	(4,911)	(1,995)
Other expenses	1	(50,193)	(57,855)	(32,473)	(15,685)
Total operating expenses		(3,227,239)	(2,244,656)	(1,687,357)	(1,570,716)
Net income from operations		56,561,975	130,369,904	41,481,684	23,354,361
Withholding taxes		(320,444)	(198,698)	(396,318)	(95,978)
Finance costs					
Interest expense		(26,195)	(1,191)	(29,168)	(15,942)
Income distribution	2	–	(5,274,100)	(1,113,820)	–
Profit for the financial period		56,215,336	124,895,915	39,942,378	23,242,441

**Performance fees are accrued and taken into account in the calculation of the NAV on each dealing day when the performance fee conditions have been met. They crystallise at the financial year end of the Company, i.e. 31 December and daily on redemptions where applicable. Please refer to the Prospectus for further details.

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 2021 (continued)

		Montanaro Global Innovation Fund €	Montanaro Better World Fund €	Total* €
Income	Note			
Net realised gain on financial assets at fair value through profit or loss and foreign exchange		1,508,674	12,096,552	75,327,152
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		(402,854)	70,488,419	263,826,807
Dividend income		31,156	2,677,273	27,883,005
Interest income		–	–	585
Investment income		1,136,976	85,262,244	367,037,549
Expenses				
Investment management fees	1	(148)	(2,729,734)	(10,708,818)
Performance fees**	1	–	–	(364,576)
Administration fees	1	(1,412)	(101,064)	(417,907)
Depositary fees	1	(2,466)	(55,792)	(207,611)
Legal fees		(174)	(14,484)	(54,388)
Directors' fees	1	(96)	(8,040)	(30,193)
Professional fees	1	(63)	(17,484)	(32,068)
Audit fees		(92)	(7,754)	(29,118)
Other expenses	1	(610)	(61,372)	(226,975)
Total operating expenses		(5,061)	(2,995,724)	(12,071,654)
Net income from operations		1,131,915	82,266,520	354,965,895
Withholding taxes		(3,599)	(371,105)	(1,416,319)
Finance costs				
Interest expense		(336)	(29,922)	(102,935)
Income distribution	2	–	–	(7,188,908)
Profit for the financial period		1,127,980	81,865,493	346,257,733

*See Foreign Currency Translation Adjustment Note 13.

**Performance fees are accrued and taken into account in the calculation of the NAV on each dealing day when the performance fee conditions have been met. They crystallise at the financial year end of the Company, i.e. 31 December and daily on redemptions where applicable. Please refer to the Prospectus for further details.

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 2022

	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		626,870,074	844,885,286	414,644,461	171,590,069
Loss for the financial period		(217,785,071)	(243,306,565)	(101,119,240)	(52,581,956)
Proceeds from issuance of Shares		59,486,504	115,605,630	35,705,754	8,965,149
Payments on redemption of Shares		(82,551,196)	(75,394,444)	(25,430,267)	(10,446,377)
Foreign currency translation adjustment	13	–	16,871,206	–	–
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		<u>386,020,311</u>	<u>658,661,113</u>	<u>323,800,708</u>	<u>117,526,885</u>

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 2022 (continued)

	Note	Montanaro Global Innovation Fund €	Montanaro Better World Fund €	Total* €
Net assets value attributable to holders of redeemable participating Shares at the start of the financial period		17,359,102	992,501,163	3,229,256,955
Loss for the financial period		(6,068,710)	(339,162,646)	(1,005,620,920)
Proceeds from issuance of Shares		1,199,186	139,938,212	382,565,444
Payments on redemption of Shares		(1,295,433)	(84,429,870)	(293,676,841)
Foreign currency translation adjustment	13	–	–	–
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		11,194,145	708,846,859	2,312,524,638

*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 2021

	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		425,553,879	736,604,254	411,647,401	168,080,801
Profit for the financial period		56,215,336	124,895,915	39,942,378	23,242,441
Proceeds from issuance of Shares		64,146,551	116,170,506	56,694,093	2,852,431
Payments on redemption of Shares		(47,260,861)	(144,953,995)	(86,923,097)	(19,367,535)
Foreign currency translation adjustment	13	–	(31,233,796)	–	–
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		<u>498,654,905</u>	<u>801,482,884</u>	<u>421,360,775</u>	<u>174,808,138</u>

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 2021 (continued)

	Note	Montanaro Global Innovation Fund €	Montanaro Better World Fund €	Total* €
Net assets value attributable to holders of redeemable participating Shares at the start of the financial period		7,995,660	669,973,223	2,506,185,492
Profit for the financial period		1,127,980	81,865,493	346,257,733
Proceeds from issuance of Shares		5,045,186	168,852,613	431,404,426
Payments on redemption of Shares		(2,211,050)	(96,500,727)	(419,231,716)
Foreign currency translation adjustment	13	–	–	–
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		<u>11,957,776</u>	<u>824,190,602</u>	<u>2,864,615,935</u>

*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 2022

Principal Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the financial year ended 31 December 2021 as described in those financial statements.

Basis of Preparation

These condensed interim financial statements (unaudited) for the financial period ended 30 June 2022 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 (unaudited) 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 (unaudited) should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2021 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 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 2022

1. Fees

Management Fee

KBA Consulting Management Limited (the “Manager”), as per the agreement signed on 1 October 2021 between the Company and the Manager (the “Management Agreement”), shall be entitled to receive out of the assets of the Funds an annual fee in respect of such Fund or Funds or in respect of each Class of any such Fund, accrued daily, calculated monthly and payable monthly in arrears of up to and not exceeding 0.01% of the Net Asset Value of such Fund or Class as set out in the relevant Supplement. The fee payable to the Manager is subject to a minimum fee of €50,000 per annum based on a single Fund and €10,000 per annum per each additional Fund. The Manager shall be entitled to be reimbursed by the Company for reasonable out of pocket and marketing expenses incurred by it. Each Fund will bear its proportion of the fees and expenses of the Manager. Management Fees charged during the financial period ended 30 June 2022 were €78,268 (30 June 2021: €nil).

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}	0.30	N/A
Sterling Accumulation Class ¹	0.75	N/A
Sterling Class ¹	0.75	N/A
Sterling Seed Class ^{1,2}	0.30	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 Global Innovation Fund		
Euro Accumulation A Class ^{1,5}	0.25	N/A
Euro Accumulation B Class ^{1,3}	0.25	N/A
Sterling Accumulation A Class ^{1,5}	0.25	N/A
Sterling Accumulation B Class ^{1,3}	0.25	N/A
Montanaro Better World Fund		
Euro Accumulation Class ^{1,4}	0.85	N/A
Euro Distribution Class ¹	0.85	N/A
Sterling Distribution Class ¹	0.85	N/A
Swedish Krona Institutional Accumulation Class ⁴	0.50	€150,000,000

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

1. Fees (continued)

Investment Management Fee (continued)

¹ These respective Share Classes have no minimum subscription amount required to subscribe to the Share Class as per the Prospectus.

² Effective 1 January 2022, the management fee rate charged to Euro Seed Class and Sterling Seed Class of Montanaro UK Income fund increased from 0.25% per annum to 0.30% per annum. However, as per the Prospectus, the Investment Manager is entitled to charge a fee of up to 0.75% per annum.

³ Effective 1 January 2022, the names of the share classes of Montanaro Global Innovation Fund changed, details of which are provided in Note 15. The Fund pays 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%.

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.

⁵ Effective 1 January 2022, the names of the share classes of Montanaro Global Innovation Fund changed, details of which are provided in Note 15. The Fund pays 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%.

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 €10,509,340 for the financial period ended 30 June 2022 (30 June 2021: €10,708,818).

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.

*Effective 1 January 2022, the performance fees payable on the Fund's Euro Accumulation A Class and Sterling Accumulation A Class was changed to 10%.

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).

There were no performance fees incurred by the Funds of the Company during the financial period ended 30 June 2022 (30 June 2021: €364,576).

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

1. Fees (continued)

Performance Fees (continued)

Performance Fees table:

The following table outlines the actual amount of performance fee charged and the percentage of the fees based on the Share class NAV during the period ended 30 June 2021:

Sub-Fund	Share Class	Performance fee amount in Base currency of the Fund	Performance fee as % of Share Class NAV
Montanaro European Smaller Companies Fund	Euro Accumulation Class	€10	-
	Euro Class	-	-
	Euro Institutional Accumulation Class	-	-
	Sterling Class	€3	-
	Sterling Institutional Distribution Class	-	-
	Swedish Krona Accumulation Class	-	-
	US Dollar Class	-	-

Sub-Fund	Share Class	Performance fee amount in Base currency of the Fund	Performance fee as % of Share Class NAV
Montanaro European MidCap Fund	Euro Distribution Class	€288,678	0.20
	Euro Institutional Accumulation Class	€75,885	0.28

	Performance fee 30 June 2022	Performance fee 30 June 2021
	€	€
Montanaro European Smaller Companies Fund		
Euro Accumulation Class	-	10
Euro Class	N/A	N/A
Euro Institutional Accumulation Class	N/A	N/A
Euro Institutional Distribution Class	N/A	N/A
Sterling Class	-	3
Sterling Institutional Distribution Class	N/A	N/A
Swedish Krona Accumulation Class	N/A	N/A
US Dollar Class	N/A	N/A

	Performance fee 30 June 2022	Performance fee 31 December 2021
	£	£
Montanaro UK Income Fund		
Fund N/A for Performance Fees	N/A	N/A

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

1. Fees (continued)

Performance Fees (continued)

	Performance fee 30 June 2022 €	Performance fee 31 December 2021 €
Montanaro European Income Fund		
Fund N/A for Performance Fees	N/A	N/A
	Performance fee 30 June 2022 €	Performance fee 30 June 2021 €
Montanaro European MidCap Fund		
Euro Distribution Class	-	288,678
Euro Institutional Accumulation Class	-	75,885
	Performance fee 30 June 2022 €	Performance fee 30 June 2021 €
Montanaro Global Innovation Fund *		
Euro Accumulation A Class	N/A	N/A
Euro Accumulation B Class	N/A	N/A
Sterling Accumulation A Class	N/A	N/A
Sterling Accumulation B Class	N/A	N/A
	Performance fee 30 June 2022 €	Performance fee 31 December 2021 €
Montanaro Better World Fund		
Fund N/A for Performance Fees	N/A	N/A

* Effective 1 January 2022, the names of the share classes of Montanaro Global Innovation Fund changed, details of which are provided in Note 15.

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 €500,402 for the financial period ended 30 June 2022 (30 June 2021: €417,907).

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 €217,698 for the financial period ended 30 June 2022 (30 June 2021: €207,611).

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 €31,418 for the financial period ended 30 June 2022 (30 June 2021: €30,193).

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

1. Fees (continued)

Professional Fees

For the financial period ended 30 June 2022, Professional Fees, which principally comprised Taxation fees, Directors' indemnity insurance premiums (D&O) and Investment Committee fees, amounted to €58,177 (30 June 2021: €32,068).

30 June 2022

	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €	Montanaro Global Innovation Fund €	Montanaro Better World Fund €	Total* €
Taxation fees	(3,057)	(3,691)	(1,865)	(764)	(71)	(8,495)	(18,635)
Directors' indemnity insurance premiums (D&O)	(2,524)	(3,574)	(1,848)	(771)	(69)	(3,780)	(13,235)
Investment Committee fees	–	–	–	–	(26,307)	–	(26,307)
	<u>(5,581)</u>	<u>(7,265)</u>	<u>(3,713)</u>	<u>(1,535)</u>	<u>(26,447)</u>	<u>(12,275)</u>	<u>(58,177)</u>

30 June 2021

	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €	Montanaro Global Innovation Fund €	Montanaro Better World Fund €	Total* €
Taxation fees	(1,764)	(2,995)	(1,781)	(724)	(34)	(2,814)	(10,567)
Directors' indemnity insurance premiums (D&O)	(1,555)	(2,638)	(1,569)	(639)	(29)	(2,480)	(9,311)
Investment Committee fees	–	–	–	–	–	(12,190)	(12,190)
	<u>(3,319)</u>	<u>(5,633)</u>	<u>(3,350)</u>	<u>(1,363)</u>	<u>(63)</u>	<u>(17,484)</u>	<u>(32,068)</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 2022, other expenses totalled €236,884 (30 June 2021: €226,975).

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.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

2. Distribution Policy (continued)

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. For the financial period ended 30 June 2022 all distributions were paid out of income apart from distributions of £266,719 (31 December 2021: £458,426) on the Montanaro UK Income Fund and distributions of €353,344 (31 December 2021: €521,725) on the Montanaro European Income Fund. For the financial period ended 30 June 2021, there were no distributions paid from capital.

The Company made the following distributions to redeemable participating Shareholders during the financial period ended 30 June 2022 and 30 June 2021:

	Montanaro European Smaller Companies Fund	Montanaro UK Income Fund	Montanaro European Income Fund	Montanaro European MidCap Fund	Montanaro Global Innovation Fund	Montanaro Better World Fund	Total*
	€	£	€	€	€	€	€
30 June 2022	–	6,365,754	1,159,757	–	–	–	8,718,481
30 June 2021	–	5,274,100	1,113,820	–	–	–	7,188,908

*See Foreign Currency Translation Adjustment Note 13.

3. Cash and Cash Equivalents

At the financial period end, the Company had a cash balance totalling €67,544,058 (31 December 2021: €76,809,388) 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 Manager, 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. 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 €31,418 for the financial period ended 30 June 2022 (30 June 2021: €30,193).

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 2021, Cedric Durant des Aulnois did not buy or sell any Shares from his holdings which were disclosed in the annual financial statements.

No other Directors, nor the Secretary, had any interest in the Shares or deferred Shares of the Company during the financial period ending 30 June 2022 and 30 June 2021.

No other Director of the Company had at any time during the financial period a material interest in any contract of significance, existing during or at the end of the financial period, in relation to the business of the Company.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

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 2022	31 December 2021	30 June 2021
Montanaro Asset Management Limited	8,504,580	8,502,984	8,499,994
Montanaro Growth & Income Fund Limited Partnership No. 3	12,016,544	12,016,544	12,043,339

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 2022 and 31 December 2021 there were 7 Subscriber Shares of €1 each in issue (being the minimum share capital of the Company) held by the Investment Manager.

The Investment Manager agreed to waive its entitlement to any performance fees for the Montanaro Global Innovation Fund for the financial period ended 30 June 2022 and the financial year ended 31 December 2021.

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 at 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.

Financial period ended 30 June 2022

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 model.

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 2022 and 31 December 2021. There were no transfers between levels during the financial period (31 December 2021: nil). 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 2022 and 31 December 2021.

6. Soft Commission Arrangements

No soft commission arrangements were entered into during the financial period ended 30 June 2022, the financial year ended 31 December 2021 or the financial period ended 30 June 2021.

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.

Financial period ended 30 June 2022

7. Efficient Portfolio Management (continued)

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.

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 2022, the financial year ended 31 December 2021 or the financial period ended 30 June 2021 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 2022 and 31 December 2021 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.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

8. Share Capital and Redeemable Participating Shares (continued)

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.

30 June 2022

	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	17,338,780	2,569,725	(2,166,968)	17,741,537
Euro Class	17,617,147	205,639	(1,443,065)	16,379,721
Euro Institutional Accumulation Class	3,615,503	1,897,979	(784,959)	4,728,523
Euro Institutional Distribution Class	14,192,708	2,338,060	(4,005,903)	12,524,865
Sterling Class	3,936,898	82,078	(105,417)	3,913,559
Sterling Institutional Distribution Class	5,390,007	431,253	(2,168,400)	3,652,860
Swedish Krona Accumulation Class	317,630	–	–	317,630
US Dollar Class	117,873	4,130	(4,130)	117,873
Montanaro UK Income Fund				
Euro Class	2,693,066	15,584	(1,000,001)	1,708,649
Euro Seed Class	963,224	51,631	(52,095)	962,760
Sterling Accumulation Class	155,640,408	29,270,958	(9,585,680)	175,325,686
Sterling Class	182,236,811	26,785,847	(27,903,011)	181,119,647
Sterling Seed Class	143,214,741	22,899,085	(13,861,065)	152,252,761
Montanaro European Income Fund				
Euro Class	13,137,238	1,082,519	(500,312)	13,719,445
Sterling Accumulation Class	123,861,930	3,488,523	(6,150,579)	121,199,874
Sterling Class	58,890,038	11,115,797	(6,305,797)	63,700,038
Montanaro European MidCap Fund				
Euro Distribution Class	44,873,516	3,299,754	(819,467)	47,353,803
Euro Institutional Accumulation Class	6,453,262	1,606	(3,138,139)	3,316,729
Montanaro Global Innovation Fund				
Euro Accumulation A Class	1,750,574	22,790	(252,057)	1,521,307
Euro Accumulation B Class	1,103,715	–	–	1,103,715
Sterling Accumulation A Class	2,059,553	889,314	(498,365)	2,450,502
Sterling Accumulation B Class	3,509,837	105,512	(220,228)	3,395,121
Montanaro Better World Fund				
Euro Accumulation Class	12,348,839	9,860,397	(2,981,230)	19,228,006
Euro Distribution Class	62,174,463	9,273,071	(3,393,808)	68,053,726
Sterling Distribution Class	217,423,128	39,425,371	(37,561,297)	219,287,202
Swedish Krona Institutional Accumulation Class	193,947,696	30,325,806	(5,963,602)	218,309,900

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

8. Share Capital and Redeemable Participating Shares (continued)

31 December 2021

	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	22,563,500	1,499,200	(6,723,920)	17,338,780
Euro Class	18,586,796	721,153	(1,690,802)	17,617,147
Euro Institutional Accumulation Class	3,272,291	911,004	(567,792)	3,615,503
Euro Institutional Distribution Class	3,593,473	11,435,762	(836,527)	14,192,708
Sterling Class	3,748,961	548,858	(360,921)	3,936,898
Sterling Institutional Distribution Class	3,379,783	3,176,921	(1,166,697)	5,390,007
Swedish Krona Accumulation Class	317,630	–	–	317,630
US Dollar Class	83,440	50,100	(15,667)	117,873
Montanaro UK Income Fund				
Euro Class	191,387	2,817,338	(315,659)	2,693,066
Euro Seed Class	1,376,248	61,766	(474,790)	963,224
Sterling Accumulation Class	165,379,710	32,579,040	(42,318,342)	155,640,408
Sterling Class	170,999,977	64,540,042	(53,303,208)	182,236,811
Sterling Seed Class	164,999,658	38,627,136	(60,412,053)	143,214,741
Montanaro European Income Fund				
Euro Class	11,769,354	2,430,137	(1,062,253)	13,137,238
Sterling Accumulation Class	153,550,581	15,123,307	(44,811,958)	123,861,930
Sterling Class	76,040,856	19,711,608	(36,862,426)	58,890,038
Montanaro European MidCap Fund				
Euro Distribution Class	54,083,224	828,402	(10,038,110)	44,873,516
Euro Institutional Accumulation Class	9,650,854	618,145	(3,815,737)	6,453,262
Montanaro Global Innovation Fund*				
Euro Accumulation A Class	–	1,769,447	(18,873)	1,750,574
Euro Accumulation B Class	1,572,874	7,713	(476,872)	1,103,715
Sterling Accumulation A Class	–	2,584,296	(524,743)	2,059,553
Sterling Accumulation B Class	2,327,849	1,810,833	(628,845)	3,509,837
Montanaro Better World Fund				
Euro Accumulation Class	2,248,901	23,590,746	(13,490,808)	12,348,839
Euro Distribution Class	79,716,117	29,537,411	(47,079,065)	62,174,463
Sterling Distribution Class	173,218,631	101,998,067	(57,793,570)	217,423,128
Swedish Krona Institutional Accumulation Class	163,274,408	41,739,790	(11,066,502)	193,947,696

* Effective 1 January 2022, the names of the share classes of Montanaro Global Innovation Fund changed, details of which are provided in Note 15.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

8. Share Capital and Redeemable Participating Shares (continued)

30 June 2021

	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	22,563,500	862,590	(3,355,504)	20,070,586
Euro Class	18,586,796	594,753	(1,151,650)	18,029,899
Euro Institutional Accumulation Class	3,272,291	553,615	(312,958)	3,512,948
Euro Institutional Distribution Class	3,593,473	3,169,481	(334,705)	6,428,249
Sterling Class	3,748,961	211,141	(114,653)	3,845,449
Sterling Institutional Distribution Class	3,379,783	2,387,346	(508,768)	5,258,361
Swedish Krona Accumulation Class	317,630	–	–	317,630
US Dollar Class	83,440	3,200	(12,000)	74,640
Montanaro UK Income Fund				
Euro Class	191,387	2,742,957	(115,000)	2,819,344
Euro Seed Class	1,376,248	28,353	(26,559)	1,378,042
Sterling Accumulation Class	165,379,710	18,861,298	(24,135,179)	160,105,829
Sterling Class	170,999,977	38,851,823	(29,343,178)	180,508,622
Sterling Seed Class	164,999,658	19,771,251	(36,320,814)	148,450,095
Montanaro European Income Fund				
Euro Class	11,769,354	1,309,691	(623,581)	12,455,464
Sterling Accumulation Class	153,550,581	11,154,051	(18,004,208)	146,700,424
Sterling Class	76,040,856	14,946,377	(23,513,726)	67,473,507
Montanaro European MidCap Fund				
Euro Distribution Class	54,083,224	605,765	(5,068,457)	49,620,532
Euro Institutional Accumulation Class	9,650,854	415,348	(1,990,362)	8,075,840
Montanaro Global Innovation Fund*				
Euro Accumulation A Class	–	1,000,000	–	1,000,000
Euro Accumulation B Class	1,572,874	–	(1,000,000)	572,874
Sterling Accumulation A Class	–	1,000,000	–	1,000,000
Sterling Accumulation B Class	2,327,849	1,162,276	(1,019,122)	2,471,003
Montanaro Better World Fund				
Euro Accumulation Class	2,248,901	15,650,792	(11,336,210)	6,563,483
Euro Distribution Class	79,716,117	16,383,248	(4,466,867)	91,632,498
Sterling Distribution Class	173,218,631	45,365,162	(37,926,113)	180,657,680
Swedish Krona Institutional Accumulation Class	163,274,408	25,439,740	(2,693,125)	186,021,023

*Effective 1 January 2022, the names of the share classes of Montanaro Global Innovation Fund changed, details of which are provided in Note 15.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

9. Exchange Rates

The exchange rates to Euro (€) at the financial period ended 30 June 2022, financial year ended 31 December 2021 and financial period ended 30 June 2021 are as follows:

	30 June 2022	31 December 2021	30 June 2021
Australian Dollar	1.5203	1.5641	1.5796
Danish Krone	7.4367	7.4376	7.4362
Hong Kong Dollar	-	-	9.2095
Israeli New Shekel	3.6613	3.5394	-
Japanese Yen	142.0297	130.9543	131.6231
New Zealand Dollar	1.6815	1.6610	1.6972
Norwegian Krone	10.3288	10.0282	10.2049
Pound Sterling	0.8608	0.8340	0.8584
Swedish Krona	10.7131	10.2960	10.1420
Swiss Franc	1.0009	1.0362	1.0962
US Dollar	1.0455	1.1372	1.1859

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 2022

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

30 June 2022

	Net Assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€110,745,304	17,741,537	€6.242
Euro Class	€106,485,928	16,379,721	€6.501
Euro Institutional Accumulation Class	€33,507,883	4,728,523	€7.086
Euro Institutional Distribution Class	€83,457,764	12,524,865	€6.663
Sterling Class	£22,097,120	3,913,559	£5.646
Sterling Institutional Distribution Class	£21,627,825	3,652,860	£5.921
Swedish Krona Accumulation Class	SEK7,136,026	317,630	SEK22.466
US Dollar Class	\$380,660	117,873	\$3.229
Montanaro UK Income Fund			
Euro Class	€1,474,565	1,708,649	€0.863
Euro Seed Class	€1,188,489	962,760	€1.234
Sterling Accumulation Class	£177,819,802	175,325,686	£1.014
Sterling Class	£191,704,234	181,119,647	£1.058
Sterling Seed Class	£286,844,549	152,252,761	£1.884
Montanaro European Income Fund			
Euro Class	€16,773,642	13,719,445	€1.223
Sterling Accumulation Class	£137,713,486	121,199,874	£1.136
Sterling Class	£126,588,341	63,700,038	£1.987
Montanaro European MidCap Fund			
Euro Distribution Class	€109,361,615	47,353,803	€2.309
Euro Institutional Accumulation Class	€8,165,271	3,316,729	€2.462
Montanaro Global Innovation Fund			
Euro Accumulation A Class	€1,123,102	1,521,307	€0.738
Euro Accumulation B Class	€1,713,196	1,103,715	€1.552
Sterling Accumulation A Class	£1,799,436	2,450,502	£0.734
Sterling Accumulation B Class	£5,395,351	3,395,121	£1.589
Montanaro Better World Fund			
Euro Accumulation Class	€17,634,427	19,228,006	€0.917
Euro Distribution Class	€94,975,411	68,053,726	€1.396
Sterling Distribution Class	£301,982,773	219,287,203	£1.377
Swedish Krona Institutional Accumulation Class	SEK2,629,412,647	218,309,900	SEK12.044

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

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

31 December 2021

	Net Assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€167,004,517	17,338,780	€9.632
Euro Class	€176,723,871	17,617,147	€10.031
Euro Institutional Accumulation Class	€39,336,254	3,615,503	€10.880
Euro Institutional Distribution Class	€145,382,096	14,192,708	€10.243
Sterling Class	£33,453,609	3,936,898	£8.497
Sterling Institutional Distribution Class	£47,848,193	5,390,007	£8.877
Swedish Krona Accumulation Class	SEK10,582,375	317,630	SEK33.317
US Dollar Class	\$638,920	117,873	\$5.420
Montanaro UK Income Fund			
Euro Class	€3,241,039	2,693,066	€1.203
Euro Seed Class	€1,654,354	963,224	€1.718
Sterling Accumulation Class	£212,307,674	155,640,408	£1.364
Sterling Class	£262,356,612	182,236,811	£1.440
Sterling Seed Class	£366,110,815	143,214,741	£2.556
Montanaro European Income Fund			
Euro Class	€21,180,388	13,137,238	€1.612
Sterling Accumulation Class	£179,851,490	123,861,930	£1.452
Sterling Class	£150,501,903	58,890,038	£2.556
Montanaro European MidCap Fund			
Euro Distribution Class	€148,856,591	44,873,516	€3.317
Euro Institutional Accumulation Class	€22,733,478	6,453,262	€3.523
Montanaro Global Innovation Fund*			
Euro Accumulation A Class	€1,995,312	1,750,574	€1.140
Euro Accumulation B Class	€2,645,591	1,103,715	€2.397
Sterling Accumulation A Class	£2,277,470	2,059,553	£1.106
Sterling Accumulation B Class	£8,400,761	3,509,837	£2.393
Montanaro Better World Fund			
Euro Accumulation Class	€16,938,137	12,348,839	€1.372
Euro Distribution Class	€129,778,735	62,174,463	€2.087
Sterling Distribution Class	£436,782,881	217,423,128	£2.009
Swedish Krona Institutional Accumulation Class	SEK3,351,963,391	193,947,696	SEK17.283

*Effective 1 January 2022, the names of the share classes of Montanaro Global Innovation Fund changed, details of which are provided in Note 15.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

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

30 June 2021

	Net Assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€168,346,459	20,070,586	€8.388
Euro Class	€157,263,518	18,029,899	€8.722
Euro Institutional Accumulation Class	€32,760,973	3,512,948	€9.326
Euro Institutional Distribution Class	€57,043,479	6,428,249	€8.874
Sterling Class	£29,033,343	3,845,449	£7.550
Sterling Institutional Distribution Class	£41,391,391	5,258,361	£7.872
Swedish Krona Accumulation Class	SEK9,063,658	317,630	SEK28.535
US Dollar Class	\$366,857	74,640	\$4.915
Montanaro UK Income Fund			
Euro Class	€3,103,449	2,819,344	€1.101
Euro Seed Class	€2,159,256	1,378,042	€1.567
Sterling Accumulation Class	£199,937,936	160,105,829	£1.249
Sterling Class	£243,026,660	180,508,622	£1.346
Sterling Seed Class	£354,000,539	148,450,095	£2.385
Montanaro European Income Fund			
Euro Class	€17,818,786	12,455,464	€1.431
Sterling Accumulation Class	£189,981,946	146,700,424	£1.295
Sterling Class	£156,437,125	67,473,507	£2.318
Montanaro European MidCap Fund			
Euro Distribution Class	€149,039,272	49,620,532	€3.004
Euro Institutional Accumulation Class	€25,768,866	8,075,840	€3.191
Montanaro Global Innovation Fund*			
Euro Accumulation A Class	€1,000,000	1,000,000	€1.000
Euro Accumulation B Class	€2,298,875	572,874	€4.013
Sterling Accumulation A Class	£1,000,000	1,000,000	£1.000
Sterling Accumulation B Class	£6,433,201	2,471,003	£2.603
Montanaro Better World Fund			
Euro Accumulation Class	€7,857,480	6,563,483	€1.197
Euro Distribution Class	€166,957,024	91,632,498	€1.822
Sterling Distribution Class	£323,894,631	180,657,680	£1.793
Swedish Krona Institutional Accumulation Class	SEK2,759,361,515	186,021,023	SEK14.834

*Effective 1 January 2022, the names of the share classes of Montanaro Global Innovation Fund changed, details of which are provided in Note 15.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

12. Comparatives

Comparative information for the Statement of Financial Position is as at 31 December 2021. 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 2021.

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 2022 for Montanaro UK Income Fund was a gain of £16,871,206 (30 June 2021: loss of £31,233,796).

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

30 June 2022

Average Euro/Pound Sterling 1.1874

Spot Euro/Pound Sterling 1.1617

30 June 2021

Average Euro/Pound Sterling 1.1519

Spot Euro/Pound Sterling 1.1649

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

No notification has been filed with BaFin for the remaining Classes of the Montanaro European Smaller Companies Fund (Euro Institutional Accumulation Class, Sterling Class, Sterling Institutional Distribution Class, Swedish Krona Accumulation Class and US Dollar Class), Montanaro UK Income Fund, Montanaro European Income Fund, Montanaro European MidCap Fund, Montanaro Global Innovation Fund and Montanaro Better World Fund.

15. Events during the Financial Period

An updated Prospectus and Supplements were issued on 1 January 2022 to incorporate amendments including:

- updates to the sustainable finance investment descriptions in order to add disclosure required by Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation");
- for Funds which pay a performance fee, the methodology has been reviewed for consistency with the Central Bank's requirements and guidelines. The description and operation of each performance fee methodology was updated to make it clear that it is high water mark based. In addition, concrete examples have been added to outline how the performance fee operates in a range of scenarios;
- amending the dividend policy of the Euro Distribution and Sterling Distribution share classes for the Montanaro Global Innovation Fund to note they would cease to pay any dividends and have been reclassified as accumulation shares;
- amending the fee structures of the Montanaro Global Innovation Fund with the intention of reducing fees and to include an overall cap on "Ongoing Charges" as defined in the Supplement by introducing a discretionary arrangement through which the Investment Manager will seek to limit the Ongoing Charges Figure through reducing its own management fee or subsidising the Fund, if necessary;
- other minor and general amendments were made throughout.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2022

15. Events during the Financial Period (continued)

Effective 1 January 2022, the names of the share classes of the Montanaro Global Innovation Fund changed as follows:

Euro Accumulation Class changed to	Euro Accumulation A Class
Euro Distribution Class changed to	Euro Accumulation B Class
Sterling Accumulation Class changed to	Sterling Accumulation A Class
Sterling Distribution Class changed to	Sterling Accumulation B Class

Effective 1 January 2022, the investment management fee rate charged to Euro Seed Class and Sterling Seed Class of Montanaro UK Income Fund increased from 0.25% per annum to 0.30% per annum.

On 25 January 2022, KB Associates, the parent to the Manager, announced that, subject to regulatory approval, it will become a member of the Waystone Group.

The following distributions were approved by the Directors during the financial period ending 30 June 2022:

Ex-Date of 28 January 2022:

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.007105	€19,139
Euro Seed Class	€0.010118	€9,764
Sterling Class	£0.008490	£1,536,374
Sterling Seed Class	£0.014719	£2,142,065

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.007294	€96,964
Sterling Class	£0.011268	£684,711

Ex-Date of 01 April 2022:

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€ 0.004749	€10,472
Euro Seed Class	€ 0.006782	€6,456
Sterling Class	£ 0.005718	£1,048,870
Sterling Seed Class	£ 0.010160	£1,556,013

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€ 0.001772	€23,865
Sterling Class	£ 0.002828	£182,149

Impact of Russia Ukraine Conflict

The Directors, the Manager and the Investment Manager continue to monitor the sanctions activity globally to ensure the portfolios are in adherence. Currently the funds are not exposed to Russian or Ukrainian assets, nor any other sanctioned holdings. We continue to rely on the Administrator to monitor the investor base with respect to sanctions and, if any sanctioned investors are identified, to remediate following their appropriate policies and procedures.

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 2022

16. Events since the Financial Period End

The following distributions in respect of the financial period ending 30 June 2022 were approved by the Directors:

Ex-Date of 01 July 2022:

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.014753	€25,208
Euro Seed Class	€0.021090	€20,305
Sterling Class	£0.018094	£3,282,472
Sterling Seed Class	£0.032187	£4,898,153

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.028124	€385,832
Sterling Class	£0.045714	£2,910,388

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

17. Commitments and Contingent Liabilities

As at 30 June 2022 and 31 December 2021 there were no commitments or contingent liabilities.

18. Approval of Financial Statements

These financial statements were approved by the Directors of the Company on 17 August 2022.

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO EUROPEAN SMALLER COMPANIES FUND**

As at 30 June 2022

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 2021: 1.76%)			
125,000	Melexis NV	8,456,250	2.19
		8,456,250	2.19
Denmark (31 December 2021: 3.37%)			
90,000	Chemometec A/S	9,161,377	2.38
130,000	SimCorp A/S	9,006,200	2.33
120,000	Chr Hansen Holding A/S	8,336,006	2.16
		26,503,583	6.87
Finland (31 December 2021: 1.70%)			
100,000	QT Group Oyj	6,986,000	1.81
		6,986,000	1.81
France (31 December 2021: 7.84%)			
50,000	Sartorius Stedim Biotech	14,870,000	3.85
51,000	Esker SA	6,482,100	1.68
		21,352,100	5.53
Germany (31 December 2021: 6.63%)			
70,000	MTU Aero Engines AG	12,141,500	3.15
200,000	CTS Eventim AG & Co KGaA	9,972,000	2.58
13,000	Rational AG	7,143,500	1.85
210,000	hGears AG	2,730,000	0.71
11,000	Hypoport SE	2,049,300	0.53
		34,036,300	8.82
Iceland (31 December 2021: 1.52%)			
1,600,000	Marel HF '144A'	6,848,000	1.77
		6,848,000	1.77
Italy (31 December 2021: 9.57%)			
80,000	Reply SpA	9,328,000	2.42
1,000,000	Brembo SpA	9,210,000	2.38
220,000	Moncler SpA	8,912,200	2.31
260,000	Carel Industries SpA '144A'	4,862,000	1.26
41,742	Technoprobe SpA	283,595	0.07
		32,595,795	8.44
Netherlands (31 December 2021: 3.73%)			
120,000	IMCD NV	15,552,000	4.03
		15,552,000	4.03

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND (continued)

As at 30 June 2022

Shares	Description	Fair value €	% of net assets
Norway (31 December 2021: 2.68%)			
500,000	PhotoCure ASA	4,937,655	1.28
		4,937,655	1.28
Singapore (31 December 2021: 1.36%)			
140,000	XP Power Ltd	4,626,864	1.20
		4,626,864	1.20
Spain (31 December 2021: 0.92%)			
750,000	Merlin Properties Socimi SA (REIT)	6,903,750	1.79
		6,903,750	1.79
Sweden (31 December 2021: 21.27%)			
375,000	Thule Group AB '144A'	8,782,432	2.27
2,000,000	Fortnox AB	8,668,787	2.24
200,000	MIPS AB	8,249,675	2.14
500,000	AAK AB	7,752,156	2.01
500,000	Sectra AB	6,380,010	1.65
250,000	Vitrolife AB	5,437,244	1.41
325,000	Biotage AB	5,430,243	1.41
300,010	Surgical Science Sweden AB	4,239,791	1.10
150,000	Plejd AB	3,704,793	0.96
350,000	Hufvudstaden AB	3,691,725	0.96
200,000	Avanza Bank Holding AB	3,202,607	0.83
		65,539,463	16.98
Switzerland (31 December 2021: 7.86%)			
140,000	VZ Holding AG	9,679,656	2.51
22,000	Belimo Holding AG	7,363,653	1.91
25,000	Tecan Group AG	6,894,058	1.78
30,000	Kardex Holding AG	4,711,938	1.22
		28,649,305	7.42
United Kingdom (31 December 2021: 25.92%)			
1,850,000	Marshalls Plc	9,554,713	2.47
250,000	Cranswick Plc	8,863,232	2.29
325,000	Diploma Plc	8,479,487	2.20
210,000	Dechra Pharmaceuticals Plc	8,440,571	2.19
300,000	4imprint Group Plc	8,032,831	2.08
3,650,000	NCC Group Plc	7,975,504	2.07
600,000	St James's Place Plc	7,663,426	1.98
500,000	Big Yellow Group Plc (REIT)	7,637,869	1.98
1,150,000	Shaftesbury Plc (REIT)	7,006,801	1.81
60,000	Spirax-Sarco Engineering Plc	6,862,582	1.78
290,000	Halma Plc	6,774,645	1.75
1,500,000	Advanced Medical Solutions Group Plc	5,157,740	1.34
60,000	Games Workshop Group Plc	4,618,969	1.20
125,000	Clarkson Plc	4,356,199	1.13

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND (continued)

As at 30 June 2022

Shares	Description	Fair value €	% of net assets
United Kingdom (31 December 2021: 25.92%) (continued)			
316,300	Kainos Group Plc	4,056,437	1.05
1,350,000	IntegraFin Holdings Plc	3,468,928	0.90
		108,949,934	28.22
United States (31 December 2021: 0.93%)			
650,000	MaxCyte Inc	3,020,298	0.78
		3,020,298	0.78
Total equities		374,957,297	97.13
Total financial assets at fair value through profit or loss		374,957,297	97.13
Cash and cash equivalents		16,243,160	4.21
Other net liabilities		(5,180,146)	(1.34)
Total net assets attributable to holders of redeemable participating Shares		386,020,311	100.00

	% of Total Assets
Analysis of Total Assets	
Financial assets at fair value through profit or loss	93.86
Cash and cash equivalents	4.14
Other assets	2.00
Total assets	100.00

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO UK INCOME FUND**

As at 30 June 2022

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 2021: 1.04%)			
100,000	Melexis NV	5,823,598	0.88
		5,823,598	0.88
China (31 December 2021: 1.36%)			
4,500,000	TI Fluid Systems Plc '144A'	6,741,000	1.02
		6,741,000	1.02
Norway - Nil (31 December 2021: 1.30%)			
Singapore (31 December 2021: 2.57%)			
425,000	XP Power Ltd	12,091,250	1.84
		12,091,250	1.84
Sweden (31 December 2021: 4.72%)			
3,400,000	NCAB Group AB	14,007,113	2.13
350,000	Thule Group AB '144A'	7,056,269	1.07
		21,063,382	3.20
Switzerland - Nil (31 December 2021: 0.44%)			
United Kingdom (31 December 2021: 87.01%)			
1,900,000	Big Yellow Group Plc (REIT)	24,985,000	3.79
1,200,000	Rathbones Group Plc	23,280,000	3.53
775,000	Severn Trent Plc	21,103,250	3.20
9,000,000	LondonMetric Property Plc (REIT)	20,646,000	3.13
2,425,000	Vistry Group Plc	20,151,750	3.06
4,358,614	Marshalls Plc	19,378,398	2.94
625,000	Clarkson Plc	18,750,000	2.85
5,000,000	Biffa Plc '144A'	18,620,000	2.83
16,000,000	Taylor Wimpey Plc	18,576,000	2.82
2,125,000	FDM Group Holdings Plc	18,041,250	2.74
1,550,000	St James's Place Plc	17,042,250	2.59
9,000,000	NCC Group Plc	16,929,000	2.57
2,050,000	Britvic Plc	16,646,000	2.53
700,000	4imprint Group Plc	16,135,000	2.45
2,600,000	DiscoverIE Group Plc	16,094,000	2.44
700,000	Diploma Plc	15,722,000	2.39
700,000	Admiral Group Plc	15,694,000	2.38
11,500,000	Primary Health Properties Plc (REIT)	15,685,540	2.38
1,390,750	Kainos Group Plc	15,353,880	2.33
231,485	Games Workshop Group Plc	15,340,522	2.33
2,875,000	Brewin Dolphin Holdings Plc	14,662,500	2.23
1,425,000	Hilton Food Group Plc	14,592,000	2.21
3,750,000	Bloomsbury Publishing Plc	14,081,250	2.14
1,300,000	Savills Plc	12,993,500	1.97
2,000,000	Sage Group Plc/The	12,656,000	1.92
6,500,000	Tritax Big Box REIT Plc (REIT)	11,828,830	1.80
325,000	Dechra Pharmaceuticals Plc	11,245,000	1.71
1,200,000	Liontrust Asset Management Plc	10,908,000	1.66
1,025,000	United Utilities Group Plc	10,526,750	1.60
575,000	Greggs Plc	10,367,250	1.57
1,150,000	RS GROUP Plc	10,022,250	1.52

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO UK INCOME FUND (continued)**

As at 30 June 2022

Shares	Description	Fair value £	% of net assets
United Kingdom (31 December 2021: 87.01 %) (continued)			
6,750,000	Jupiter Fund Management Plc	9,990,000	1.52
7,250,000	XPS Pensions Group Plc	9,461,250	1.44
2,500,000	Genuit Group Plc	9,425,000	1.43
925,000	Hiscox Ltd	8,658,000	1.31
200,000	Intertek Group Plc	8,394,000	1.27
825,000	Pennon Group Plc	7,920,000	1.20
2,000,000	SThree Plc	7,090,000	1.08
1,811,965	Ricardo Plc	6,658,718	1.01
3,000,000	IntegraFin Holdings Plc	6,636,000	1.01
235,000	Derwent London Plc (REIT)	6,166,400	0.94
200,000	Cranswick Plc	6,103,875	0.93
1,750,000	Headlam Group Plc	5,155,150	0.78
3,500,000	Reach Plc	3,479,000	0.53
2,500,000	Luceco Plc '144A'	2,550,000	0.39
869,452	Spirent Communications Plc	2,171,891	0.33
		597,916,454	90.78
Total equities		643,635,684	97.72
Total financial assets at fair value through profit or loss		643,635,684	97.72
Cash and cash equivalents		14,654,378	2.22
Other net assets		371,051	0.06
Total net assets attributable to holders of redeemable participating Shares		658,661,113	100.00
Analysis of Total Assets			% of Total Assets
Financial assets at fair value through profit or loss			97.30
Cash and cash equivalents			2.22
Other assets			0.48
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO EUROPEAN INCOME FUND**

As at 30 June 2022

Shares	Description	Fair value €	% of net assets
Transferable securities admitted to a stock exchange listing or dealt in on another regulated market			
Austria (31 December 2021: 0.79%)			
92,500	Fabasoft AG	1,757,500	0.54
		1,757,500	0.54
Belgium (31 December 2021: 5.30%)			
102,000	Melexis NV	6,900,300	2.13
184,500	Warehouses De Pauw CVA (REIT)	5,538,690	1.71
100,000	Shurgard Self Storage SA	4,440,000	1.37
		16,878,990	5.21
Denmark (31 December 2021: 4.72%)			
380,000	Tryg A/S	8,142,505	2.51
110,000	Chr Hansen Holding A/S	7,641,339	2.36
85,000	SimCorp A/S	5,888,669	1.82
		21,672,513	6.69
France (31 December 2021: 12.72%)			
280,000	Edenred	12,521,600	3.87
84,000	Gaztransport Et Technigaz SA	9,987,600	3.09
190,000	Amundi SA '144A'	9,889,500	3.05
350,000	Bureau Veritas SA	8,550,500	2.64
98,000	Thermador Groupe	8,388,800	2.59
222,000	Kaufman & Broad SA	5,772,000	1.78
		55,110,000	17.02
Germany (31 December 2021: 11.48%)			
145,000	Brenntag SE	8,943,600	2.76
70,000	Amadeus Fire AG	8,288,000	2.56
35,000	MTU Aero Engines AG	6,070,750	1.88
119,000	Mensch und Maschine Software SE	5,610,850	1.73
105,000	Fielmann AG	4,958,100	1.53
80,000	CTS Eventim AG & Co KGaA	3,988,800	1.23
7,000	Rational AG	3,846,500	1.19
125,000	FUCHS PETROLUB SE - Preference	3,312,500	1.03
		45,019,100	13.91
Italy (31 December 2021: 7.45%)			
182,500	Recordati Industria Chimica e Farmaceutica SpA	7,537,250	2.33
450,000	MARR SpA	5,931,000	1.83
595,000	Brembo SpA	5,479,950	1.69
1,000,000	Enav SpA '144A'	3,990,000	1.23
130,238	Cembre SpA	3,229,902	1.00
		26,168,102	8.08
Netherlands (31 December 2021: 1.46%)			
66,500	Euronext NV '144A'	5,173,700	1.60
		5,173,700	1.60
Norway (31 December 2021: 12.16%)			
850,000	Atea ASA	8,426,932	2.60
3,757,000	Kitron ASA	6,380,010	1.97
340,000	Borregaard ASA	5,273,416	1.63
850,000	Bouvet ASA	4,847,132	1.50

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS
MONTANARO EUROPEAN INCOME FUND (continued)

As at 30 June 2022

Shares	Description	Fair value €	% of net assets
Norway (31 December 2021: 12.16%) (continued)			
170,000	Medistim ASA	4,649,625	1.44
535,031	Kid ASA '144A'	4,314,938	1.33
1,188,000	Elmera Group ASA '144A'	2,300,367	0.71
		36,192,420	11.18
Portugal (31 December 2021: 1.70%)			
626,000	Corticeira Amorim SGPS SA	6,610,560	2.04
		6,610,560	2.04
Spain (31 December 2021: 5.28%)			
800,000	Merlin Properties Socimi SA (REIT)	7,364,000	2.27
133,500	Viscofan SA	6,988,725	2.16
350,000	Red Electrica Corp SA	6,338,500	1.96
		20,691,225	6.39
Sweden (31 December 2021: 28.91%)			
400,000	Loomis AB - Class B	9,252,182	2.86
370,000	Thule Group AB '144A'	8,665,333	2.68
1,650,000	NCAB Group AB	7,896,418	2.44
375,000	Avanza Bank Holding AB	6,004,887	1.85
200,000	KNOW IT AB	5,286,961	1.63
330,000	Beijer Alma AB	5,156,467	1.59
500,000	Bravida Holding AB '144A'	4,146,773	1.28
315,000	Hufvudstaden AB	3,322,552	1.03
10,000,000	Bredband2 i Skandinavien AB	1,717,516	0.53
		51,449,089	15.89
Switzerland (31 December 2021: 6.46%)			
175,000	Galenica AG '144A'	12,781,483	3.95
15,000	Burckhardt Compression Holding AG	5,987,339	1.85
5,000	Partners Group Holding AG	4,278,312	1.32
		23,047,134	7.12
Total equities		309,770,333	95.67
Total financial assets at fair value through profit or loss		309,770,333	95.67
Cash and cash equivalents		13,746,363	4.25
Other net assets		284,012	0.08
Total net assets attributable to holders of redeemable participating Shares		323,800,708	100.00
			% of Total
Analysis of Total Assets			Assets
Financial assets at fair value through profit or loss			95.43
Cash and cash equivalents			4.23
Other assets			0.34
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO EUROPEAN MIDCAP FUND**

As at 30 June 2022

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 2021: 6.56%)			
155,000	Warehouses De Pauw CVA (REIT)	4,653,100	3.96
45,000	Melexis NV	3,044,250	2.59
		7,697,350	6.55
Denmark (31 December 2021: 2.52%)			
55,000	SimCorp A/S	3,810,316	3.24
		3,810,316	3.24
France (31 December 2021: 16.56%)			
145,000	Edenred	6,484,400	5.52
20,500	Teleperformance	6,006,500	5.11
105,000	Amundi SA '144A'	5,465,250	4.65
150,000	Worldline SA/France '144A'	5,328,000	4.53
13,000	Sartorius Stedim Biotech	3,866,200	3.29
		27,150,350	23.10
Germany (31 December 2021: 3.42%)			
22,000	MTU Aero Engines AG	3,815,900	3.25
		3,815,900	3.25
Iceland - Nil (31 December 2021: 3.46%)			
Italy (31 December 2021: 12.91%)			
130,000	Recordati Industria Chimica e Farmaceutica SpA	5,369,000	4.57
130,000	Moncler SpA	5,266,300	4.48
30,000	Reply SpA	3,498,000	2.97
		14,133,300	12.02
Netherlands (31 December 2021: 8.16%)			
40,000	IMCD NV	5,184,000	4.41
18,000	ASM International NV	4,232,700	3.60
		9,416,700	8.01
Sweden (31 December 2021: 2.61%)			
125,000	Thule Group AB '144A'	2,927,477	2.49
		2,927,477	2.49
Switzerland (31 December 2021: 11.23%)			
60,000	Temenos AG	4,888,187	4.16
15,000	Tecan Group AG	4,136,434	3.52
50,000	Galenica AG '144A'	3,651,852	3.11
		12,676,473	10.79
United Kingdom (31 December 2021: 33.89%)			
800,000	Rightmove Plc	5,293,421	4.51
930,000	Rentokil Initial Plc	5,121,879	4.36
461,103	RS GROUP Plc	4,668,118	3.97
115,000	Dechra Pharmaceuticals Plc	4,622,218	3.93
175,000	Diploma Plc	4,565,877	3.89
350,000	St James's Place Plc	4,470,332	3.80

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS
MONTANARO EUROPEAN MIDCAP FUND (continued)

As at 30 June 2022

Shares	Description	Fair value €	% of net assets
United Kingdom (31 December 2021: 33.89%) (continued)			
90,000	Ashtead Group Plc	3,596,478	3.06
		<u>32,338,323</u>	<u>27.52</u>
Total equities		113,966,189	96.97
Total financial assets at fair value through profit or loss		113,966,189	96.97
Cash and cash equivalents		3,857,016	3.28
Other net liabilities		<u>(296,320)</u>	<u>(0.25)</u>
Total net assets attributable to holders of redeemable participating Shares		117,526,885	100.00
Analysis of Total Assets			% of Total Assets
Financial assets at fair value through profit or loss			96.56
Cash and cash equivalents			3.27
Other assets			<u>0.17</u>
Total assets			<u>100.00</u>

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO GLOBAL INNOVATION FUND**

As at 30 June 2022

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 2021: 3.50%)			
8,000	Pro Medicus Ltd	222,321	1.99
31,500	Technology One Ltd	221,903	1.98
		444,224	3.97
Denmark (31 December 2021: 1.36%)			
2,650	Chemometec A/S	269,752	2.41
		269,752	2.41
Finland (31 December 2021: 2.23%)			
3,300	QT Group Oyj	230,538	2.06
		230,538	2.06
France (31 December 2021: 5.17%)			
1,200	Sartorius Stedim Biotech	356,880	3.19
1,150	Esker SA	146,165	1.31
		503,045	4.50
Germany (31 December 2021: 2.26%)			
10,250	hGears AG	133,250	1.19
8,000	Endor AG	122,400	1.09
		255,650	2.28
Israel (31 December 2021: 4.56%)			
10,000	Maytronics Ltd	134,241	1.20
1,375	Nova Ltd	115,023	1.03
2,400	Kornit Digital Ltd	72,359	0.64
		321,623	2.87
Italy (31 December 2021: 2.00%)			
1,150	Reply SpA	134,090	1.20
7,500	Intred SpA	106,500	0.95
		240,590	2.15
Netherlands (31 December 2021: 2.88%)			
200	Adyen NV '144A'	277,400	2.48
		277,400	2.48
Norway (31 December 2021: 2.42%)			
15,000	PhotoCure ASA	148,130	1.32
4,500	Medistim ASA	123,078	1.10
50,000	Ecoonline AS/Norway	107,466	0.96
		378,674	3.38
Sweden (31 December 2021: 10.99%)			
75,000	Fortnox AB	325,079	2.90
35,000	NCAB Group AB	167,500	1.50
6,500	Plejd AB	160,541	1.43
10,000	Surgical Science Sweden AB	141,322	1.26
9,682	INVISIO AB	133,032	1.19

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS
MONTANARO GLOBAL INNOVATION FUND (continued)

As at 30 June 2022

Shares	Description	Fair value €	% of net assets
Sweden (31 December 2021: 10.99%) (continued)			
3,000	MIPS AB	123,745	1.11
		1,051,219	9.39
Switzerland (31 December 2021: 1.31%)			
750	Tecan Group AG	206,822	1.85
		206,822	1.85
United Kingdom (31 December 2021: 7.24%)			
65,000	Oxford Nanopore Technologies Plc	211,798	1.89
9,250	Frontier Developments Plc	147,855	1.32
12,000	Focusrite Plc	141,629	1.27
10,652	Kainos Group Plc	136,608	1.22
37,500	Advanced Medical Solutions Group Plc	128,944	1.15
		766,834	6.85
United States (31 December 2021: 50.59%)			
1,600	SolarEdge Technologies Inc	410,434	3.67
2,500	SiTime Corp	391,793	3.50
3,600	Entegris Inc	318,936	2.85
1,350	ANSYS Inc	307,990	2.75
4,900	TechTarget Inc	306,903	2.74
10,500	TransMedics Group Inc	306,126	2.73
1,100	Paycom Software Inc	291,958	2.61
6,250	XPEL Inc	270,876	2.42
4,500	Bruker Corp	269,195	2.41
825	Tyler Technologies Inc	258,493	2.31
1,350	Veeva Systems Inc - Class A	253,471	2.26
750	Bio-Techne Corp	245,715	2.20
1,600	Zscaler Inc	228,464	2.04
5,500	Cognex Corp	223,851	2.00
3,000	Avalara Inc	198,919	1.78
10,000	Energy Recovery Inc	182,983	1.63
1,400	Masimo Corp	176,364	1.58
145,000	Boku Inc '144A'	168,440	1.50
4,250	Unity Software Inc	151,837	1.36
800	Shockwave Medical Inc	146,968	1.31
1,550	Axon Enterprise Inc	138,891	1.24
29,000	MaxCyte Inc	134,752	1.20
3,500	FormFactor Inc	130,465	1.17
5,750	Inmode Ltd	125,621	1.12
1,650	Ambarella Inc	104,166	0.93
6,000	Digital Turbine Inc	98,943	0.88
		5,842,554	52.19
Total equities		10,788,925	96.38
Total financial assets at fair value through profit or loss		10,788,925	96.38

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO GLOBAL INNOVATION FUND (continued)

As at 30 June 2022

Cash and cash equivalents	407,985	3.64
Other net liabilities	<u>(2,765)</u>	<u>(0.02)</u>
Total net assets attributable to holders of redeemable participating Shares	11,194,145	100.00

	% of Total
Analysis of Total Assets	Assets
Financial assets at fair value through profit or loss	96.26
Cash and cash equivalents	3.64
Other assets	<u>0.10</u>
Total assets	<u>100.00</u>

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO BETTER WORLD FUND**

As at 30 June 2022

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 2021: 4.85%)			
600,000	Pro Medicus Ltd	16,674,085	2.35
1,000,000	IDP Education Ltd	15,667,720	2.21
		32,341,805	4.56
Belgium (31 December 2021: 2.11%)			
177,194	Melexis NV	11,987,174	1.69
		11,987,174	1.69
Denmark (31 December 2021: 2.11%)			
200,000	Chr Hansen Holding A/S	13,893,344	1.96
132,500	Chemometec A/S	13,487,583	1.90
		27,380,927	3.86
France (31 December 2021: 3.16%)			
75,000	Sartorius Stedim Biotech	22,305,000	3.15
		22,305,000	3.15
Germany (31 December 2021: 3.95%)			
23,500	Rational AG	12,913,250	1.82
85,000	Carl Zeiss Meditec AG	9,579,500	1.35
		22,492,750	3.17
Greece (31 December 2021: Nil%)			
500,000	Terna Energy SA	8,580,000	1.21
		8,580,000	1.21
Ireland (31 December 2021: 3.43%)			
120,000	ICON Plc	24,435,018	3.45
		24,435,018	3.45
Israel (31 December 2021: 3.31%)			
215,000	Nova Ltd	17,985,382	2.54
		17,985,382	2.54
Japan (31 December 2021: 4.39%)			
400,000	Yaskawa Electric Corp	12,307,287	1.74
200,000	Shionogi & Co Ltd	9,652,912	1.36
		21,960,199	3.10
Netherlands (31 December 2021: 3.08%)			
9,500	Adyen NV '144A'	13,176,500	1.86
135,000	Alfen Beheer BV '144A'	11,809,800	1.67
		24,986,300	3.53

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS
MONTANARO BETTER WORLD FUND (continued)

As at 30 June 2022

Shares	Description	Fair value €	% of net assets
New Zealand (31 December 2021: 1.30%)			
2,250,000	Ryman Healthcare Ltd	11,909,262	1.68
		11,909,262	1.68
Sweden (31 December 2021: 7.98%)			
460,000	Thule Group AB '144A'	10,773,117	1.52
660,000	Surgical Science Sweden AB	9,327,230	1.32
207,500	MIPS AB	8,559,038	1.21
350,000	Sdiptech AB - Class B	7,690,549	1.08
		36,349,934	5.13
Switzerland (31 December 2021: 6.89%)			
52,500	Tecan Group AG	14,477,521	2.04
112,500	Straumann Holding AG	12,791,474	1.80
30,000	Belimo Holding AG	10,041,344	1.42
		37,310,339	5.26
United Kingdom (31 December 2021: 6.43%)			
172,500	Spirax-Sarco Engineering Plc	19,729,923	2.78
650,000	Halma Plc	15,184,549	2.14
1,250,000	Marshalls Plc	6,455,887	0.91
1,400,000	Genuit Group Plc	6,131,205	0.87
1,000,000	Tristel Plc	4,181,951	0.59
		51,683,515	7.29
United States (31 December 2021: 44.31%)			
415,000	Bruker Corp	24,825,758	3.50
135,000	IDEX Corp	23,299,096	3.29
90,000	SolarEdge Technologies Inc	23,086,891	3.26
88,500	ANSYS Inc	20,190,469	2.85
102,500	Veeva Systems Inc - Class A	19,245,030	2.71
57,500	Bio-Techne Corp	18,838,124	2.66
212,500	Entegris Inc	18,826,096	2.66
350,000	Trex Co Inc	18,128,550	2.56
405,000	Cognex Corp	16,483,565	2.33
45,000	IDEXX Laboratories Inc	15,084,216	2.13
175,000	Advanced Drainage Systems Inc	15,041,842	2.12
95,000	American Water Works Co Inc	13,377,870	1.89
175,000	Xylem Inc/NY	13,006,355	1.83
90,000	Zscaler Inc	12,851,111	1.81
125,000	Catalent Inc	12,670,376	1.79
207,500	Alarm.com Holdings Inc	12,075,465	1.70
85,000	Masimo Corp	10,707,825	1.51
130,000	Badger Meter Inc	9,937,917	1.40
25,000	MSCI Inc - Class A	9,783,343	1.38
500,000	Energy Recovery Inc	9,149,166	1.29
25,000	Tyler Technologies Inc	7,833,107	1.10
175,000	Ameresco Inc - Class A	7,251,420	1.02
90,000	Dexcom Inc	6,431,582	0.91

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO BETTER WORLD FUND (continued)**

As at 30 June 2022

Shares	Description	Fair value €	% of net assets
United States (31 December 2021: 44.31%) (continued)			
35,000	Balchem Corp	4,275,860	0.60
		<u>342,401,034</u>	<u>48.30</u>
Total equities		694,108,639	97.92
Total financial assets at fair value through profit or loss		694,108,639	97.92
Cash and cash equivalents		16,266,230	2.29
Other net liabilities		<u>(1,528,010)</u>	<u>(0.21)</u>
Total net assets attributable to holders of redeemable participating Shares		708,846,859	100.00
Analysis of Total Assets			% of Total Assets
Financial assets at fair value through profit or loss			97.65
Cash and cash equivalents			2.29
Other assets			0.06
Total assets			<u>100.00</u>

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN SMALLER COMPANIES FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2022*

Purchases	Nominal	Cost €
Chr Hansen Holding A/S	120,000	8,561,034
Clarkson Plc	125,000	5,093,182
MTU Aero Engines AG	25,000	4,882,204
Plejd AB	150,000	4,772,071
CTS Eventim AG & Co KGaA	50,000	3,180,388
QT Group Oyj	20,000	2,134,587
Orpea SA	50,000	1,858,027
Spirax-Sarco Engineering Plc	10,000	1,550,279
Melexis NV	20,000	1,509,632
Merlin Properties Socimi SA (REIT)	150,000	1,504,321
Cranswick Plc	30,000	1,352,306
SimCorp A/S	15,000	1,202,766
Games Workshop Group Plc	10,000	966,588
Diploma Plc	25,000	830,594
Nolato AB	50,000	444,043
AAK AB	25,000	443,873
Technoprobe SpA	41,742	284,107
Kainos Group Plc	16,300	208,274
Shaftesbury Plc (REIT)	18,276	131,903

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases of an investment exceeding 1% of total value of purchases, for the financial period, or at a minimum the top 20 purchases. Due to trading volumes, the above discloses all purchases during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN SMALLER COMPANIES FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2022*

Sales	Nominal	Proceeds
		€
Ideagen Plc	2,622,000	10,757,236
Recordati Industria Chimica e Farmaceutica SpA	200,000	9,310,657
Bakkafrost P/F	145,000	8,613,057
Nolato AB	1,000,000	7,558,580
INVISIO AB	300,000	5,099,076
Orpea SA	125,000	3,115,202
Big Yellow Group Plc (REIT)	130,000	1,959,901
CTS Eventim AG & Co KGaA	30,000	1,563,819
Elmera Group ASA '144A'	675,750	1,474,825
Belimo Holding AG	3,000	1,299,592
Fortnox AB	250,000	1,246,912
James Fisher & Sons Plc	290,000	1,009,893
Vitrolife AB	30,000	793,972
Thule Group AB '144A'	25,000	785,674
Reply SpA	5,000	655,205
St James's Place Plc	25,000	437,150

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate sales of an investment exceeding 1% of total value of sales, for the financial period, or at a minimum the top 20 sales. Due to trading volumes, the above discloses all sales during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO UK INCOME FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2022*

Purchases	Nominal	Cost £
Sage Group Plc/The	2,000,000	15,981,587
RS GROUP Plc	1,150,000	11,470,965
Intertek Group Plc	200,000	9,601,664
Liontrust Asset Management Plc	600,000	7,635,334
Games Workshop Group Plc	106,485	7,509,395
Tritax Big Box REIT Plc (REIT)	3,000,000	7,176,796
Greggs Plc	175,000	3,796,926
St James's Place Plc	225,000	3,223,021
Luceco Plc '144A'	750,000	2,253,023
Spirent Communications Plc	869,452	2,084,575
Diploma Plc	75,000	1,951,523
Admiral Group Plc	75,000	1,924,182
Clarkson Plc	50,000	1,885,621
Pennon Group Plc	175,000	1,840,211
Vistry Group Plc	175,000	1,679,643
Marshalls Plc	233,614	1,522,009
Brewin Dolphin Holdings Plc	450,000	1,412,480
Kainos Group Plc	40,750	438,502
United Utilities Group Plc	25,000	270,688
FDM Group Holdings Plc	25,000	212,215

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases investment exceeding 1% of total value of purchases, for the financial period, or at a minimum the top 20 purchases. Due to trading volumes, the above discloses all purchases during the financial period.

MONTANARO SMALLER COMPANIES PLC

MONTANARO UK INCOME FUND

PORTFOLIO CHANGES – SALES

For the financial period ended 30 June 2022

Sales	Nominal	Proceeds
		£
Brewin Dolphin Holdings Plc	4,375,000	22,538,410
Atea ASA	800,000	7,162,282
LondonMetric Property Plc (REIT)	1,500,000	4,027,661
Galenica AG '144A'	66,226	3,535,179
James Fisher & Sons Plc	760,000	2,228,909
Bloomsbury Publishing Plc	175,000	659,086

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate sales of an investment exceeding 1% of total value of sales, for the financial period, or at a minimum the top 20 sales. Due to trading volumes, the above discloses all sales during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN INCOME FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2022*

Purchases	Nominal	Cost €
Brenntag SE	145,000	9,709,329
Bouvet ASA	850,000	5,749,520
Amundi SA '144A'	95,000	5,723,806
Loomis AB - Class B	150,000	3,551,872
MARR SpA	200,000	3,060,133
SimCorp A/S	25,000	2,014,404
Chr Hansen Holding A/S	30,000	1,949,808
Melexis NV	21,500	1,883,109
Edenred	50,000	1,861,342
Fielmann AG	33,500	1,644,188
Kid ASA '144A'	135,031	1,438,233

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases investment exceeding 1% of total value of purchases, for the financial period, or at a minimum the top 20 purchases. Due to trading volumes, the above discloses all purchases during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN INCOME FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2022*

Sales	Nominal	Proceeds
		€
Nolato AB	1,500,000	7,469,144
KNOW IT AB	210,000	5,539,617
NCAB Group AB	850,000	5,377,847
Bakkafrost P/F	65,000	3,511,806
Biotage AB	200,000	3,014,497
Avanza Bank Holding AB	125,000	2,884,997
Galenica AG '144A'	25,000	1,925,076
Thermador Groupe	12,000	1,135,579

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate sales of an investment exceeding 1% of total value of sales, for the financial period, or at a minimum the top 20 sales. Due to trading volumes, the above discloses all sales during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN MIDCAP FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2022*

Purchases	Nominal	Cost €
Amundi SA '144A'	105,000	6,181,087
RS GROUP Plc	461,103	5,680,282
MTU Aero Engines AG	22,000	4,136,473
Thule Group AB '144A'	125,000	3,961,166
Galenica AG '144A'	50,000	3,416,619
Sartorius Stedim Biotech	4,000	1,255,962
Tecan Group AG	4,000	1,176,750
Temenos AG	15,000	1,135,267
Rentokil Initial Plc	180,000	1,073,139
SimCorp A/S	10,000	933,581
Moncler SpA	15,000	676,234
Worldline SA/France '144A'	15,000	651,876
ASM International NV	2,000	578,490

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases investment exceeding 1% of total value of purchases, for the financial period, or at a minimum the top 20 purchases. Due to trading volumes, the above discloses all purchases during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN MIDCAP FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2022*

Sales	Nominal	Proceeds
		€
Auto Trader Group Plc '144A'	950,000	7,225,699
Marel HF '144A'	1,000,000	5,007,432
Symrise AG	45,000	4,415,688
Straumann Holding AG	3,000	3,858,032
Sinch AB '144A'	400,000	2,727,970
Rentokil Initial Plc	350,000	2,168,449
Ashtead Group Plc	35,000	1,914,676
St James's Place Plc	100,000	1,698,852
Teleperformance	4,500	1,398,584
Recordati Industria Chimica e Farmaceutica SpA	20,000	1,081,972
Diploma Plc	35,000	1,070,069
Moncler SpA	15,000	948,710
Edenred	20,000	896,533
Temenos AG	10,000	855,000
Dechra Pharmaceuticals Plc	15,000	826,433
Sartorius Stedim Biotech	2,000	724,920
Tecan Group AG	2,000	718,640

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate sales of an investment exceeding 1% of total value of sales, for the financial period, or at a minimum the top 20 sales. Due to trading volumes, the above discloses all sales during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO GLOBAL INNOVATION FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2022*

Purchases	Nominal	Cost €
Focusrite Plc	12,000	147,116
Shockwave Medical Inc	800	139,339
FormFactor Inc	3,500	132,977
Adyen NV '144A'	70	111,769
Tecan Group AG	325	103,446
Kornit Digital Ltd	1,150	92,917
Inmode Ltd	2,500	86,766
Sartorius Stedim Biotech	200	62,798
Veeva Systems Inc - Class A	300	55,063
Avalara Inc	550	53,897
SolarEdge Technologies Inc	250	53,421
Oxford Nanopore Technologies Plc	12,500	52,121
Chemometec A/S	550	50,968
Masimo Corp	350	48,161
Paycom Software Inc	150	44,794
Tyler Technologies Inc	100	42,155
QT Group Oyj	400	41,194
Unity Software Inc	400	37,886
Plejd AB	1,500	35,936
TechTarget Inc	550	35,846
INVISIO AB	3,000	35,493
XPEL Inc	650	34,122
Pro Medicus Ltd	1,000	29,401

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases investment exceeding 1% of total value of purchases, for the financial period, or at a minimum the top 20 purchases. Due to trading volumes, the above discloses all purchases during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO GLOBAL INNOVATION FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2022*

Sales	Nominal	Proceeds
		€
Ideagen Plc	75,000	306,590
Alarm.com Holdings Inc	4,250	255,000
Nova Ltd	1,875	168,578
Alfen Beheer BV '144A'	2,250	161,930
Everbridge Inc	3,550	154,071
Sinch AB '144A'	15,000	102,299
Novocure Ltd	1,400	88,932
SiTime Corp	375	68,984
Technology One Ltd	8,500	64,372
Fortnox AB	11,500	60,583
INVISIO AB	1,818	33,669

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate sales of an investment exceeding 1% of total value of sales, for the financial period, or at a minimum the top 20 sales. Due to trading volumes, the above discloses all sales during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO BETTER WORLD FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2022*

Purchases	Nominal	Cost €
American Water Works Co Inc	95,000	13,302,912
Catalent Inc	125,000	12,108,349
Tyler Technologies Inc	30,000	11,342,980
MSCI Inc - Class A	25,000	9,998,884
Marshalls Plc	1,250,000	9,647,008
Terna Energy SA	500,000	7,620,662
Chr Hansen Holding A/S	100,000	6,627,277
Ameresco Inc - Class A	100,000	6,269,403
Trex Co Inc	85,000	6,032,688
Sartorius Stedim Biotech	15,000	5,218,716
Entegris Inc	37,500	4,598,738
ANSYS Inc	13,500	4,142,181
Balchem Corp	35,000	4,118,445
Veeva Systems Inc - Class A	22,500	4,075,432
Halma Plc	125,000	3,954,860
Masimo Corp	25,000	3,923,990
IDEXX Laboratories Inc	7,500	3,912,628
Advanced Drainage Systems Inc	35,000	3,891,011
Cognex Corp	55,000	3,508,718
Adyen NV '144A'	2,000	3,456,989
Tecan Group AG	10,000	3,169,477
Spirax-Sarco Engineering Plc	22,500	3,147,564
Ryman Healthcare Ltd	500,000	2,903,149
Alarm.com Holdings Inc	32,500	2,313,105
Straumann Holding AG	1,250	2,245,010
Rational AG	3,500	2,225,868
Thule Group AB '144A'	60,000	2,220,369
ICON Plc	10,000	2,173,302
IDP Education Ltd	100,000	2,068,445
Sdipitech AB - Class B	50,000	2,050,138
Bio-Techne Corp	5,000	1,958,000
IDEX Corp	10,000	1,781,000
Pro Medicus Ltd	55,000	1,745,329

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate purchases investment exceeding 1% of total value of purchases, for the financial period, or at a minimum the top 20 purchases. Due to trading volumes, the above discloses all purchases during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO BETTER WORLD FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2022*

Sales	Nominal	Proceeds
		€
Dexcom Inc	27,500	9,937,645
Middlesex Water Co	107,500	8,859,563
Nova Ltd	60,000	5,906,025
Santen Pharmaceutical Co Ltd	600,000	5,886,395
RENOVA Inc	500,000	5,847,199
Entegris Inc	50,000	5,741,541
Bio-Techne Corp	15,000	5,537,282
Carl Zeiss Meditec AG	30,000	4,276,777
SolarEdge Technologies Inc	15,000	4,215,943
Belimo Holding AG	9,500	3,936,611
Simulations Plus Inc	100,000	3,908,196
Biotage AB	200,000	3,387,400
IDEXX Laboratories Inc	7,500	3,381,223
ICON Plc	15,000	3,029,254
Pro Medicus Ltd	105,000	3,016,382
Trex Co Inc	50,000	2,971,374
Tecan Group AG	7,500	2,710,947
Melexis NV	32,806	2,631,067
Energy Recovery Inc	150,000	2,601,947
Alfen Beheer BV '144A'	25,000	2,272,679
Zscaler Inc	15,000	2,068,791
Xylem Inc/NY	25,000	2,029,580
Masimo Corp	15,000	1,862,971
Sartorius Stedim Biotech	5,000	1,735,866
Tyler Technologies Inc	5,000	1,665,790
IDP Education Ltd	100,000	1,489,086
Straumann Holding AG	1,000	1,334,036
Ameresco Inc - Class A	25,000	1,252,778

In accordance with Central Bank UCITS Regulations, this statement presents the aggregate sales of an investment exceeding 1% of total value of sales, for the financial period, or at a minimum the top 20 sales. Due to trading volumes, the above discloses all sales during the financial period.

MONTANARO SMALLER COMPANIES PLC

TOTAL EXPENSE RATIOS (ANNUALISED)

For the financial period ended 30 June 2022

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	0.84%
Euro Seed Class	0.39%
Sterling Accumulation Class	0.84%
Sterling Class	0.83%
Sterling Seed Class	0.39%
Montanaro European Income Fund	
Euro Class	0.84%
Sterling Accumulation Class	0.84%
Sterling Class	0.84%
Montanaro European MidCap Fund	
Euro Distribution Class	1.58%
Euro Institutional Accumulation Class	0.83%
Montanaro Global Innovation Fund*	
Euro Accumulation A Class	0.77%
Euro Accumulation B Class	0.80%
Sterling Accumulation A Class	0.77%
Sterling Accumulation B Class	0.80%
Montanaro Better World Fund	
Euro Accumulation Class	0.94%
Euro Distribution Class	0.94%
Sterling Distribution Class	0.94%
Swedish Krona Institutional Accumulation Class	0.59%

*Effective 1 January 2022, names of the share classes of Montanaro Global Innovation Fund changed, details of which are provided in Note 15.