

MONTANARO SMALLER COMPANIES PLC

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

FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2019

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

TABLE OF CONTENTS	PAGE
Management and Other Information	1
Investment Manager's Review	2
Statement of Financial Position	3
Statement of Comprehensive Income	7
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	11
Statement of Accounting Policies	15
Notes forming part of the Financial Statements	16
Schedule of Investments	32
Portfolio Changes	46
Total Expense Ratios	56

MONTANARO SMALLER COMPANIES PLC

MANAGEMENT AND OTHER INFORMATION

Directors

Gavin Caldwell (Irish)* (Chairman)
Eimear Cowhey (Irish)*
Rodney Barton (British) (Resigned 31 March 2019)*
Charles Montanaro (British)
Cedric Durant des Aulnois (French) (Appointed 1 April 2019)**

Investment Manager

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

Administrator

BNY Mellon Fund Services (Ireland) Designated Activity Company
One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

Secretary

Goodbody Secretarial Limited
North Wall Quay
IFSC
Dublin 1
Ireland

Swiss Representative Office

Oligo Swiss Fund Services, SA
AV. Villamont 17
1005 Lausanne
Switzerland

Swiss Paying Agent

NPB New Private Bank Ltd
Limmatquai 1
P.O. Box
CH – 8022
Switzerland

Governance Support

KB Associates
5 George's Dock
IFSC
Dublin 1

Listing Sponsor

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Depository

BNY Mellon Trust Company (Ireland) Limited
One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

Independent Auditors

Ernst & Young
Chartered Accountants
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Legal Advisors

As to UK & US Law
Vedder Price LLP
4 Coleman Street
London EC2R 5AR
United Kingdom

Legal Advisors

As to Irish Law
A&L Goodbody
25/28 North Wall Quay
IFSC
Dublin 1
Ireland

Registered Office

Goodbody Secretarial Limited
North Wall Quay
IFSC
Dublin 1
Ireland

*Independent non-executive Directors.

**Previously held the position of alternate Director for Charles Montanaro until 31 March 2019.

MONTANARO SMALLER COMPANIES PLC

INVESTMENT MANAGER'S REVIEW

Review

Most major equity indices recorded positive gains during the opening six months of the year, with European and US markets posting double-digit gains. Even the UK, where Brexit has proven such a headwind to sentiment, delivered good returns.

In an example of how difficult it has been to base investment decisions on macro-economic developments, the worries that had so alarmed investors at the end of last year acted as the catalyst for the market's subsequent recovery: the Federal Reserve became more dovish and talk of a Trade War with China cooled.

When markets wobbled – as they did briefly in May – investor anxiety was greeted with the balm that has become so familiar during this Bull Market: the soothing words of Central Bankers.

In Europe, this aided the return to form of the SmallCap Effect as smaller companies outperformed their larger counterparts by 1%. Meanwhile, investors had a clear preference for our house style, with “High Quality” companies outperforming “Low Quality” by almost 10% in Europe.

Due to good stock selection and a favourable style tailwind, it has been a positive six months for all of our sub-funds which have delivered strong absolute and relative returns.

Outlook

There is little doubt that the picture is becoming more mixed as the economic cycle progresses. Particular concerns include the weakness in global manufacturing and a deterioration in business investment intentions.

Set against this is the difficulty of making investment decisions based on “the macro”. Company fundamentals offer a much clearer signal, in our view. With corporate profits reasonable and companies continuing to grow, we would caution against those tempted to take profits after the stockmarket's recent run. Market timing remains as challenging as ever.

We remain of the view that today's environment supports the case for continued ownership of “Quality” companies. These businesses are more in control of their own destiny and have the resilience to weather periods of market turbulence, which any long-term investor should expect to experience from time to time.

Charles Montanaro
Montanaro Asset Management Limited
August 2019

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Current assets	Note				
Cash and cash equivalents	3	17,661,723	9,126,498	12,739,766	3,723,930
Financial assets at fair value through profit or loss					
- Equities		508,594,655	399,696,739	237,795,207	124,282,221
Dividends receivable		1,215,872	2,987,650	172,628	1,006,554
Receivable for fund shares sold		218,568	–	20,079	–
Receivable for investments sold		919,118	–	–	–
Other receivables		1,661,913	81,831	831,968	287,098
Total current assets		530,271,849	411,892,718	251,559,648	129,299,803
Current liabilities					
Payable for fund shares repurchased		(58,727)	–	(146)	–
Payable for investments purchased		(3,354,804)	(893,367)	–	–
Investment management fees payable		(1,537,998)	(308,125)	(448,695)	(448,666)
Performance fees payable		(5,382,719)	–	–	(1,566,724)
Administration fees payable		(140,585)	(85,002)	(47,745)	(24,366)
Depositary fees payable		(38,253)	(15,878)	(14,804)	(7,197)
Legal fees payable		(3,178)	(2,435)	(1,474)	(831)
Professional fees payable		(15,103)	(7,746)	(5,377)	(3,083)
Audit fees payable		(8,685)	(7,106)	(4,373)	(2,335)
Other accrued expenses payable		(26,840)	(7,122)	(3,822)	(3,965)
Total current liabilities		(10,566,892)	(1,326,781)	(526,436)	(2,057,167)
Net asset value attributable to holders of redeemable participating shares		519,704,957	410,565,937	251,033,212	127,242,636

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 2019 (continued)

		Montanaro Select Fund €	Montanaro Better World Fund €	Total* €
Current assets	Note			
Cash and cash equivalents	3	767,986	3,741,197	48,834,197
Financial assets at fair value through profit or loss				
- Equities		14,339,590	165,402,111	1,497,107,022
Dividends receivable		17,106	43,921	5,795,020
Receivable for fund shares sold		—	—	238,647
Receivable for investments sold		—	—	919,118
Other receivables		14,538	81,587	2,968,557
Total current assets		15,139,220	169,268,816	1,555,862,561
Current liabilities				
Payable for fund shares repurchased		—	—	(58,873)
Payable for investments purchased		—	(1,785,515)	(6,138,729)
Investment management fees payable		—	(201,405)	(2,981,118)
Performance fees payable		(271,568)	—	(7,221,011)
Administration fees payable		(2,545)	(28,315)	(338,553)
Depositary fees payable		(283)	(12,484)	(90,766)
Legal fees payable		(87)	(620)	(8,911)
Professional fees payable		(179)	(21,350)	(53,749)
Audit fees payable		(235)	(1,888)	(25,457)
Other accrued expenses payable		(263)	(4,463)	(47,312)
Total current liabilities		(275,160)	(2,056,040)	(16,964,479)
Net asset value attributable to holders of redeemable participating shares		14,864,060	167,212,776	1,538,898,082

*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 2018

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro UK Smaller Companies Fund* £	Montanaro European Income Fund €
Current assets	Note				
Cash and cash equivalents	3	9,939,702	10,474,639	114,311	8,345,182
Financial assets at fair value through profit or loss					
- Equities		432,615,744	299,851,952	–	185,236,250
Dividends receivable		374,432	1,212,415	–	–
Receivable for fund shares sold		342,068	2,166,755	–	514
Other receivables		2,264,438	33,749	53	612,184
Total current assets		445,536,384	313,739,510	114,364	194,194,130
Current liabilities					
Payable for fund shares repurchased		(181,741)	(31,331)	–	–
Investment management fees payable		(1,480,085)	(228,482)	–	(370,754)
Performance fees payable		(251,224)	–	(95,046)	–
Administration fees payable		(146,259)	(81,043)	(9,614)	(47,227)
Depositary fees payable		(59,198)	(25,629)	(1,326)	(22,653)
Legal fees payable		(3,750)	(2,527)	(3,577)	(1,576)
Professional fees payable		(11,466)	(4,443)	(565)	(3,565)
Audit fees payable		(19,789)	(13,359)	(16)	(8,315)
Other accrued expenses payable		(24,306)	(7,305)	(4,220)	(2,861)
Total current liabilities		(2,177,818)	(394,119)	(114,364)	(456,951)
Net asset value attributable to holders of redeemable participating shares		443,358,566	313,345,391	–	193,737,179

*The Montanaro UK Smaller Companies Fund was terminated on 28 September 2018.

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 2018 (continued)

		Montanaro European MidCap Fund €	Montanaro Select Fund €	Montanaro Better World Fund** €	Total*** €
Current assets	Note				
Cash and cash equivalents	3	6,339,698	566,849	3,041,507	40,030,242
Financial assets at fair value through profit or loss					
- Equities		106,253,988	11,230,756	125,670,207	1,195,076,387
Dividends receivable		157,840	25,687	17,018	1,925,746
Receivable for fund shares sold		—	—	—	2,756,596
Other receivables		261,759	12,725	42,867	3,231,633
Total current assets		113,013,285	11,836,017	128,771,599	1,243,020,604
Current liabilities					
Payable for fund shares repurchased		—	—	—	(216,647)
Investment management fees payable		(429,890)	—	(175,368)	(2,710,652)
Performance fees payable		(10,890)	—	—	(368,006)
Administration fees payable		(25,081)	(2,716)	(27,009)	(349,294)
Depositary fees payable		(12,184)	(669)	(18,186)	(142,921)
Legal fees payable		(915)	(98)	(467)	(13,607)
Professional fees payable		(1,943)	(20)	(20,789)	(43,363)
Audit fees payable		(4,846)	(519)	(4,048)	(52,418)
Other accrued expenses payable		(2,583)	(191)	(12,097)	(54,879)
Total current liabilities		(488,332)	(4,213)	(257,964)	(3,951,787)
Net asset value attributable to holders of redeemable participating shares		112,524,953	11,831,804	128,513,635	1,239,068,817

**The Montanaro Better World Fund was launched on 10 April 2018.

***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 COMPREHENSIVE INCOME

Financial period ended 30 June 2019

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

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

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

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF COMPREHENSIVE INCOME

Financial period ended 30 June 2019 (continued)

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

*See Foreign Currency Translation Adjustment Note 13.

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

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

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF COMPREHENSIVE INCOME

Financial period ended 30 June 2018

		Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro UK Smaller Companies Fund £	Montanaro European Income Fund €
Income	Note				
Net realised gain on financial assets at fair value through profit or loss and foreign exchange		48,263,893	4,687,206	11,250,543	5,946,853
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		(20,283,152)	(5,153,826)	(11,966,691)	(204,397)
Dividend income		7,080,213	5,603,733	240,776	4,586,944
Interest income		193	–	4	68
Investment income		35,061,147	5,137,113	(475,368)	10,329,468
Expenses					
Investment management fees	1	(3,429,426)	(359,542)	(116,212)	(719,205)
Performance fees	1	(3,355,935)	–	(93,145)	–
Administration fees	1	(128,847)	(61,164)	(6,640)	(35,719)
Depositary fees	1	(65,485)	(23,939)	(3,140)	(22,281)
Legal fees		(26,445)	(9,523)	(1,504)	(6,704)
Directors' fees	1	(18,393)	(7,895)	(1,277)	(5,569)
Professional fees	1	(8,135)	(3,203)	(524)	(2,431)
Audit fees		(11,393)	(5,316)	(809)	(3,684)
Other expenses	1	(81,882)	(19,176)	(2,960)	(14,028)
Total operating expenses		(7,125,941)	(489,758)	(226,211)	(809,621)
Net income/(loss) from operations		27,935,206	4,647,355	(701,579)	9,519,847
Withholding taxes		(403,792)	(74,142)	(4,644)	(444,096)
Finance costs					
Interest expense		(20,228)	(4,433)	–	(9,264)
Income distributions	2	(1,908,481)	(3,514,963)	–	(1,488,577)
Profit/(Loss) for the financial period		25,602,705	1,053,817	(706,223)	7,577,910

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 2018 (continued)

		Montanaro European MidCap Fund €	Montanaro Select Fund €	Montanaro Better World Fund* €	Total** €
Income	Note				
Net realised gain on financial assets at fair value through profit or loss and foreign exchange		7,446,782	674,600	591,945	81,042,887
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		3,220,525	533,680	9,734,996	(26,461,791)
Dividend income		1,680,990	126,575	542,244	20,661,290
Interest income		—	—	—	266
Investment income		12,348,297	1,334,855	10,869,185	75,242,652
Expenses					
Investment management fees	1	(780,385)	—	(141,549)	(5,611,425)
Performance fees	1	(1,631,918)	(192,211)	—	(5,285,956)
Administration fees	1	(19,485)	(2,192)	(8,625)	(271,950)
Depository fees	1	(12,266)	(1,996)	(4,427)	(137,240)
Legal fees		(5,122)	(464)	(1,194)	(52,464)
Directors' fees	1	(3,531)	(376)	(1,014)	(39,311)
Professional fees	1	(1,513)	(36)	(6,174)	(22,526)
Audit fees		(2,266)	(250)	(646)	(25,203)
Other expenses	1	(11,959)	1,075	(2,631)	(134,591)
Total operating expenses		(2,468,445)	(196,450)	(166,260)	(11,580,666)
Net income from operations		9,879,852	1,138,405	10,702,925	63,661,986
Withholding taxes		(31,963)	(8,631)	(56,189)	(1,034,239)
Finance costs					
Interest expense		(14,524)	(991)	(7,043)	(57,090)
Income distributions	2	(4,727)	(164,007)	—	(7,561,774)
Profit for the financial period		9,828,638	964,776	10,639,693	55,008,883

*The Montanaro Better World Fund was launched on 10 April 2018.

**See Foreign Currency Translation Adjustment Note 13.

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

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

MONTANARO SMALLER COMPANIES PLC

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

Financial period ended 30 June 2019

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

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

MONTANARO SMALLER COMPANIES PLC

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

Financial period ended 30 June 2019 (continued)

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

*See Foreign Currency Translation Adjustment Note 13.

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

MONTANARO SMALLER COMPANIES PLC

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

Financial period ended 30 June 2018

	Note	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro UK Smaller Companies Fund £	Montanaro European Income Fund €
Net assets value attributable to holders of redeemable participating shares at the start of the financial period		633,266,510	251,929,476	47,720,254	196,239,137
Profit/(Loss) for the financial period		25,602,705	1,053,817	(706,223)	7,577,910
Proceeds from issuance of shares		15,478,127	61,039,851	59,842	26,416,590
Payments on redemption of shares		(130,970,684)	(6,111,401)	(46,094,258)	(23,641,713)
Foreign currency translation adjustment	13	—	(646,293)	(429,778)	—
Net asset value attributable to holders of redeemable participating shares at the end of the financial period		543,376,658	307,265,450	549,837	206,591,924

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 2018 (continued)

	Note	Montanaro European MidCap Fund €	Montanaro Select Fund €	Montanaro Better World Fund* €	Total** €
Net assets value attributable to holders of redeemable participating shares at the start of the financial period		105,520,431	12,825,927	–	1,285,419,546
Profit for the financial period		9,828,638	964,776	10,639,693	55,008,883
Proceeds from issuance of shares		1,723,601	164,308	125,923,922	239,167,672
Payments on redemption of shares		(75,098)	–	–	(214,037,444)
Net asset value attributable to holders of redeemable participating shares at the end of the financial period		116,997,572	13,955,011	136,563,615	1,365,558,657

* The Montanaro Better World Fund was launched on 10 April 2018.

**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 2019

Principal Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the financial year ended 31 December 2018 as described in those financial statements.

Basis of Preparation

These condensed interim financial statements for the financial period ended 30 June 2019 have been prepared on a going concern basis in accordance with the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended), the 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”) and Irish statute comprising the Companies Act 2014 and the Companies (Accounting) Act 2017 (collectively the “Companies Act”), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019 (the “Central Bank UCITS Regulations”) and the listing rules of Euronext Dublin. The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value. The condensed interim financial statements should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2018 and the condensed interim financial statements for the financial period ended 30 June 2018.

The format and certain wordings of the financial statements have been adapted from those contained in the Companies Act, so that, in the opinion of the Directors, they more appropriately reflect the Company's business as an investment fund.

The Company has also applied the “Amendments to FRS 102 – Fair value hierarchy disclosures”, which were issued in March 2016.

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

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial period ended 30 June 2019

1. Fees

Investment Management Fee

The following management fees are paid to the Investment Manager:

	% of net assets	Minimum Subscription
Montanaro European Smaller Companies Fund		
Euro Accumulation Class	1.50	€1,000
Euro Class	1.50	€1,000
Euro Institutional Accumulation Class	0.50	€250,000,000
Euro Institutional Distribution Class	0.75	€50,000,000
Sterling Class	1.50	£1,000
Sterling Institutional Distribution Class	0.75	£50,000,000
Swedish Krona Accumulation Class	1.50	kr10,000
US Dollar Class	1.50	\$1,000
Montanaro UK Income Fund		
Euro Class	0.75	€1,000
Euro Seed Class ¹	0.25	€1,000
Sterling Accumulation Class	0.75	£1,000
Sterling Class	0.75	£1,000
Sterling Seed Class ¹	0.25	£1,000
Montanaro European Income Fund		
Euro Class	0.75	€1,000
Sterling Accumulation Class	0.75	£1,000
Sterling Class	0.75	£1,000
Montanaro European MidCap Fund		
Euro Distribution Class	1.50	€1,000
Euro Institutional Accumulation Class	0.75	€25,000,000
Montanaro Select Fund		
Euro Distribution Class ²	Waived	€1,000
Sterling Distribution Class ²	Waived	£1,000
Montanaro Better World Fund		
Euro Distribution Class ³	0.50	€1,000
Sterling Distribution Class ³	0.50	£1,000

¹ These Share Classes of the Fund pay the Investment Manager a basic Management fee of 0.25% per annum. However, as per the Prospectus, the Investment Manager is entitled to charge a fee of up to 0.75% per annum.

² The Investment Manager has agreed to waive its basic Management fee. However, as per the Prospectus, the Investment Manager is entitled to charge a fee of up to 0.75% per annum.

³ These Share Classes of the Fund pay 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 0.85% per annum.

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 €5,669,723 for the financial period ended 30 June 2019 (30 June 2018: €5,611,425).

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

1. Fees (continued)

Performance Fees

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

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

Performance fees of €7,221,011 were charged to the Statement of Comprehensive Income for the financial period ended 30 June 2019 (30 June 2018: €5,285,956).

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 €278,445 for the financial period ended 30 June 2019 (30 June 2018: € 271,950).

BNY Mellon Trust Company (Ireland) Limited (the “Depositary”) is paid an annual fee accruing daily and paid monthly in arrears. The Depositary fee was €131,982 for the financial period ended 30 June 2019 (30 June 2018: €137,240).

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 €38,101 for the financial period ended 30 June 2019 (30 June 2018: € 39,311).

Professional Fees

Professional Fees are principally comprised of Taxation fees, Directors’ indemnity insurance premiums (D&O) and Investment Committee fees. For the financial period ended 30 June 2019, Professional fees totalled €36,003 (30 June 2018: € 22,526).

30 June 2019

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

*See Foreign Currency Translation Adjustment Note 13.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

1. Fees (continued)

Professional Fees (continued)

30 June 2018

	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro UK Smaller Companies Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €
Taxation fees	(5,153)	(1,969)	(302)	(1,527)	(929)
Directors indemnity insurance premiums (D&O)	(2,982)	(1,234)	(222)	(904)	(584)
	<u>(8,135)</u>	<u>(3,203)</u>	<u>(524)</u>	<u>(2,431)</u>	<u>(1,513)</u>

	Montanaro Select Fund €	Montanaro Better World Fund* €	Combined Total** €
Taxation fees	25	(166)	(10,332)
Directors indemnity insurance premiums (D&O)	(61)	(168)	(6,354)
Investment Committee fees	–	(5,840)	(5,840)
	<u>(36)</u>	<u>(6,174)</u>	<u>(22,526)</u>

*The Montanaro Better World Fund was launched on 10 April 2018.

**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 2019, other expenses totalled €174,290 (30 June 2018: €134,591).

2. Distribution Policy

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

In the event that the net distributable income generated by the Montanaro UK Income Fund and by the Montanaro European Income Fund (effective 27 June 2019) 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.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

2. Distribution Policy (continued)

The Company made the following distributions to redeemable participating shareholders during the financial period ended 30 June 2019 and 30 June 2018:

	Montanaro European Smaller Companies Fund €	Montanaro UK Income Fund £	Montanaro European Income Fund €	Montanaro European MidCap Fund €	Montanaro Select Fund €	Montanaro Better World Fund* €	Combined Total** €
30 June 2019	863,620	5,145,423	1,353,157	431,345	199,732	326,441	9,068,337
30 June 2018	1,908,481	3,514,963	1,488,577	4,727	164,007	–	7,561,774

*The Montanaro Better World Fund was launched on 10 April 2018.

**See Foreign Currency Translation Adjustment Note 13.

3. Cash and Cash Equivalents

At the financial period end, the Company had a cash balance totalling €48,834,197 (31 December 2018: €40,030,242) with BNY Mellon Trust Company (Ireland) Limited.

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.

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

During the financial period, the following related party transactions were entered into:

Charles Montanaro, Director of the Company, and his family members bought/sold shares in the Montanaro Smaller Companies plc during the financial period ended 30 June 2019.

Rodney Barton, a Director of the Company until his resignation effective 31 March 2019, is employed by West Yorkshire Pension Fund, which held shares in the Sterling Class of the Montanaro European Smaller Companies Fund at 30 June 2019. West Yorkshire Pension Fund did not transact in the Montanaro Smaller Companies Plc during the financial period ended 30 June 2019.

Cedric Durant des Aulnois, a Director of the Company, holds shares in the Montanaro UK Income Fund of the Montanaro Smaller Companies Plc. He has not bought/sold shares in the Montanaro Smaller Companies Plc since his appointment as a Director on 1 April 2019.

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 2019	31 December 2018	30 June 2018
Montanaro Asset Management Limited	21,186,592	21,023,134	20,822,699
Montanaro Growth & Income Fund Limited Partnership No. 3	8,465,369	8,403,021	8,353,516

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 2019 and 31 December 2018 there were 7 Subscriber Shares of €1 each in issue (being the minimum share capital of the Company) held by the Investment Manager.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

4. Connected Persons and Related Party Transactions (continued)

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

These condensed interim financial statements have been prepared in accordance with the “Amendments to FRS 102 - Fair value hierarchy disclosures” as issued by the FRC in March 2016. The fair value measurement is categorised based on Level 1, 2 and 3 classification.

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.

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

The Company’s investments values are based on traded market prices in active markets and therefore all of the Company’s investments were classified as Level 1 at 30 June 2019 and 31 December 2018. There were no transfers between levels during the financial period. The Company does not hold any investments classified within Level 2 or Level 3. The fair value levels of the securities held by the Funds are monitored on a monthly basis by the Investment Manager. There were no financial liabilities held at 30 June 2019 and 31 December 2018.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

6. Soft Commission Arrangements

No soft commission arrangements were entered into during the financial period ended 30 June 2019, the financial year ended 31 December 2018 or the financial period ended 30 June 2018.

7. Efficient Portfolio Management

The Company may enter into derivative contracts, such as forward foreign currency, futures and options, for the purpose of efficient portfolio management. 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 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 did not enter into any derivative contracts during the financial period ended 30 June 2019, the financial year ended 31 December 2018 or the financial period ended 30 June 2018 for efficient portfolio management or any other purpose.

When required, the Company will use the commitment approach to calculate its global exposure.

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 2019 and 31 December 2018 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 (effective 27 June 2019) 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.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

8. Share Capital and Redeemable Participating Shares (continued)

Share Classes

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

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

30 June 2019

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

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

8. Share Capital and Redeemable Participating Shares (continued)

31 December 2018

	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	43,219,842	1,125,071	(6,229,374)	38,115,539
Euro Class	28,416,699	369,540	(10,647,205)	18,139,034
Euro Institutional Accumulation Class	16,529,734	830,208	(7,164,159)	10,195,783
Euro Institutional Distribution Class	3,201,319	913,506	(1,035,190)	3,079,635
Sterling Class	7,422,517	46,876	(3,816,414)	3,652,979
Sterling Institutional Distribution Class	12,910,428	802,871	(684,824)	13,028,475
Swedish Krona Accumulation Class	1,267,520	4,673	(799,032)	473,161
US Dollar Class	271,326	3,666	(118,082)	156,910
Montanaro UK Income Fund				
Euro Class	10,814	281,652	(91)	292,375
Euro Seed Class	3,288,662	136,766	(259,556)	3,165,872
Sterling Accumulation Class**	–	946,446	(6,308)	940,138
Sterling Class	2,670,090	21,330,461	(2,585,397)	21,415,154
Sterling Seed Class	117,248,007	51,095,812	(3,356,980)	164,986,839
Montanaro UK Smaller Companies Fund***				
Sterling Distribution Class	27,278,239	46,729	(27,324,968)	–
Montanaro European Income Fund				
Euro Class	4,787,428	4,579,570	(323,856)	9,043,142
Sterling Accumulation Class**	–	140,503	(592)	139,911
Sterling Class	89,861,665	24,299,492	(17,265,303)	96,895,854
Montanaro European MidCap Fund				
Euro Distribution Class	50,420,565	3,662,309	(356,723)	53,726,151
Euro Institutional Accumulation Class	4,434,717	1,652,042	(90,616)	5,996,143
Montanaro Select Fund				
Euro Distribution Class	4,014,545	53,647	–	4,068,192
Sterling Distribution Class	5,172,457	113,758	–	5,286,215
Montanaro Better World Fund*				
Euro Distribution Class	–	5,786,980	–	5,786,980
Sterling Distribution Class	–	114,834,456	(12,793)	114,821,663

*The Montanaro Better World Fund was launched on 10 April 2018.

**The Sterling Accumulation Share Class was launched on 2 July 2018.

***The Montanaro UK Smaller Companies Fund was terminated on 28 September 2018.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

8. Share Capital and Redeemable Participating Shares (continued)

30 June 2018

	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	43,219,842	758,214	(5,338,139)	38,639,917
Euro Class	28,416,699	317,095	(9,947,685)	18,786,109
Euro Institutional Accumulation Class	16,529,734	547,247	(3,553,700)	13,523,281
Euro Institutional Distribution Class	3,201,319	533,494	(917,864)	2,816,949
Sterling Class	7,422,517	33,300	(2,727,269)	4,728,548
Sterling Institutional Distribution Class	12,910,428	511,618	(348,572)	13,073,474
Swedish Krona Accumulation Class	1,267,520	2,209	(799,032)	470,697
US Dollar Class	271,326	3,667	(118,083)	156,910
Montanaro UK Income Fund				
Euro Class	10,814	51,610	–	62,424
Euro Seed Class	3,288,662	116,252	(106,249)	3,298,665
Sterling Class	2,670,090	6,808,341	(1,872,518)	7,605,913
Sterling Seed Class	117,248,007	26,064,827	(1,829,326)	141,483,508
Montanaro UK Smaller Companies Fund				
Sterling Distribution Class	27,278,239	34,936	(27,015,690)	297,485
Montanaro European Income Fund				
Euro Class	4,787,428	2,417,218	(120,287)	7,084,359
Sterling Class	89,861,665	11,192,214	(10,850,623)	90,203,256
Montanaro European MidCap Fund				
Euro Distribution Class	50,420,565	116,013	(2,569)	50,534,009
Euro Institutional Accumulation Class	4,434,717	761,195	(34,415)	5,161,497
Montanaro Select Fund				
Euro Distribution Class	4,014,545	53,647	–	4,068,192
Sterling Distribution Class	5,172,457	68,024	–	5,240,481
Montanaro Better World Fund*				
Euro Distribution Class	–	5,772,633	–	5,772,633
Sterling Distribution Class	–	104,228,538	–	104,228,538

*The Montanaro Better World Fund was launched on 10 April 2018.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

9. Exchange Rates

The exchange rates to Euro (€) at the financial period ended 30 June 2019, financial year ended 31 December 2018 and financial period ended 30 June 2018 are as follows:

	30 June 2019	31 December 2018	30 June 2018
Australian Dollar	1.6228	1.6238	1.5802
Danish Krone	7.4637	7.4624	7.4507
Hong Kong Dollar	8.8969	8.9501	9.1600
Japanese Yen	122.6944	125.4208	129.3237
New Zealand Dollar	1.6955	1.7048	1.7245
Norwegian Krone	9.7095	9.8987	9.5160
Pound Sterling	0.8948	0.8976	0.8843
Swedish Krona	10.5660	10.1350	10.4449
Swiss Franc	1.1103	1.1269	1.1593
US Dollar	1.1388	1.1432	1.1676

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 2019

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

30 June 2019

	Net assets for dealing	Shares in issue	NAV per share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€220,780,247	36,553,626	€6.040
Euro Class	€122,247,774	19,518,298	€6.263
Euro Institutional Accumulation Class	€55,048,859	8,450,354	€6.514
Euro Institutional Distribution Class	€18,388,406	2,913,099	€6.312
Sterling Class	£20,554,714	3,634,621	£5.655
Sterling Institutional Distribution Class	£70,982,625	12,336,605	£5.754
Swedish Krona Accumulation Class	kr6,720,792	315,326	kr21.314
US Dollar Class	\$345,278	101,912	\$3.388
Montanaro UK Income Fund			
Euro Class	€171,834	194,330	€0.884
Euro Seed Class	€3,923,999	3,148,553	€1.246
Sterling Accumulation Class	£1,349,703	1,367,214	£0.987
Sterling Class	£56,344,204	49,982,102	£1.127
Sterling Seed Class	£349,206,859	176,640,872	£1.977
Montanaro European Income Fund			
Euro Class	€12,435,750	10,635,132	€1.169
Sterling Accumulation Class	£613,821	580,551	£1.057
Sterling Class	£212,880,717	107,779,009	£1.975
Montanaro European MidCap Fund			
Euro Distribution Class	€112,886,220	50,937,112	€2.216
Euro Institutional Accumulation Class	€14,356,416	6,146,186	€2.336
Montanaro Select Fund			
Euro Distribution Class	€5,791,870	4,126,287	€1.404
Sterling Distribution Class	£8,117,702	5,427,920	£1.496
Montanaro Better World Fund			
Euro Distribution Class	€8,134,413	6,851,340	€1.187
Sterling Distribution Class	£142,341,672	116,721,763	£1.219

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

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

31 December 2018

	Net assets for dealing	Shares in issue	NAV per share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€189,883,377	38,115,539	€4.982
Euro Class	€93,732,894	18,139,034	€5.167
Euro Institutional Accumulation Class	€53,866,503	10,195,783	€5.283
Euro Institutional Distribution Class	€16,124,385	3,079,635	€5.236
Sterling Class	£17,093,597	3,652,979	£4.679
Sterling Institutional Distribution Class	£62,408,991	13,028,475	£4.790
Swedish Krona Accumulation Class	kr8,000,175	473,161	kr16.908
US Dollar Class	\$442,450	156,910	\$2.820
Montanaro UK Income Fund			
Euro Class	€228,095	292,375	€0.780
Euro Seed Class	€3,471,393	3,165,872	€1.097
Sterling Accumulation Class**	£809,000	940,138	£0.861
Sterling Class	£21,339,962	21,415,154	£0.996
Sterling Seed Class	£287,875,846	164,986,839	£1.745
Montanaro European Income Fund			
Euro Class	€9,118,219	9,043,142	€1.008
Sterling Accumulation Class**	£127,181	139,911	£0.909
Sterling Class	£165,581,934	96,895,854	£1.709
Montanaro European MidCap Fund			
Euro Distribution Class	€100,757,267	53,726,151	€1.875
Euro Institutional Accumulation Class	€11,767,686	5,996,143	€1.963
Montanaro Select Fund			
Euro Distribution Class	€4,644,230	4,068,192	€1.142
Sterling Distribution Class	£6,451,377	5,286,215	£1.220
Montanaro Better World Fund*			
Euro Distribution Class	€5,406,202	5,786,980	€0.934
Sterling Distribution Class	£110,497,990	114,821,663	£0.962

*The Montanaro Better World Fund was launched on 10 April 2018.

**The Sterling Accumulation Class was launched on 2 July 2018.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

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

30 June 2018

	Net assets for dealing	Shares in issue	NAV per share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€221,960,993	38,639,917	€5.744
Euro Class	€111,932,261	18,786,109	€5.958
Euro Institutional Accumulation Class	€82,663,395	13,523,281	€6.113
Euro Institutional Distribution Class	€16,952,498	2,816,949	€6.018
Sterling Class	£25,115,358	4,728,548	£5.311
Sterling Institutional Distribution Class	£70,857,639	13,073,474	£5.420
Swedish Krona Accumulation Class	kr9,365,909	470,697	kr19.898
US Dollar Class	\$520,363	156,910	\$3.316
Montanaro UK Income Fund			
Euro Class	€59,030	62,424	€0.946
Euro Seed Class	€4,376,263	3,298,665	€1.327
Sterling Class	£9,058,997	7,605,913	£1.191
Sterling Seed Class	£294,284,149	141,483,508	£2.080
Montanaro UK Smaller Companies Fund			
Sterling Distribution Class	£549,837	297,485	£1.848
Montanaro European Income Fund			
Euro Class	€8,250,054	7,084,359	€1.165
Sterling Class	£175,401,440	90,203,256	£1.945
Montanaro European MidCap Fund			
Euro Distribution Class	€105,722,230	50,534,009	€2.092
Euro Institutional Accumulation Class	€11,275,342	5,161,497	€2.185
Montanaro Select Fund			
Euro Distribution Class	€5,505,104	4,068,192	€1.353
Sterling Distribution Class	£7,472,582	5,240,481	£1.426
Montanaro Better World Fund*			
Euro Distribution Class	€6,286,738	5,772,633	€1.089
Sterling Distribution Class	£115,208,916	104,228,538	£1.105

*The Montanaro Better World Fund was launched on 10 April 2018.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

12. Comparatives

The comparative financial statements relate to the financial year ended 31 December 2018 and the six month financial period ended 30 June 2018.

For the 30 June 2019 interim financial statements, "Income distributions" are presented within the financial statements in the Statement of Comprehensive Income. The 30 June 2018 comparative has accordingly been re-classified from the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares to the Statement of Comprehensive Income. Directors' fees payable as at 30 June 2019 are presented within Other accrued expenses payable in the Statement of Financial Position. Consequently, the 31 December 2018 comparative which disclosed these Directors fees separately has been re-classified accordingly.

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 2019 for Montanaro UK Income Fund was a profit of £1,420,905 (30 June 2018: loss of £646,293). Montanaro UK Smaller Companies Fund (terminated 28 September 2018) had a loss of £429,778 in 30 June 2018.

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

30 June 2019

Average Euro/Pound Sterling 1.1455

Spot Euro/Pound Sterling 1.1176

30 June 2018

Average Euro/Pound Sterling 1.1368

Spot Euro/Pound Sterling 1.1308

14. Right to Publicly Market Shares in Germany

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

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

15. Valuation date

The financial statements have been prepared on the last NAV of the period which was calculated on 28 June 2019 with a price of that date.

16. Events during the Financial Period

The following distributions were approved by the Directors during the financial period ending 30 June 2019.

Ex-Date of 8 February 2019:

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.006721	€1,965
Euro Seed Class	€0.009441	€29,891
Sterling Class	£0.007490	£179,681
Sterling Seed Class	£0.014617	£2,417,536

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

16. Events during the Financial Period (continued)

Ex-Date of 8 February 2019 (continued):

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.003680	€35,342
Sterling Class	£0.006419	£625,893

Ex-Date of 13 March 2019:

Montanaro European Smaller Companies Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.003211	€58,102
Euro Institutional Distribution Class	€0.052862	€135,778
Sterling Institutional Distribution Class	£0.046249	£572,657

Montanaro European MidCap Fund

Share Class	Rate per Share	Distribution
Euro Distribution Class	€0.008023	€431,384

Montanaro Select Fund

Share Class	Rate per Share	Distribution
Euro Distribution Class	€0.019250	€78,313
Sterling Distribution Class	£0.019578	£103,817

Montanaro Better World Fund

Share Class	Rate per Share	Distribution
Euro Distribution Class	€0.002610	€15,125
Sterling Distribution Class	£0.002304	£266,191

Ex-Date of 1 April 2019:

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.006221	€775
Euro Seed Class	€0.008752	€27,768
Sterling Class	£0.007636	£207,908
Sterling Seed Class	£0.013369	£2,238,592

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.003043	€29,774
Sterling Class	£0.004951	£489,013

Effective 31 March 2019, Rodney Barton resigned as a Director of the Company and Cedric Durant des Aulnois (who previously held the position of alternate Director to Charles Montanaro) was appointed as a Director effective 1 April 2019.

A supplement to the Prospectus was issued on 27 June 2019 to reflect the availability of the following share class on the Montanaro Better World Fund: Swedish Krona Institutional Accumulation Class. This share class has a minimum subscription of €150,000,000 and was launched on 28 June 2019.

A First Addendum was issued on 27 June 2019 setting out details of amendments to the Prospectus in respect of Rodney Barton's resignation, Cedric Durant des Aulnois' appointment as a Director of the Company and also in respect of the change in the distribution policy of the Montanaro European Income Fund to allow the Fund to pay distributions out of capital.

MONTANARO SMALLER COMPANIES PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2019

16. Events during the Financial Period (continued)

There is considerable uncertainty in relation the outcome of the Brexit negotiations between the European Union and the UK. The Board monitors the situation closely and continues to plan for necessary and timely contingencies to account for these uncertainties.

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

17. Events since the Financial Period End

The following distributions in respect of the financial period ending 30 June 2019 were approved by the Directors:

Ex-Date of 1 July 2019:

Montanaro UK Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.016555	€3,217
Euro Seed Class	€0.023321	€73,430
Sterling Class	£0.021106	£1,053,307
Sterling Seed Class	£0.036994	£6,535,323

Montanaro European Income Fund

Share Class	Rate per Share	Distribution
Euro Class	€0.022174	€235,971
Sterling Class	£0.037456	£4,038,448

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

18. Approval of Financial Statements

These financial statements were approved by the Directors of the Company on 27 August 2019.

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND

As at 30 June 2019

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 2018: 1.72%)			
150,000	Melexis NV	8,917,500	1.72
		8,917,500	1.72
Denmark (31 December 2018: 5.05%)			
200,000	SimCorp A/S	17,015,694	3.27
135,000	Chr Hansen Holding A/S	11,149,165	2.15
		28,164,859	5.42
France (31 December 2018: 4.38%)			
120,000	Sartorius Stedim Biotech	16,560,000	3.19
100,000	Orpea	10,650,000	2.05
		27,210,000	5.24
Germany (31 December 2018: 14.41%)			
80,000	MTU Aero Engines AG	16,728,000	3.22
23,000	Rational AG	13,903,500	2.68
325,000	CTS Eventim AG & Co KGaA	13,279,500	2.55
150,000	CompuGroup Medical SE	10,605,000	2.04
100,000	GRENKE AG	9,455,000	1.82
70,000	Carl Zeiss Meditec AG	5,995,500	1.15
90,000	Nemetschek SE	4,752,000	0.91
16,100	Hypoport AG	3,880,100	0.75
		78,598,600	15.12
Iceland (31 December 2018: Nil%)			
2,000,000	Marel HF '144A'	7,755,000	1.49
		7,755,000	1.49
Ireland (31 December 2018: 2.53%)			
250,000	Kingspan Group Plc	11,930,000	2.30
		11,930,000	2.30
Italy (31 December 2018: 9.78%)			
1,100,000	Freni Brembo SpA	11,176,000	2.15
150,000	IMA Industria Macchine Automatiche SpA	10,905,000	2.10
175,000	Recordati SpA	6,377,000	1.23
225,000	MARR SpA	4,522,500	0.87
250,000	De' Longhi SpA	4,450,000	0.85
200,000	Amplifon SpA	4,104,000	0.79
		41,534,500	7.99
Netherlands (31 December 2018: 3.95%)			
175,000	IMCD NV	14,087,500	2.71
525,000	Intertrust NV '144A'	9,570,750	1.84
		23,658,250	4.55

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND (continued)

As at 30 June 2019

Shares	Description	Fair value €	% of net assets
Norway (31 December 2018: 1.45%)			
150,000	Bakkafrost P/F	7,353,646	1.41
170,000	Tomra Systems ASA	4,909,434	0.94
		12,263,080	2.35
Spain (31 December 2018: 3.50%)			
800,000	Merlin Properties Socimi SA (REIT)	9,680,000	1.86
3,000,000	Prosegur Cash SA '144A'	5,184,000	1.00
		14,864,000	2.86
Sweden (31 December 2018: 13.72%)			
600,000	Thule Group AB '144A'	12,992,596	2.50
1,000,000	Elekta AB	12,691,631	2.44
500,000	AAK AB	8,269,435	1.59
250,000	Loomis AB - Class B	7,538,317	1.45
550,000	RaySearch Laboratories AB	6,954,370	1.34
365,000	Vitrolife AB	6,259,501	1.21
450,000	Biotage AB	4,650,759	0.90
650,000	Avanza Bank Holding AB	4,367,776	0.84
244,732	Fortnox AB	3,242,705	0.62
		66,967,090	12.89
Switzerland (31 December 2018: 5.03%)			
3,000	Belimo Holding AG	16,184,372	3.11
27,500	VZ Holding AG	6,575,745	1.27
5,000	LEM Holding SA	6,169,335	1.19
		28,929,452	5.57
United Kingdom (31 December 2018: 32.06%)			
2,500,000	Rightmove Plc	14,919,698	2.87
1,900,000	Marshalls Plc	14,460,373	2.78
1,000,000	St James's Place Plc	12,237,505	2.35
500,000	Halma Plc	11,270,798	2.17
1,000,000	Big Yellow Group Plc (REIT)	11,080,810	2.13
450,000	James Fisher & Sons Plc	9,595,545	1.85
1,000,000	Shaftesbury Plc (REIT)	8,996,522	1.73
4,750,000	NCC Group Plc	8,610,398	1.66
3,000,000	Cineworld Group Plc	8,472,377	1.63
250,000	Dechra Pharmaceuticals Plc	7,655,426	1.47
1,750,000	IntegraFin Holdings Plc	7,425,065	1.43
775,000	Consort Medical Plc	7,379,383	1.42
2,000,000	Domino's Pizza Group Plc	6,209,277	1.19
130,000	Renishaw Plc	6,128,140	1.18
200,000	4imprint Group Plc	6,012,583	1.16
150,000	First Derivatives Plc	5,951,116	1.15
1,000,000	Advanced Medical Solutions Group Plc	3,352,741	0.65
150,000	Hiscox Ltd	2,828,037	0.54
1,500,000	Ideagen Plc	2,623,520	0.50

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND (continued)

As at 30 June 2019

Shares	Description	Fair value €	% of net assets
United Kingdom (31 December 2018: 32.06%) (continued)			
90,000	Cranswick Plc	2,593,010	0.50
		157,802,324	30.36
Total equities		508,594,655	97.86
Total financial assets at fair value through profit or loss		508,594,655	97.86
Cash and cash equivalents		17,661,723	3.40
Other net liabilities		(6,551,421)	(1.26)
Total net assets attributable to holders of redeemable participating shares		519,704,957	100.00

Analysis of Total Assets	% of Total Assets
Financial assets at fair value through profit or loss	95.91
Cash and cash equivalents	3.33
Other assets	0.76
Total assets	100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO UK INCOME FUND

As at 30 June 2019

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 2018: 0.99%)			
60,000	Melexis NV	3,191,717	0.78
		3,191,717	0.78
Italy (31 December 2018: 2.33%)			
300,000	MARR SpA	5,395,585	1.31
1,000,000	Enav SpA '144A'	4,466,793	1.09
		9,862,378	2.40
Netherlands (31 December 2018: 1.05%)			
300,000	Intertrust NV '144A'	4,893,608	1.19
		4,893,608	1.19
Norway (31 December 2018: 0.92%)			
100,000	Bakkafrost P/F	4,386,647	1.07
		4,386,647	1.07
Spain - Nil (31 December 2018: 1.70%)			
Sweden (31 December 2018: 0.80%)			
250,000	Thule Group AB '144A'	4,844,020	1.18
150,000	Loomis AB - Class B	4,047,127	0.99
375,000	NCAB Group AB	3,906,126	0.95
		12,797,273	3.12
Switzerland (31 December 2018: 1.65%)			
125,000	Galenica AG '144A'	4,923,911	1.20
		4,923,911	1.20
United Kingdom (31 December 2018: 86.25%)			
650,000	4imprint Group Plc	17,485,000	4.26
2,500,000	Marshalls Plc	17,025,000	4.15
1,575,000	Big Yellow Group Plc (REIT)	15,616,125	3.80
3,100,000	Polypipe Group plc	13,720,600	3.34
3,500,000	IntegraFin Holdings Plc	13,287,750	3.24
5,000,000	Cineworld Group Plc	12,635,000	3.08
1,350,000	FDM Group Holdings Plc	12,541,500	3.05
4,000,000	Brewin Dolphin Holdings Plc	12,160,000	2.96
5,000,000	BCA Marketplace Plc	12,140,000	2.96
535,000	Victrex Plc	11,620,200	2.83
2,750,000	Jupiter Fund Management Plc	11,610,500	2.83
600,000	James Fisher & Sons Plc	11,448,000	2.79
1,000,000	St James's Place Plc	10,950,000	2.67
525,000	Severn Trent Plc	10,704,750	2.61
1,425,000	Pennon Group Plc	10,519,350	2.56
1,000,000	Bovis Homes Group Plc	10,270,000	2.50
450,000	XP Power Ltd	9,963,000	2.43
1,100,000	Britvic Plc	9,751,500	2.38
1,000,000	Hilton Food Group Plc	9,640,000	2.35
2,150,000	DiscoverIE Group Plc	8,879,500	2.16
335,000	Clarkson Plc	8,375,000	2.04
1,276,000	Mucklow A & J Group Plc (REIT)	8,230,200	2.00
6,000,000	Primary Health Properties Plc (REIT)	8,016,000	1.95
7,000,000	RPS Group Plc	7,405,300	1.80

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS
MONTANARO UK INCOME FUND (continued)

As at 30 June 2019

Shares	Description	Fair value £	% of net assets
United Kingdom (31 December 2018: 86.25%) (continued)			
4,500,000	Taylor Wimpey Plc	7,069,500	1.72
450,000	Diploma Plc	6,844,500	1.67
3,000,000	Equiniti Group Plc '144A'	6,570,000	1.60
4,000,000	NCC Group Plc	6,488,000	1.58
2,750,000	Charles Taylor Plc	6,314,000	1.54
2,750,000	Bloomsbury Publishing Plc	6,297,500	1.53
1,250,000	Headlam Group Plc	5,987,500	1.46
775,000	Ricardo Plc	5,890,000	1.43
900,000	Ashmore Group Plc	4,576,500	1.11
175,000	Cranswick Plc	4,511,500	1.10
190,000	Rathbone Brothers Plc	4,208,500	1.03
450,000	Savills Plc	4,029,750	0.98
1,350,000	Domino's Pizza Group Plc	3,750,300	0.91
110,000	Derwent London Plc (REIT)	3,410,000	0.83
400,000	Consort Medical Plc	3,408,000	0.83
1,300,000	Mears Group Plc	3,357,380	0.82
3,000,000	XPS Pensions Group Plc	2,934,000	0.71
		359,641,205	87.59
Total equities		399,696,739	97.35
Total financial assets at fair value through profit or loss		399,696,739	97.35
Cash and cash equivalents		9,126,498	2.22
Other net assets		1,742,700	0.43
Total net assets attributable to holders of redeemable participating shares		410,565,937	100.00
			% of Total
Analysis of Total Assets			Assets
Financial assets at fair value through profit or loss			97.04
Cash and cash equivalents			2.22
Other assets			0.74
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO EUROPEAN INCOME FUND

As at 30 June 2019

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 2018: 1.44%)			
60,000	Melexis NV	3,567,000	1.42
		3,567,000	1.42
Denmark (31 December 2018: 6.50%)			
310,000	Tryg A/S	8,863,435	3.53
45,000	SimCorp A/S	3,828,531	1.52
40,000	Chr Hansen Holding A/S	3,303,456	1.32
		15,995,422	6.37
France (31 December 2018: 14.45%)			
300,000	Bureau Veritas SA	6,507,000	2.59
140,000	Edenred	6,291,600	2.51
90,000	Euronext NV '144A'	5,985,000	2.38
60,000	Gaztransport Et Technigaz SA	5,298,000	2.11
80,000	Amundi SA '144A'	4,900,000	1.95
250,000	Getlink SE	3,527,500	1.41
90,000	Kaufman & Broad SA	3,024,000	1.21
50,000	Thermador Groupe	2,860,000	1.14
200,000	Mercialys SA (REIT)	2,336,000	0.93
		40,729,100	16.23
Germany (31 December 2018: 9.77%)			
25,000	MTU Aero Engines AG	5,227,500	2.08
120,000	CTS Eventim AG & Co KGaA	4,903,200	1.95
7,000	Rational AG	4,231,500	1.69
30,000	Amadeus Fire AG	3,570,000	1.42
100,000	Mensch und Maschine Software SE	3,550,000	1.42
50,000	Fielmann AG	3,197,500	1.27
55,000	FUCHS PETROLUB SE - Preference	1,907,400	0.76
		26,587,100	10.59
Italy (31 December 2018: 17.48%)			
100,000	IMA Industria Macchine Automatiche SpA	7,270,000	2.89
330,000	MARR SpA	6,633,000	2.64
1,200,000	Enav SpA '144A'	5,990,400	2.39
150,000	Recordati SpA	5,466,000	2.18
600,000	Cerved Group SpA	4,665,000	1.86
200,000	De' Longhi SpA	3,560,000	1.42
200,000	Freni Brembo SpA	2,032,000	0.81
		35,616,400	14.19
Netherlands (31 December 2018: 2.27%)			
350,000	Intertrust NV '144A'	6,380,500	2.54
		6,380,500	2.54
Norway (31 December 2018: 6.87%)			
170,000	TGS NOPEC Geophysical Co ASA	4,188,076	1.67
80,000	Bakkafrøst P/F	3,921,945	1.56
300,000	Atea ASA	3,584,130	1.43
300,000	Borregaard ASA	3,052,690	1.22
2,500,000	Kitron ASA	2,368,822	0.94
		17,115,663	6.82

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN INCOME FUND (continued)

As at 30 June 2019

Shares	Description	Fair value €	% of net assets
Portugal (31 December 2018: 4.18%)			
900,000	NOS SGPS SA	5,193,000	2.07
420,000	Corticeira Amorim SGPS SA	4,250,400	1.69
		9,443,400	3.76
Spain (31 December 2018: 10.92%)			
600,000	Merlin Properties Socimi SA (REIT)	7,260,000	2.89
300,000	Red Electrica Corp SA	5,496,000	2.19
90,000	Viscofan SA	4,132,800	1.65
135,000	Bolsas y Mercados Espanoles SHMSF SA	2,913,300	1.16
1,500,000	Prosegur Cash SA '144A'	2,592,000	1.03
		22,394,100	8.92
Sweden (31 December 2018: 15.96%)			
325,000	Thule Group AB '144A'	7,037,656	2.80
130,000	Nolato AB	6,939,227	2.76
220,000	Loomis AB - Class B	6,633,720	2.64
300,000	Hufvudstaden AB	4,471,883	1.78
220,000	KNOW IT AB	4,434,973	1.77
600,000	Avanza Bank Holding AB	4,031,793	1.61
300,000	NCAB Group AB	3,492,328	1.39
200,000	Beijer Alma AB	2,347,147	0.94
200,000	Biotage AB	2,067,004	0.82
300,000	Nilorngruppen AB	2,052,807	0.82
		43,508,538	17.33
Switzerland (31 December 2018: 5.77%)			
140,000	Galenica AG '144A'	6,163,210	2.46
8,000	Partners Group Holding AG	5,498,904	2.19
2,000	LEM Holding SA	2,467,734	0.98
10,000	Burckhardt Compression Holding AG	2,328,136	0.93
		16,457,984	6.56
Total equities		237,795,207	94.73
Total financial assets at fair value through profit or loss		237,795,207	94.73
Cash and cash equivalents		12,739,766	5.07
Other net assets		498,239	0.20
Total net assets attributable to holders of redeemable participating shares		251,033,212	100.00
Analysis of Total Assets			% of Total Assets
Financial assets at fair value through profit or loss			94.53
Cash and cash equivalents			5.06
Other assets			0.41
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO EUROPEAN MIDCAP FUND

As at 30 June 2019

Shares	Description	Fair value €	% of net assets
Transferable securities admitted to a stock exchange listing or dealt in on another regulated market			
France (31 December 2018: 11.64%)			
44,000	Sartorius Stedim Biotech	6,072,000	4.77
86,000	Amundi SA '144A'	5,267,500	4.14
340,000	Getlink SE	4,797,400	3.77
25,000	Teleperformance	4,382,500	3.44
95,000	Edenred	4,269,300	3.36
		24,788,700	19.48
Germany (31 December 2018: 15.21%)			
27,000	MTU Aero Engines AG	5,645,700	4.44
135,000	CTS Eventim AG & Co KGaA	5,516,100	4.34
65,000	Symrise AG - Class A	5,515,900	4.33
57,500	Fielmann AG	3,677,125	2.89
		20,354,825	16.00
Ireland (31 December 2018: 4.15%)			
54,000	Kerry Group Plc	5,653,800	4.44
		5,653,800	4.44
Italy (31 December 2018: 4.39%)			
150,000	Recordati SpA	5,466,000	4.29
125,000	Moncler SpA	4,695,000	3.69
		10,161,000	7.98
Spain (31 December 2018: 8.22%)			
200,000	Red Electrica Corp SA	3,664,000	2.88
		3,664,000	2.88
Sweden (31 December 2018: 12.23%)			
410,000	Elektro AB	5,203,569	4.09
103,000	Hexagon AB	5,016,440	3.94
		10,220,009	8.03
Switzerland (31 December 2018: 3.72%)			
40,000	Temenos AG	6,268,405	4.93
		6,268,405	4.93
United Kingdom (31 December 2018: 34.87%)			
230,000	Ashtead Group Plc	5,791,190	4.55
450,000	St James's Place Plc	5,506,877	4.33
240,000	Halma Plc	5,409,983	4.25
820,000	Auto Trader Group Plc '144A'	4,996,300	3.93
196,000	Bunzl Plc	4,547,390	3.57
760,000	Rightmove Plc	4,535,588	3.57
190,000	Severn Trent Plc	4,329,618	3.40
2,400,000	Taylor Wimpey Plc	4,213,725	3.31

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN MIDCAP FUND (continued)

As at 30 June 2019

Shares	Description	Fair value €	% of net assets
United Kingdom (31 December 2018: 34.87%) (continued)			
1,360,000	Cineworld Group Plc	3,840,811	3.02
		43,171,482	33.93
Total equities		124,282,221	97.67
Total financial assets at fair value through profit or loss		124,282,221	97.67
Cash and cash equivalents		3,723,930	2.93
Other net liabilities		(763,515)	(0.60)
Total net assets attributable to holders of redeemable participating shares		127,242,636	100.00
Analysis of Total Assets			% of Total Assets
Financial assets at fair value through profit or loss			96.12
Cash and cash equivalents			2.88
Other assets			1.00
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO SELECT FUND

As at 30 June 2019

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 2018: 3.23%)			
6,000	Melexis NV	356,700	2.40
		356,700	2.40
Denmark (31 December 2018: 5.30%)			
5,000	SimCorp A/S	425,393	2.86
4,250	Chr Hansen Holding A/S	350,992	2.36
		776,385	5.22
France (31 December 2018: 5.00%)			
4,000	Sartorius Stedim Biotech	552,000	3.72
3,700	Orpea	394,050	2.65
		946,050	6.37
Germany (31 December 2018: 11.99%)			
3,000	MTU Aero Engines AG	627,300	4.22
13,000	CTS Eventim AG & Co KGaA	531,180	3.57
5,000	GRENKE AG	472,750	3.18
700	Rational AG	423,150	2.85
		2,054,380	13.82
Italy (31 December 2018: 5.35%)			
6,500	Reply SpA	387,075	2.60
		387,075	2.60
Netherlands (31 December 2018: 4.26%)			
9,000	IMCD NV	724,500	4.87
		724,500	4.87
Sweden (31 December 2018: 14.14%)			
36,000	AAK AB	595,399	4.01
25,000	Thule Group AB '144A'	541,358	3.64
30,000	Elektro AB	380,749	2.56
20,000	MIPS AB	350,558	2.36
25,000	Biotage AB	258,376	1.74
12,500	Vitrolife AB	214,366	1.44
		2,340,806	15.75
Switzerland (31 December 2018: 3.78%)			
1,900	VZ Holding AG	454,324	3.06
		454,324	3.06
United Kingdom (31 December 2018: 41.87%)			
30,000	4imprint Group Plc	901,887	6.07
27,000	Ashtead Group Plc	679,835	4.57
17,000	First Derivatives Plc	674,460	4.54
50,000	Hilton Food Group Plc	538,674	3.62
42,500	St James's Place Plc	520,094	3.50
115,000	Restore Plc	510,231	3.43
45,000	Big Yellow Group Plc (REIT)	498,636	3.36

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO SELECT FUND (continued)

As at 30 June 2019

Shares	Description	Fair value €	% of net assets
United Kingdom (31 December 2018: 41.87%) (continued)			
110,000	IntegraFin Holdings Plc	466,718	3.14
20,000	Halma Plc	450,832	3.03
130,000	Clipper Logistics Plc	414,064	2.79
70,000	Smart Metering Systems Plc	413,449	2.78
8,000	Cranswick Plc	230,490	1.55
		6,299,370	42.38
Total equities		14,339,590	96.47
Total financial assets at fair value through profit or loss		14,339,590	96.47
Cash and cash equivalents		767,986	5.17
Other net liabilities		(243,516)	(1.64)
Total net assets attributable to holders of redeemable participating shares		14,864,060	100.00
Analysis of Total Assets			% of Total Assets
Financial assets at fair value through profit or loss			94.72
Cash and cash equivalents			5.07
Other assets			0.21
Total assets			100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS MONTANARO BETTER WORLD FUND

As at 30 June 2019

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 2018: 3.55%)			
35,000	Cochlear Ltd	4,461,054	2.67
400,000	IDP Education Ltd	4,352,970	2.60
150,000	Pro Medicus Ltd	2,337,626	1.40
		11,151,650	6.67
Belgium (31 December 2018: 2.18%)			
55,000	Melexis NV	3,269,750	1.96
		3,269,750	1.96
Denmark (31 December 2018: 5.74%)			
50,000	Chr Hansen Holding A/S	4,129,320	2.47
75,000	Novozymes A/S	3,075,888	1.84
		7,205,208	4.31
France (31 December 2018: 4.98%)			
42,500	Sartorius Stedim Biotech	5,865,000	3.51
37,500	Orpea	3,993,750	2.39
		9,858,750	5.90
Germany (31 December 2018: 7.60%)			
90,000	Nemetschek SE	4,752,000	2.84
5,750	Rational AG	3,475,875	2.08
30,000	Carl Zeiss Meditec AG	2,569,500	1.54
		10,797,375	6.46
Hong Kong (31 December 2018: 3.74%)			
3,500,000	China Everbright International Ltd	2,836,388	1.69
625,000	Vitasoy International Holdings Ltd	2,637,864	1.58
		5,474,252	3.27
Ireland (31 December 2018: 2.69%)			
92,500	Kingspan Group Plc	4,414,100	2.64
		4,414,100	2.64
Italy (31 December 2018: 2.19%)			
200,000	Amplifon SpA	4,104,000	2.45
		4,104,000	2.45
Japan (31 December 2018: 5.87%)			
65,000	Mani Inc	3,660,723	2.19
200,000	Santen Pharmaceutical Co Ltd	2,909,669	1.74
50,000	Shionogi & Co Ltd	2,530,271	1.51
55,000	Pigeon Corp	1,943,243	1.16
		11,043,906	6.60
Netherlands (31 December 2018: 1.85%)			
5,500	Adyen NV '144A'	3,694,900	2.21
		3,694,900	2.21
New Zealand (31 December 2018: 2.70%)			
600,000	Ryman Healthcare Ltd	4,158,001	2.49
		4,158,001	2.49

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO BETTER WORLD FUND (continued)

As at 30 June 2019

Shares	Description	Fair value €	% of net assets
Sweden (31 December 2018: 4.27%)			
200,000	Thule Group AB '144A'	4,330,865	2.59
250,000	Biotage AB	2,583,755	1.55
		6,914,620	4.14
Switzerland (31 December 2018: 3.36%)			
750	Belimo Holding AG	4,046,093	2.42
10,000	Tecan Group AG	2,273,197	1.36
		6,319,290	3.78
United Kingdom (31 December 2018: 17.86%)			
250,000	Halma Plc	5,635,399	3.37
42,500	Spirax-Sarco Engineering Plc	4,360,240	2.61
875,000	Polypipe Group plc	4,328,109	2.59
75,000	Croda International Plc	4,270,554	2.55
100,000	First Derivatives Plc	3,967,410	2.37
92,500	Victrex Plc	2,245,331	1.34
500,000	Restore Plc	2,218,397	1.33
42,500	Renishaw Plc	2,003,431	1.20
500,000	Tristel Plc	1,620,492	0.97
250,000	Smart Metering Systems Plc	1,476,603	0.88
		32,125,966	19.21
United States (31 December 2018: 29.21%)			
30,000	ANSYS Inc	5,364,329	3.21
65,000	Qualys Inc	4,968,605	2.97
60,000	Medidata Solutions Inc	4,792,938	2.86
25,000	Waters Corp	4,694,194	2.81
75,000	SolarEdge Technologies Inc	4,085,220	2.44
15,000	IDEXX Laboratories Inc	3,577,976	2.14
32,500	Grand Canyon Education Inc	3,379,280	2.02
52,500	Alarm.com Holdings Inc	2,462,723	1.47
47,500	US Ecology Inc	2,433,394	1.45
50,000	Cognex Corp	2,102,651	1.26
15,000	IPG Photonics Corp	2,004,214	1.20
30,000	Neogen Corp	1,636,722	0.98
30,000	Middlesex Water Co	1,566,122	0.94
7,500	Masimo Corp	964,568	0.58
6,000	Veeva Systems Inc - Class A	837,407	0.50
		44,870,343	26.83
Total equities		165,402,111	98.92
Total financial assets at fair value through profit or loss		165,402,111	98.92
Cash and cash equivalents		3,741,197	2.24
Other net liabilities		(1,930,532)	(1.16)
Total net assets attributable to holders of redeemable participating shares		167,212,776	100.00

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO BETTER WORLD FUND (continued)

As at 30 June 2019

	% of Total
Analysis of Total Assets	Assets
Financial assets at fair value through profit or loss	97.72
Cash and cash equivalents	2.21
Other assets	0.07
Total assets	100.00

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN SMALLER COMPANIES FUND****PORTFOLIO CHANGES – TOP 1% PURCHASES***For the financial period ended 30 June 2019*

Purchases	Nominal	Cost €
Marel HF '144A'	2,000,000	7,811,864
Tomra Systems ASA	170,000	5,103,752

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% purchases during the financial period listed in descending order. A change is defined as aggregate purchases of a security exceeding 1% of the total value of the purchases during the financial period. All purchases pertaining to the Fund for the financial period have been listed above.

PORTFOLIO CHANGES – TOP 1% SALES*For the financial period ended 30 June 2019*

Sales	Nominal	Proceeds €
Cerved Group SpA	1,000,000	7,721,916
Halma Plc	200,000	3,889,688
Krones AG	55,000	3,795,304
Loomis AB - Class B	100,000	3,005,385
Dignity Plc	250,000	1,950,626
Kingspan Group Plc	50,000	1,904,358
Elekta AB	125,000	1,424,393
Dechra Pharmaceuticals Plc	50,000	1,343,109
AAK AB	100,000	1,306,033
Rational AG	2,000	1,196,498
Merlin Properties Socimi SA (REIT)	100,000	1,129,404
CompuGroup Medical SE	25,000	1,075,726
James Fisher & Sons Plc	50,000	1,021,375
LEM Holding SA	750	787,000

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% sales during the financial period listed in descending order. A change is defined as aggregate disposals of a security exceeding 1% of the total value of sales during the financial period. All sales pertaining to the Fund for the financial period have been listed above.

MONTANARO SMALLER COMPANIES PLC**MONTANARO UK INCOME FUND****PORTFOLIO CHANGES – TOP 1% PURCHASES***For the financial period ended 30 June 2019*

Purchases	Nominal	Cost £
Taylor Wimpey Plc	4,500,000	8,317,663
Bloomsbury Publishing Plc	2,750,000	6,405,799
4imprint Group Plc	225,000	5,119,105
RPS Group Plc	2,650,000	4,766,888
Brewin Dolphin Holdings Plc	1,500,000	4,753,146
Loomis AB - Class B	150,000	4,330,938
FDM Group Holdings Plc	500,000	4,300,161
Enav SpA '144A'	1,000,000	4,278,325
XPS Pensions Group Plc	3,000,000	4,187,687
IntegraFin Holdings Plc	1,000,000	3,774,500
NCAB Group AB	380,647	3,753,167
Derwent London Plc (REIT)	110,000	3,474,117
Big Yellow Group Plc (REIT)	350,000	3,413,237
Victrex Plc	135,000	3,333,215
XP Power Ltd	150,000	3,322,064
Ricardo Plc	425,000	3,140,115
BCA Marketplace Plc	1,500,000	3,067,174
Britvic Plc	350,000	3,065,369
Pennon Group Plc	425,000	3,064,505
Severn Trent Plc	150,000	2,937,573
Bovis Homes Group Plc	275,000	2,846,264
St James's Place Plc	250,000	2,652,616
Jupiter Fund Management Plc	750,000	2,550,694
MARR SpA	125,000	2,263,347
James Fisher & Sons Plc	100,000	2,007,464
DiscoverIE Group Plc	400,000	1,539,502
Marshalls Plc	250,000	1,498,149
Cineworld Group Plc	500,000	1,475,141
Primary Health Properties Plc (REIT)	1,000,000	1,338,217
Cranswick Plc	50,000	1,318,656
Thule Group AB '144A'	75,000	1,303,591
NCC Group Plc	1,000,000	1,245,351

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% purchases during the financial period listed in descending order. A change is defined as aggregate purchases of a security exceeding 1% of the total value of the purchases during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO UK INCOME FUND****PORTFOLIO CHANGES – TOP 1% SALES***For the financial period ended 30 June 2019*

Sales	Nominal	Proceeds £
Hiscox Ltd	500,000	8,115,911
Merlin Properties Socimi SA (REIT)	600,000	6,368,345
Spirax-Sarco Engineering Plc	85,000	6,165,708
Recordati SpA	150,000	4,438,092
Dignity Plc	600,000	3,951,231
Ashmore Group Plc	850,000	3,930,108
Clipper Logistics Plc	1,500,000	3,813,214
Diploma Plc	200,000	2,989,115
Galliford Try Plc	400,000	2,730,085
Cranswick Plc	65,000	1,797,688
Savills Plc	200,000	1,748,211
Galenica AG '144A'	25,000	961,962
Melexis NV	15,000	934,482
Consort Medical Plc	100,000	908,786
Rathbone Brothers Plc	35,000	882,324
NCAB Group AB	5,647	54,395

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% sales during the financial period listed in descending order. A change is defined as aggregate disposals of a security exceeding 1% of the total value of sales during the financial period. All sales pertaining to the Fund for the financial period have been listed above.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN INCOME FUND****PORTFOLIO CHANGES – TOP 1% PURCHASES***For the financial period ended 30 June 2019*

Purchases	Nominal	Cost €
KNOW IT AB	220,000	4,209,538
Amadeus Fire AG	30,000	3,652,495
NCAB Group AB	300,000	3,363,468
Beijer Alma AB	200,000	2,562,200
Bureau Veritas SA	100,000	2,096,650
Nolato AB	30,000	1,340,739
Fielmann AG	20,000	1,245,544
Amundi SA '144A'	20,000	1,176,030
TGS NOPEC Geophysical Co ASA	45,000	1,099,247
Partners Group Holding AG	2,000	1,090,312
Kaufman & Broad SA	30,000	1,031,665
Viscofan SA	20,000	997,719
Thule Group AB '144A'	50,000	997,386
Galenica AG '144A'	20,000	836,721
Intertrust NV '144A'	50,000	830,916
CTS Eventim AG & Co KGaA	20,000	706,771
Edenred	20,000	690,438
Atea ASA	50,000	679,623
Loomis AB - Class B	20,000	661,474
Burckhardt Compression Holding AG	2,500	631,884
Freni Brembo SpA	50,000	543,001
Corticeira Amorim SGPS SA	50,000	489,371
Enav SpA '144A'	100,000	481,728
Red Electrica Corp SA	20,000	393,055
Merlin Properties Socimi SA (REIT)	30,000	366,124

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% purchases during the financial period listed in descending order. A change is defined as aggregate purchases of a security exceeding 1% of the total value of the purchases during the financial period.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN INCOME FUND****PORTFOLIO CHANGES – TOP 1% SALES***For the financial period ended 30 June 2019*

Sales	Nominal	Proceeds €
AF POYRY AB	220,000	3,472,053
Recordati SpA	85,000	3,026,405
Bertrandt AG	34,200	2,159,711
Biotage AB	50,000	588,791

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% sales during the financial period listed in descending order. A change is defined as aggregate disposals of a security exceeding 1% of the total value of sales during the financial period. All sales pertaining to the Fund for the financial period have been listed above.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN MIDCAP FUND****PORTFOLIO CHANGES – TOP 1% PURCHASES***For the financial period ended 30 June 2019*

Purchases	Nominal	Cost €
Moncler SpA	125,000	4,391,671
Teleperformance	25,000	4,170,039
Edenred	95,000	3,833,475
Ashtead Group Plc	89,593	2,045,502
Sartorius Stedim Biotech	10,000	903,836
Veoneer Inc SDR	30,000	686,657
St James's Place Plc	40,000	456,745
Amundi SA '144A'	5,000	235,759

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% purchases during the financial period listed in descending order. A change is defined as aggregate purchases of a security exceeding 1% of the total value of the purchases during the financial period. All purchases pertaining to the Fund for the financial period have been listed above.

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN MIDCAP FUND****PORTFOLIO CHANGES – TOP 1% SALES***For the financial period ended 30 June 2019*

Sales	Nominal	Proceeds €
Prosegur Cia de Seguridad SA	990,000	4,053,672
Autoliv Inc SDR	37,500	2,630,256
Veoneer Inc SDR	166,100	2,427,947
Halma Plc	84,000	1,661,724
Taylor Wimpey Plc	660,000	1,244,807
Getlink SE	91,000	1,158,184
Sartorius Stedim Biotech	10,000	1,127,722
Severn Trent Plc	48,000	1,037,682
Red Electrica Corp SA	50,000	951,699
Symrise AG - Class A	8,000	657,400
Amundi SA '144A'	10,000	605,000
Auto Trader Group Plc '144A'	90,000	554,556
Bunzl Plc	21,000	549,026
MTU Aero Engines AG	2,500	510,974
Recordati SpA	13,000	468,708
CTS Eventim AG & Co KGaA	7,000	301,323

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% sales during the financial period listed in descending order. A change is defined as aggregate disposals of a security exceeding 1% of the total value of sales during the financial period. All sales pertaining to the Fund for the financial period have been listed above.

MONTANARO SMALLER COMPANIES PLC**MONTANARO SELECT FUND****PORTFOLIO CHANGES – TOP 1% PURCHASES***For the financial period ended 30 June 2019*

Purchases	Nominal	Cost €
Reply SpA	6,500	378,358
MIPS AB	20,000	267,766
Rational AG	250	144,552
First Derivatives Plc	5,000	132,831
Sartorius Stedim Biotech	1,000	102,606
AAK AB	6,000	88,009
GRENKE AG	1,000	81,543
Restore Plc	20,000	80,835

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% purchases during the financial period listed in descending order. A change is defined as aggregate purchases of a security exceeding 1% of the total value of the purchases during the financial period. All purchases pertaining to the Fund for the financial period have been listed above.

PORTFOLIO CHANGES – TOP 1% SALES*For the financial period ended 30 June 2019*

Sales	Nominal	Proceeds €
Cerved Group SpA	45,000	389,661
Freni Brembo SpA	35,000	340,238
Halma Plc	12,000	245,806
Melexis NV	1,500	107,044
Biotage AB	7,000	88,707
Vitrolife AB	5,000	84,702

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% sales during the financial period listed in descending order. A change is defined as aggregate disposals of a security exceeding 1% of the total value of sales during the financial period. All sales pertaining to the Fund for the financial period have been listed above.

MONTANARO SMALLER COMPANIES PLC**MONTANARO BETTER WORLD FUND****PORTFOLIO CHANGES – TOP 1% PURCHASES***For the financial period ended 30 June 2019*

Purchases	Nominal	Cost €
Pro Medicus Ltd	150,000	1,753,026
Cochlear Ltd	15,000	1,691,071
First Derivatives Plc	40,000	1,159,818
Mani Inc	25,000	969,618
Masimo Corp	7,500	952,668
Medidata Solutions Inc	15,000	937,364
Adyen NV '144A'	1,500	915,777
Veeva Systems Inc - Class A	6,000	835,909
Shionogi & Co Ltd	15,000	783,157
Vitasoy International Holdings Ltd	200,000	750,139
Sartorius Stedim Biotech	7,500	672,680
Rational AG	1,000	588,501
Neogen Corp	10,000	553,713
Restore Plc	150,000	551,537
Spirax-Sarco Engineering Plc	7,500	536,793
Thule Group AB '144A'	25,000	515,848
Waters Corp	2,500	511,608
Melexis NV	7,500	418,357
China Everbright International Ltd	500,000	410,557
Qualys Inc	5,000	407,509
Croda International Plc	6,667	401,397
ANSYS Inc	2,500	375,232
Renishaw Plc	7,500	355,812
Ryman Healthcare Ltd	50,000	343,912
Santen Pharmaceutical Co Ltd	25,000	336,183
IPG Photonics Corp	2,500	309,978
Pigeon Corp	7,500	283,737
Grand Canyon Education Inc	2,500	255,306
AO Smith Corp	5,000	219,015

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% purchases during the financial period listed in descending order. A change is defined as aggregate purchases of a security exceeding 1% of the total value of the purchases during the financial period. All purchases pertaining to the Fund for the financial period have been listed above.

MONTANARO SMALLER COMPANIES PLC**MONTANARO BETTER WORLD FUND****PORTFOLIO CHANGES – TOP 1% SALES***For the financial period ended 30 June 2019*

Sales	Nominal	Proceeds €
Symrise AG	35,000	2,463,689
AO Smith Corp	62,500	2,408,790
Cognex Corp	40,000	1,519,518
Blackbaud Inc	25,000	1,470,859
Neogen Corp	20,000	1,042,245
China Everbright International Ltd	1,000,000	859,915
Adyen NV '144A'	1,000	651,009
Novozymes A/S	15,000	641,849
IPG Photonics Corp	6,500	620,600
Spirax-Sarco Engineering Plc	5,000	490,672
Melexis NV	7,500	471,381
Pigeon Corp	12,500	457,352
Nemetschek SE	2,500	364,025
Vitasoy International Holdings Ltd	75,000	336,602

In accordance with the Central Bank UCITS Regulations, the above details the Fund's Portfolio Changes - top 1% sales during the financial period listed in descending order. A change is defined as aggregate disposals of a security exceeding 1% of the total value of sales during the financial period. All sales pertaining to the Fund for the financial period have been listed above.

MONTANARO SMALLER COMPANIES PLC

TOTAL EXPENSE RATIOS (ANNUALISED)

For the financial period ended 30 June 2019

The average total expense ratio table shows the annualised actual expenses incurred by each Fund during the financial 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	1.61
Euro Class	1.61
Euro Institutional Accumulation Class	0.61
Euro Institutional Distribution Class	0.86
Sterling Class	1.61
Sterling Institutional Distribution Class	0.86
Swedish Krona Accumulation Class	1.61
US Dollar Class	1.61
Montanaro UK Income Fund	
Euro Class	0.85
Euro Seed Class	0.35
Sterling Accumulation Class	0.85
Sterling Class	0.85
Sterling Seed Class	0.35
Montanaro European Income Fund	
Euro Class	0.85
Sterling Accumulation Class	0.85
Sterling Class	0.85
Montanaro European MidCap Fund	
Euro Distribution Class	1.60
Euro Institutional Accumulation Class	0.85
Montanaro Select Fund	
Euro Distribution Class	0.12
Sterling Distribution Class	0.12
Montanaro Better World Fund*	
Euro Distribution Class	0.62
Sterling Distribution Class	0.62

*The Montanaro Better World Fund was launched on 10 April 2018.