

SFDR Website Disclosures

Montanaro European Smaller Companies Fund

Summary

The Fund implements an approach to sustainability that seeks to manage Sustainability Risks but also promote environmental and social characteristics through the application of ethical exclusions, quantitative and qualitative assessments and engagement with the Fund's investee companies.

Whilst the Fund does not have a sustainable investment objective, environmental and social characteristics are promoted through the implementation of our environmental, social and governance ("ESG") analysis and engagement process. At least 90% (by Net Assets) of investments are aligned with the environmental and social characteristics.

The Fund will monitor and report on Principal Adverse Impacts ("PAIs") and indicators to measure the environmental or social characteristics.

Investee companies held by the Fund will need to meet the requirements set out in the Investment Manager's proprietary ESG Checklist (the "Checklist") on an ongoing basis. This research is underpinned by data provided by Impact Cubed, MSCI and Factiva.

Engagement is important to our investment approach. The Investment Manager conducts engagement with companies to encourage the adoption of sustainable business practices.

The Fund does not have a designed reference benchmark for the purpose of monitoring the attainment of the Fund's E/S characteristics.

No sustainable investment objective

The Fund does not have a sustainable investment objective.

Environmental or Social ("E/S") characteristics of the financial product

The Fund seeks to promote environmental characteristics including:

- the prevention of climate change
- the reduction of greenhouse gas emissions
- the prevention of resource depletion
- the reduction of waste and pollution

The Fund seeks to promote social characteristics including:

- improving working conditions
- improving health and safety
- improving employee relations
- achieving better diversity

The Fund will not invest in companies with more than 10% revenue exposure to:

- Tobacco;
- Alcohol;
- Manufacturing or supply of weapons;
- Pornography;
- Gambling;
- High-interest Rate Lending;
- Fossil Fuels; and
- Animal Testing (except for human healthcare purposes).

(Together the "Revenue Exclusions")

The Investment Manager ensures that at least 90% of portfolio securities (as a % of Net Assets) are subject to an environmental, social and governance ("ESG") analysis (which is described further below).

The Investment Manager conducts quantitative and qualitative assessments of the ESG profile of the companies held in the Fund covering environmental policy, social policy and governance policy, each as further described below. As part of the quantitative and qualitative assessments, the Investment Manager seeks to score a company's ESG profile by assessing it against its own environmental, social and corporate governance policies. The performance of companies under these policies and corresponding checklists are measured and recorded by reference to MSCI, Bloomberg and company sourced data. Companies deemed not to meet the Investment Manager's minimum standards will not be held by the Fund.

Investment Strategy

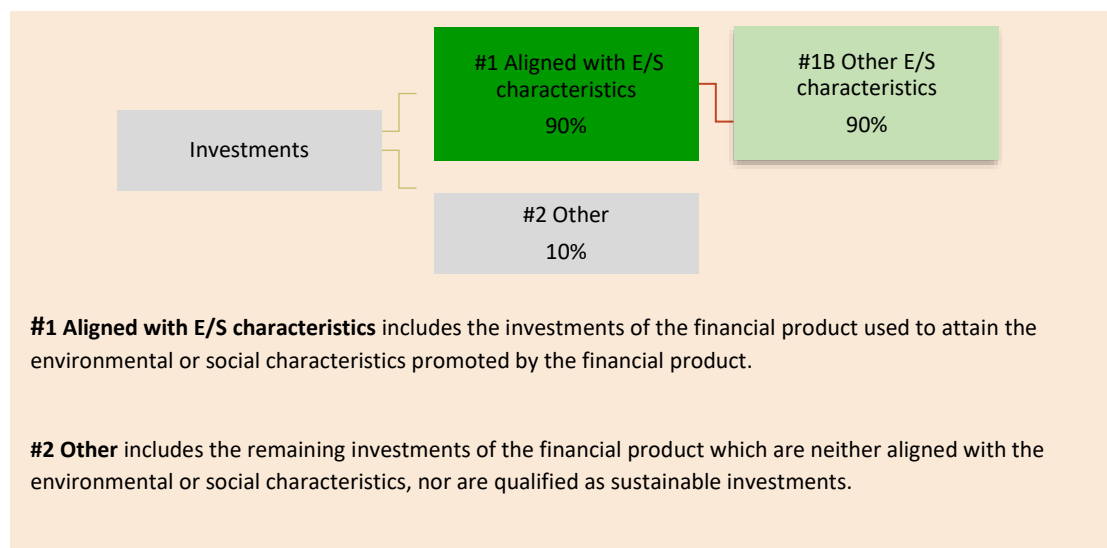
The Fund is actively managed and invests primarily in SmallCap companies (as defined in the Investment Policy section of the Prospectus) quoted in the European Union, the United Kingdom, Iceland, Norway and Switzerland whose market capitalisation shall not exceed that of the largest unadjusted market capitalisation of any of the constituents of the Benchmark at the time of initial investment.

Investment decisions are made in line with the Investment Manager's overall approach to sustainability which seeks to manage Sustainability Risks but also promote environmental and social characteristics through the application of ethical exclusions, quantitative and qualitative assessments and engagement with the Fund's investee companies.

Proportion of investments used to meet E/S characteristics

At least 90% (by Net Assets) of investments are aligned with the environmental and social characteristics defined by the Investment Manager and promoted by the Fund. All remaining

investments made by the Fund in accordance with its investment policy, as well as any cash balances, are included under ‘#2 Other’.



Monitoring of E/S characteristics

The Investment Manager uses the following indicators to measure the environmental or social characteristics promoted by the Fund:

- (i) Carbon intensity of the Fund (Scope 1 + 2) both absolute and relative to its Benchmark;
- (ii) Percentage of investee companies which have credible Net Zero Carbon strategies;
- (iii) Percentage of women on boards of investee companies;
- (iv) Percentage of independent directors on boards of investee companies;
- (v) Percentage of companies which have an anti-bribery policy.

The Investment Manager also reports on all 14 mandatory Principal Adverse Impacts (“PAIs”) at a Fund level. The consolidated data for the Fund is provided by Impact Cubed, a specialist provider of ESG and impact analytics.

As part of its investment process (both pre-investment and on an ongoing basis), the Investment Manager considers 10 of the 14 PAIs:

1. Scope 1 GHG emissions;
2. Scope 2 GHG emissions;
3. Scope 3 GHG emissions;
4. Total GHG emissions;
5. Carbon footprint;
6. GHG intensity of investee companies;
7. Share of investments in companies active in the fossil fuel sector;
8. Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average;

9. Average ratio of female to male board members in investee companies, expressed as a percentage of all board members;
10. Share of investments in investee companies involved in the manufacture or selling of controversial weapons.

The information on PAIs is available in the Annual Report of the Fund.

Methodologies

At least 90% (by Net Assets) of the investee companies held by the Fund will need to meet the requirements set out in the Investment Manager's proprietary ESG Checklist (the "Checklist") on an ongoing basis. Specifically, these companies must score at least 4 out of 10 on the Checklist.

This score is derived by aggregating the scores (all out of 10) obtained across the three sections of the Checklist below:

- an Environmental section (30% weighting);
- a Social section (30% weighting);
- a Corporate Governance section (40% weighting).

The Environmental section of the Checklist covers the following areas:

- Carbon Intensity Scope 1;
- Carbon Intensity Scope 2;
- Carbon Intensity Scope 3;
- Carbon Intensity Scope 1 + 2 + 3;
- Water Intensity;
- Waste Intensity;
- Low Carbon Transition Management Score;
- Low Carbon Transition Score; and
- Any additional areas that may concern the Investment Manager (e.g. climate change targets, supply chain etc...).

The Social section of the Checklist covers the following areas:

- Employee Turnover;
- Gender diversity in the workforce;
- Gender diversity in management;
- Gender Pay Gap;
- Human Rights Policy;
- Anti Bribery Policy;
- Equal Opportunity Policy;
- Tax Gap; and

- Any additional areas that may concern the Investment Manager (e.g. labour practices, health & safety, quality of reporting...).

The Corporate Governance section of the Checklist covers the following areas:

- Remuneration of the Executive;
- Capital allocation record;
- Board independence;
- ESG culture of the Board;
- Board diversity; and
- Any additional areas that may concern the Investment Manager.

For companies which score between 4 and 5 on the Checklist, the Investment Manager will engage with the investee company.

In addition, the Fund may not invest in companies with more than 10% revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards.

Additionally, all companies in which the Fund invests in are subject to the Revenue Exclusions as described above.

Data sources and processing

The Investment Manager makes use of different data sources. In addition to proprietary research and the engagement with investee companies, data is received from Impact Cubed, which calculates the main PAIs for the Fund as well as alignment with the EU Taxonomy; MSCI, which provides Carbon data and ESG research on companies; and Factiva, a press monitoring service.

Limitations to methodologies and data

Note that the level of disclosure of ESG and Sustainability data is typically more limited for small companies than it is for large companies. As a result, external providers such as Impact Cubed and MSCI make estimates where data is missing.

Due diligence

The Investment Manager meets with the companies in which it invests on a regular basis. A decision to actively engage typically arises from any of the following:

- the company fares badly (relative to its sector or other companies in the Fund) on any of the 10 PAIs considered by the Fund;
- the Investment Manager's proprietary ESG Checklist has flagged a weakness at the company;

- the Investment Manager’s proprietary ESG Checklist has a score of 5 or below;
- the Investment Manager disagrees with one or several resolutions proposed at the company’s forthcoming General Meeting;
- a sustainability-related controversy has emerged on the company.

All cases of engagement initiated by the Investment Manager are reviewed and monitored by the Investment Manager’s internal Sustainability Committee. The Sustainability Committee considers the rationale, progress and outcome of every engagement case. In the event that the outcome of an engagement is deemed to fall short of the Investment Manager’s expectations, or the company does not respond to requests to engage, the Sustainability Committee will recommend to the Investment Committee that the holding be sold.

Engagement policies

Engagement is important to the investment approach. Engagement is conducted to identify and manage sustainability risks within the Fund. Engagement directly affects investment decision making, either enhancing an investment case or highlighting a concern that makes investing less compelling.

Engagement is initiated when an E/S issue is identified and reflected in the Checklist. The Investment Manager conducts the following types of engagement:

- Direct Company Engagements
- Proxy Voting
- Deep Dive Research
- Collaborative Engagements
- Public Policy Advocacy

Proxy Voting is a vital part of company engagement. The Investment Manager attempts to vote at all Annual General Meetings for holdings within the Fund. Independent third-party corporate governance reports and voting recommendations are received from Institutional Investor Services (ISS) ahead of meetings. The Investment Manager systematically reviews all resolutions in conjunction with proprietary voting guidelines ahead of shareholder meetings. Voting decisions are made in accordance with this policy.

In instances where concerns are not addressed or the company does not respond constructively to an engagement, the Investment Manager will initiate the escalation strategy. The Sustainability Committee will decide if further engagement is required and likely to be constructive. If further engagement is warranted the Investment Manager will escalate the engagement up the corporate hierarchy. Where this approach fails to yield the desired outcome, the Investment Manager may undertake the following actions: withhold support for management resolutions at company meetings, call an EGM or exit the position.

Designated reference benchmark

The Fund does not have a designed reference benchmark for the purpose of monitoring the attainment of the Fund’s E/S characteristics.