

Montanaro UK Smaller Companies Investment Trust

31 August 2020

Fund Objective

Capital growth by investing in quoted UK smaller companies and to outperform its Benchmark, the Numis Smaller Companies Index (ex-IC).

The Trust will invest primarily in quoted UK smaller companies with a market capitalisation smaller than the largest constituent of the Numis Smaller Companies Index at the time of initial investment.

The Trust pays a quarterly dividend equivalent to 1% of NAV (roughly 4% p.a).

Performance

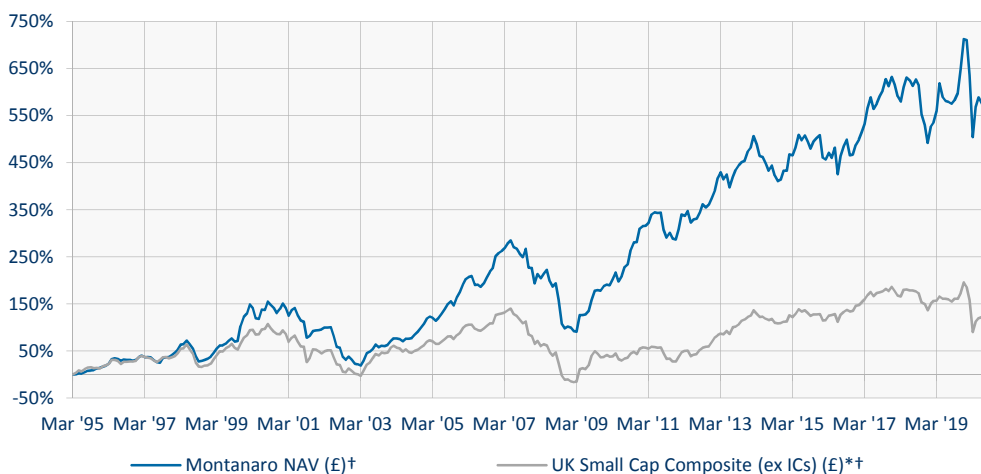
Rolling Returns (£)

| | YTD | 1M | 3M | 6M | 12M | 3Y | 5Y | 10Y | Launch |
|--------------------------------|--------|------|-------|-------|-------|--------|-------|--------|--------|
| Trust (Price) | -15.0% | 9.1% | 12.4% | 2.3% | 19.1% | 18.5% | 26.6% | 141.5% | 592.1% |
| Trust (NAV)[†] | -10.1% | 7.1% | 6.1% | -0.7% | 8.2% | 5.7% | 22.8% | 118.4% | 630.4% |
| Benchmark^{**†} | -19.9% | 5.5% | 7.9% | -8.3% | -7.1% | -13.8% | 2.6% | 74.6% | 136.9% |

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

| | 19/20 | 18/19 | 17/18 | 16/17 | 15/16 | 14/15 | 13/14 | 12/13 | 11/12 |
|--------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| Trust (Price) | -0.3% | -3.1% | 9.8% | 10.6% | -0.4% | -8.4% | 15.7% | 25.6% | -2.0% |
| Trust (NAV)[†] | -8.4% | -2.9% | 7.5% | 10.7% | 1.1% | -4.0% | 11.2% | 21.2% | 3.5% |
| Benchmark^{**†} | -25.9% | -3.2% | 2.3% | 15.4% | 1.4% | -3.2% | 22.7% | 24.3% | -3.1% |

Cumulative Performance Since Inception



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

* Composite benchmark. Effective April 1st 2013 the index used in this factsheet for comparison purposes is the Numis Smaller Companies Index (ex-IC).

† Effective November 1st 2018 the performance of the Fund and Benchmark is Total Return. Prior to this the performance is Capital Return.

Key Information

| | |
|------------------------|-----------------------|
| Fund Launch | March 1995 |
| Legal Status | UK Investment Trust |
| Listing | London Stock Exchange |
| Dividend Dates | May, Aug, Nov & Feb |
| Price | 120p |
| NAV[†] | 134.79p |
| Discount | -11% |

Fund Facts

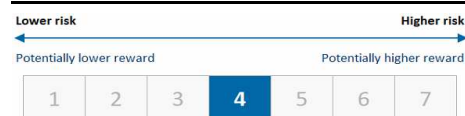
| | |
|--------------------------------|---------------------------------------|
| Fund Manager | Charles Montanaro |
| Backup Fund Manager | George Cooke |
| Benchmark^{**†} | Numis Smaller Companies Index (ex-IC) |
| Net Assets | £227 million |
| Gross Assets | £235 million |
| No. of Holdings | 47 |
| Median Mkt Cap | £617 million |
| Gearing | 3.8% |

ESG

| | |
|-------------------------|------|
| Carbon Intensity | 32.3 |
| Water Intensity | n/a |
| Waste Intensity | n/a |
| Fund ESG Score* | 6.2 |

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

Risk & Reward Profile



These numbers rate how the Fund may perform and the risk of losing some or all of your investment. In general the potential for higher returns also implies a higher level of risk. However, the lowest category (1) does not mean a risk free investment.

This risk rating is based on historical data which may not be a reliable indication of the future risks and rewards of the fund. The risk rating of the fund may change over time.

Past performance is not a reliable indicator of future results. All investments are subject to risk and the value of shares and the income from them can fall as well as rise due to stock market and currency movements. You may not get back as much as you originally invested.

Important Information

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Top 10 Holdings

| | |
|----------------------------|--------------|
| XP Power | 4.3% |
| Discoverie Group | 3.9% |
| Integrafin | 3.8% |
| Big Yellow Group | 3.4% |
| Marshalls | 3.4% |
| Liontrust Asset Management | 3.4% |
| Dechra Pharmaceuticals | 3.3% |
| Kainos | 3.3% |
| 4Imprint Group | 3.2% |
| YouGov | 3.2% |
| | 35.2% |

Risk Analysis

| | Fund | Index |
|-------------------------|-------|-------|
| Jensen's Alpha (annual) | 5.9% | |
| Beta | 0.85 | 1.00 |
| Standard Deviation | 19.1% | 20.9% |
| Sharpe Ratio | 0.06 | -0.27 |
| Tracking Error | 7.8% | |
| Information Ratio | 0.78 | |
| Active Share | 87.5% | |

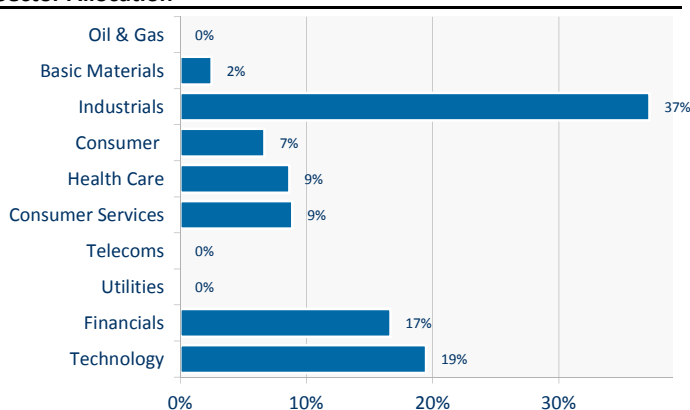
Note: risk statistics over three years

Portfolio Analysis

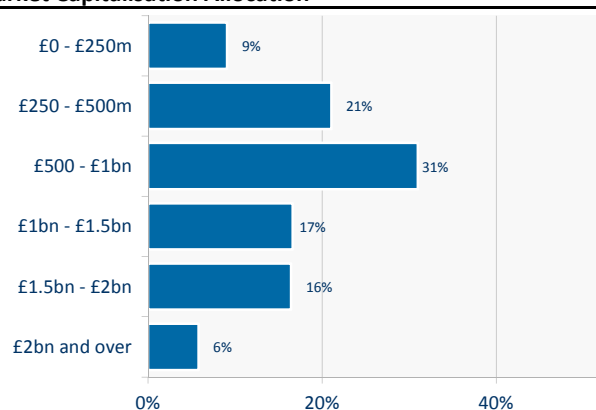
| | |
|--------------------------|-------|
| Price / Earnings 21F | 23.8 |
| EPS Growth 21F | 25.0% |
| Dividend Yield 21F (NAV) | 2.0% |
| Dividend Growth 21F | 28.6% |
| Return on Equity 21F | 14.7% |
| EV/EBITDA 21F | 18.2 |
| EBIT Margin 21F | 18.3% |
| Net Debt/Equity 21F | -7.5% |

Source: Factset consensus estimates

Sector Allocation

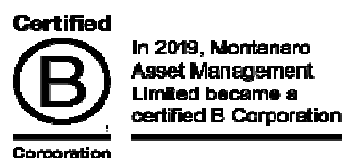


Market Capitalisation Allocation



Share Information

| Currency | Ticker | ISIN | SEDOL | Launch | Price | NAV | Discount | Ongoing Charge | Annual AMC | Perf Fee | Hurdle | SRR1 |
|----------|--------|--------------|---------|------------|-------|---------|----------|----------------|------------|----------|--------|------|
| Sterling | MTU LN | GB00BZ1H9L86 | BZ1H9L8 | 31/03/1995 | 120p | 134.79p | -11% | 0.81% | 0.50% | N/A | N/A | 4 |



Important Information

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