

MONTANARO SMALLER COMPANIES PLC

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

FOR THE SIX MONTH FINANCIAL PERIOD ENDED 30 JUNE 2024

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 2019 (as amended).

Registered Number: 330162

MONTANARO SMALLER COMPANIES PLC

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MONTANARO SMALLER COMPANIES PLC

MANAGEMENT AND OTHER INFORMATION

Directors

Gavin Caldwell (Irish)* (Chairman)[†]
Cedric Durant des Aulnois (French)
Lisa Martensson (Swedish)*[†]
Matthew Francis (British)
John Ensor (British)**

Investment Manager

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

Depository

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

Administrator

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

Secretary

Goodbody Secretarial Limited
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Swiss Representative Office***

Waystone Fund Services (Switzerland) SA
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Listing Sponsor

Matheson
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Dublin 2
Ireland

Manager

Waystone Management Company (IE) Limited
("WMC")
35 Shelbourne Road
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Dublin, D04 AE0
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Independent Auditor

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Legal Advisor

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Swiss Paying Agent

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Switzerland

*Independent non-executive Directors.

[†]Irish Resident.

**Alternate Director for Matthew Francis.

***The Prospectus, the Articles of Incorporation, Key Information Document, the Annual and Semi-Annual Reports, as well as a list presenting all acquisitions and disposals carried out during the period considered can be obtained without expense from the Representative in Switzerland.

MONTANARO SMALLER COMPANIES PLC

INVESTMENT MANAGER'S REVIEW

Performance Review

6-month NAV Returns to 30 June 2024:

	NAV Return	Benchmark	Relative	Reference Share Class*	Benchmark
Montanaro European Smaller Companies Fund	4.9%	3.1%	1.8%	EUR Institutional Distribution	MSCI Europe SmallCap (Capital Return) Index
Montanaro European Focus Fund	3.4%	3.0%	0.4%	EUR Institutional Accumulation Share Class	STOXX Europe Mid 200 (Total Return) Index **

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

** The Stoxx Europe Mid 200 (Total Return) index is shown for comparison purposes only, the official benchmark is Capital Return.

Review

The best equity returns were to be found in LargeCap during the opening half of 2024. SmallCap underperformed its larger peer by a staggering 12% over the last 6 months, while MidCap did not fare much better. This marked the worst half-year underperformance for Global SMidCap for over a quarter of a century. Unless this reverses, the asset class will deliver a record 7th consecutive year of underperformance versus LargeCap.

What was behind this dramatic divergence? Conditions in the equity markets continued to be dominated by two main themes: stickier-than-expected inflation and the ongoing domination of large technology stocks in the US. In both the US and parts of Europe, stubborn services inflation led certain Central Banks to delay interest rate cuts. This had a negative impact on smaller companies which are more interest rate sensitive compared to their larger peers.

LargeCap technology stocks – and in particular anything “A.I” related – performed strongly. Nvidia, which on its own is worth roughly the same as the entire Russell 2000, continued its heady triple-digit ascent (although the Magnificent Seven did begin to show some signs of bifurcation).

Towards the end of the second quarter, political upheaval weighed on most parts of the equity markets. The UK faced an election and a change of government, while in France a snap election was called by Emmanuel Macron, which raised market volatility. In the US, the election bandwagons began to roll.

Outlook

At the end of 2023 we suggested that the conditions might be ripening for the “SmallCap Effect” to emerge from its multi-year hibernation. This is yet to happen. How does this set us up for the next six months?

Despite inflation remaining “higher for longer”, there were clear signs of cooling towards the end of June. On a June annualised basis core CPI in the US was below 1%, while the three-month average was only a whisker above 2%. Most reassuringly for Growth investors, such as ourselves, CPI shelter inflation (the average cost of housing in the US) plummeted to 2%. Not so long ago it was above 8%. The market reaction to this data? Futures priced in a 91% probability of a rate cut in September (up from 55%); Treasuries rallied and the yield curve steepened; and the technology behemoths fell (Nvidia by almost 6%), while SmallCap gained.

While one month of data is too little to indicate that we are in “risk on” mode to a large enough extent that SMidCap will catch up on this year’s underperformance anytime soon, it is another indicator that market dominance comes hand-in-hand with concentration risk. Some recent research that we found interesting was published by Bridgewater (The life cycle of market champions): “a consideration for investors today is that most investors’ portfolios have higher exposure than ever to the current champions [the large tech stocks]... over a third of a typical US-market-weighted portfolio is allocated to the current basket of champions, and in a world portfolio, this share ends up close to 20%—the highest in over 50 years”.

MONTANARO SMALLER COMPANIES PLC

INVESTMENT MANAGER'S REVIEW

Outlook (continued)

With macro data becoming more supportive of smaller company investing, it is worth ending with a point on valuation. Global SMidCap has never looked as attractive in over 20 years on a relative basis: the asset class is trading on near record P/E and P/Book discounts to LargeCap. With a long-term view, now may be as good a time as any for dipping a toe back into SmallCap waters.

Montanaro Asset Management Limited
August 2024

MONTANARO SMALLER COMPANIES PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund €	Total* €
Current assets				
Cash and cash equivalents	4	7,630,090	414,379	25,004,520
Financial assets at fair value through profit or loss				
- Equities		380,127,693	8,661,182	1,558,370,709
Dividends receivable		333,390	15,510	3,000,347
Receivable for fund Shares sold		131,492	–	174,704
Receivable for investments sold		–	–	272
Other receivables		598,697	174,415	2,310,084
Total current assets		388,821,362	9,265,486	1,588,860,636
Current liabilities				
Payable for fund Shares repurchased		(51,213)	(213)	(255,074)
Payable for investments purchased		–	–	(271)
Management fees payable		(3,894)	(100)	54,988
Investment management fees payable		(1,133,775)	(19,594)	(3,257,140)
Administration fees payable		(122,357)	(2,984)	(685,030)
Depositary fees payable		(35,245)	(2,487)	(139,313)
Legal fees payable		(3,619)	(96)	(15,967)
Professional fees payable		(7,876)	(371)	(43,279)
Audit fees payable		(22,750)	(860)	(101,361)
Other accrued expenses payable		(9,797)	(219)	(36,934)
Total current liabilities		(1,390,526)	(26,924)	(4,479,381)
Net asset value attributable to holders of redeemable participating Shares		387,430,836	9,238,562	1,584,381,255

* See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

Please refer to Note 12 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 31 December 2023

		Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund* €	Total** €
Current assets	Note			
Cash and cash equivalents	4	3,566,117	230,123	14,871,827
Financial assets at fair value through profit or loss				
- Equities		361,397,990	8,898,888	1,608,664,316
Dividends receivable		230,339	–	1,807,947
Receivable for fund Shares sold		232,634	15	384,133
Other receivables		624,908	173,960	2,614,229
Total current assets		366,051,988	9,302,986	1,628,342,452
Current liabilities				
Payable for fund Shares repurchased		(1,392,662)	–	(1,725,849)
Management fees payable		(3,705)	(395)	(16,872)
Investment management fees payable		(1,042,273)	(34,288)	(3,079,858)
Administration fees payable		(204,508)	(16,962)	(986,229)
Depositary fees payable		(61,177)	(6,753)	(239,411)
Legal fees payable		(3,871)	(101)	(16,211)
Professional fees payable		(5,949)	(321)	(57,745)
Audit fees payable		(14,971)	(640)	(66,262)
Other accrued expenses payable		(5,091)	(138)	(36,483)
Total current liabilities		(2,734,207)	(59,598)	(6,224,920)
Net asset value attributable to holders of redeemable participating Shares		363,317,781	9,243,388	1,622,117,532

* Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

** See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

Please refer to Note 12 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 2024

		Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund €	Total* €
Income	Note			
Net realised gain on financial assets at fair value through profit or loss and foreign exchange		5,833,422	267,281	31,474,119
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		16,454,385	(71,562)	43,164,304
Dividend income		4,405,980	169,030	24,484,225
Interest income		114,926	6,616	449,454
Investment income		26,808,713	371,365	99,572,102
Expenses				
Management fee	2	(12,691)	(52)	(53,615)
Investment management fees	2	(2,275,722)	(38,924)	(6,482,258)
Administration fees	2	(39,222)	(1,621)	(416,317)
Depositary fees	2	(25,506)	(2,108)	(145,521)
Legal fees		(16,538)	(661)	(74,468)
Directors' fees	2	(7,066)	(226)	(31,244)
Professional fees	2	(5,784)	(157)	(51,685)
Audit fees		(7,779)	(220)	(35,098)
Other expenses	2	(82,248)	(2,143)	(286,644)
Total operating expenses		(2,472,556)	(46,112)	(7,576,850)
Net income from operations		24,336,157	325,253	91,995,252
Withholding taxes		(394,045)	(1,308)	(1,193,631)
Finance costs				
Interest expense		–	–	(4)
Income distribution	3	(1,623,080)	(658,037)	(7,948,594)
Profit/(Loss) for the financial period		22,319,032	(334,092)	82,853,023

* See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

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 2023

		Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund* €	Total** €
Income	Note			
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange		(7,020,697)	10,574,980	1,617,821
Net change in fair value of financial assets at fair value through profit or loss and foreign exchange		20,253,422	(4,423,899)	110,157,327
Dividend income		5,906,375	1,547,992	33,498,587
Interest income		168,558	38,340	509,748
Investment income		19,307,658	7,737,413	145,783,483
Expenses				
Management fee	2	(13,312)	(3,010)	(46,586)
Investment management fees	2	(2,634,178)	(702,333)	(8,865,516)
Administration fees	2	(79,606)	(15,962)	(493,616)
Depositary fees	2	(37,165)	(9,518)	(189,649)
Legal fees		(11,142)	(3,012)	(63,336)
Directors' fees	2	(5,513)	(1,491)	(31,336)
Professional fees	2	(4,625)	(1,121)	(54,686)
Audit fees		(5,232)	(1,416)	(29,746)
Other expenses	2	(59,898)	(14,061)	(292,174)
Total operating expenses		(2,850,671)	(751,924)	(10,066,645)
Net income from operations		16,456,987	6,985,489	135,716,838
Withholding taxes		(421,481)	(64,028)	(1,570,203)
Finance costs				
Interest expense		(21)	–	(39)
Income distribution	3	(827,373)	(219,406)	(9,053,708)
Profit for the financial period		15,208,112	6,702,055	125,092,888

* Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

** See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

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 2024

	Note	Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund €	Total* €
Net assets value attributable to holders of redeemable participating Shares at the start of the financial period		363,317,781	9,243,388	1,622,117,532
Profit/(Loss) for the financial period		22,319,032	(334,092)	82,853,023
Proceeds from issuance of Shares		32,462,232	432,036	120,292,513
Payments on redemption of Shares		(30,668,209)	(102,770)	(240,881,813)
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		387,430,836	9,238,562	1,584,381,255

*See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

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 2023

	Note	Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund* €	Total** €
Net assets value attributable to holders of redeemable participating Shares at the start of the financial period		402,002,635	101,801,477	2,125,206,818
Profit for the financial period		15,208,112	6,702,055	125,092,888
Proceeds from issuance of Shares		50,768,065	156,953	239,525,996
Payments on redemption of Shares		(35,796,400)	(80,242,952)	(526,707,673)
Net asset value attributable to holders of redeemable participating Shares at the end of the financial period		432,182,412	28,417,533	1,963,118,029

* Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

** See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

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

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS

Financial period ended 30 June 2024

1. Statement of Accounting Policies

Principal Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the financial year ended 31 December 2023 as described in those financial statements.

Basis of Preparation

These condensed interim financial statements (unaudited) for the financial period ended 30 June 2024 have been prepared on a going concern basis in accordance with the provisions of Financial Reporting Standard (“FRS”) 104 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council (“FRC”), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019 (the “Central Bank UCITS Regulations”) and the listing rules of Euronext Dublin.

The condensed interim financial statements (unaudited) have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value. The condensed interim financial statements (unaudited) should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2023 that were prepared in accordance with FRS 102 and Irish statute comprising the Companies Act 2014, the UCITS Regulations, the Central Bank UCITS Regulations and the listing rules of Euronext Dublin.

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

2. Fees

Management Fee

Waystone Management Company (IE) Limited (the “Manager”), as per the agreement signed on 1 October 2021 between the Company and the Manager (the “Management Agreement”), shall be entitled to receive out of the assets of the Funds an annual fee in respect of such Fund or Funds or in respect of each Class of any such Fund, accrued daily, calculated monthly and payable monthly in arrears of up to and not exceeding 0.01% of the Net Asset Value of such Fund or Class as set out in the relevant Supplement. The fee payable to the Manager is subject to a minimum fee of €50,000 per annum based on a single Fund and €10,000 per annum per each additional Fund. The Manager shall be entitled to be reimbursed by the Company for reasonable out of pocket and marketing expenses incurred by it. Each Fund will bear its proportion of the fees and expenses of the Manager. Management fees charged during the financial period ended 30 June 2024 were €53,615 (30 June 2023: €46,586).

Investment Management Fee

The following Investment Management fees are paid to Montanaro Asset Management Limited (the “Investment Manager”):

	% of Net Assets	Minimum Subscription
Montanaro European Smaller Companies Fund		
Euro Accumulation Class ¹	1.50	N/A
Euro Class ¹	1.50	N/A
Euro Institutional Accumulation Class	0.50	€250,000,000
Euro Institutional Distribution Class	0.75	€50,000,000
Sterling Class ¹	1.50	N/A
Sterling Institutional Distribution Class	0.75	£50,000,000
Swedish Krona Accumulation Class	1.50	SEK10,000
US Dollar Class ¹	1.50	N/A

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

2. Fees (continued)

Investment Management Fee (continued)

	% of Net Assets	Minimum Subscription
Montanaro European Focus Fund		
Euro Distribution Class ¹	1.50	N/A
Euro Institutional Accumulation Class	0.75	€25,000,000

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

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.

The Investment Manager earned an Investment Management fee of €6,482,258 for the financial period ended 30 June 2024 (30 June 2023: €8,865,516).

Performance Fees

The Investment Manager (with the exception of the Euro Institutional Accumulation Class of the Montanaro European Smaller Companies 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 at the rate of return of the NAV of the Share Class any dividends paid or payable by reference to the financial period in question, exceeds the higher of High Water Mark or 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 Performance Fee Period; and (b) the closing NAV per Share of that Class on the last Performance Fee Period end when a Performance fee was paid (if any).

There were €Nil performance fees incurred by the Funds of the Company during the financial period ended 30 June 2024 (30 June 2023: €Nil).

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 €416,317 for the financial period ended 30 June 2024 (30 June 2023: €493,616).

The Bank of New York Mellon SA/NV, Dublin Branch (the “Depositary”), is paid an annual fee accruing daily and paid monthly in arrears. The Depositary fee was €145,521 for the financial period ended 30 June 2024 (30 June 2023: €189,649).

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 a general meeting. The Directors’ fees were €31,244 for the financial period ended 30 June 2024 (30 June 2023: €31,336).

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

2. Fees (continued)

Professional Fees

For the financial period ended 30 June 2024, Professional Fees, which principally comprised Taxation fees, Directors' indemnity insurance premiums (D&O) and Investment Committee fees, amounted to €51,685 (30 June 2023: €54,686).

30 June 2024

	Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund €	Total* €
Taxation fees	(3,445)	(62)	(16,960)
Directors' indemnity insurance premiums (D&O)	(2,339)	(95)	(10,489)
Investment Committee fees	–	–	(24,236)
	<u>(5,784)</u>	<u>(157)</u>	<u>(51,685)</u>

* See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

30 June 2023

	Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund* €	Total** €
Taxation fees	(2,583)	(570)	(16,950)
Directors' indemnity insurance premiums (D&O)	(2,042)	(551)	(11,606)
Investment Committee fees	–	–	(26,130)
	<u>(4,625)</u>	<u>(1,121)</u>	<u>(54,686)</u>

* Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

** See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

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 2024, other expenses totalled €286,644 (30 June 2023: €292,174).

3. 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) and Montanaro European Income Fund are registered as reporting funds under the UK Reporting Fund Regime.

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

3. Distribution Policy (continued)

The Company made the following distributions to redeemable participating Shareholders during the financial period ended 30 June 2024 and 30 June 2023:

	Montanaro European Smaller Companies Fund €	Montanaro European Focus Fund* €	Total** €
30 June 2024	1,623,080	658,037	7,948,594
30 June 2023	827,373	219,406	9,053,708

* Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

** See Foreign Currency Translation Adjustment Note 14.

Total includes Funds not distributed in Switzerland.

4. Cash and Cash Equivalents

At the financial period end, the Company had a cash balance totalling €25,004,520 (31 December 2023: €14,871,827) with Bank of New York Mellon SA/NV, Dublin Branch.

5. Related Party Transactions

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

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

Please refer to Note 2 Fees for the Director Fee details.

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

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 2024	31 December 2023	30 June 2023
Montanaro Asset Management Limited	14,343,299	14,015,294	8,510,923
Montanaro Growth & Income Fund Limited Partnership No. 3	12,016,544	12,016,544	12,016,544

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 2. As at 30 June 2024 and 31 December 2023 there were 7 Subscriber Shares of €1 each in issue (being the minimum share capital of the Company) held by the Investment Manager.

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

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

5. Related Party Transactions (continued)

As required under Central Bank UCITS Regulation 81(4), the directors of the Company, as the responsible person, are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) of the Central Bank UCITS Regulations 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).

6. Risks Associated with Financial Instruments

Fair Value Estimation

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

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

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

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

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

If there is a valuation technique commonly used by market participants to price the asset or liability and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Company uses that technique.

The Company's investments values are based on traded market prices in active markets and therefore all of the Company's investments were classified as Level 1 at 30 June 2024 and 31 December 2023. There were no transfers between levels during the financial period (31 December 2023: Nil). The Company does not hold any investments classified within Level 2 or Level 3. The fair value levels of the securities held by the Funds are monitored on a monthly basis by the Investment Manager. There were no financial liabilities held at 30 June 2024 and 31 December 2023.

7. Soft Commission Arrangements

No soft commission arrangements were entered into during the financial period ended 30 June 2024, the financial year ended 31 December 2023 or the financial period ended 30 June 2023.

Financial period ended 30 June 2024

8. Efficient Portfolio Management

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

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

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

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

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

The Company did not enter into any derivative contracts during the financial period ended 30 June 2024, the financial year ended 31 December 2023 or the financial period ended 30 June 2023 for efficient portfolio management or any other purpose.

9. 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 2024 and 31 December 2023 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.

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

9. Share Capital and Redeemable Participating Shares (continued)

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.

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 2024

	Shares in issue at beginning of financial period	Subscriptions	Redemptions	Shares in issue at end of financial period
Montanaro European Smaller Companies Fund				
Euro Accumulation Class	17,219,632	1,675,218	(1,343,000)	17,551,850
Euro Class	16,307,470	96,003	(1,497,018)	14,906,455
Euro Institutional Accumulation Class	4,635,193	834,600	(146,072)	5,323,721
Euro Institutional Distribution Class	5,590,376	852,363	(243,753)	6,198,986
Sterling Class	1,543,088	293,994	(271,359)	1,565,723
Sterling Institutional Distribution Class	5,449,524	546,267	(635,886)	5,359,905
Swedish Krona Accumulation Class	317,630	–	–	317,630
US Dollar Class	56,673	–	(2,018)	54,655
Montanaro European Focus Fund				
Euro Distribution Class	505,441	356,474	(57,807)	804,108
Euro Institutional Accumulation Class	3,039,723	–	(129)	3,039,594

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

9. Share Capital and Redeemable Participating Shares (continued)

31 December 2023

	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	18,398,137	3,803,505	(4,982,010)	17,219,632
Euro Class	16,988,667	110,925	(792,122)	16,307,470
Euro Institutional Accumulation Class	4,238,215	851,484	(454,506)	4,635,193
Euro Institutional Distribution Class	12,655,471	876,065	(7,941,160)	5,590,376
Sterling Class	3,894,309	616,186	(2,967,407)	1,543,088
Sterling Institutional Distribution Class	3,564,114	3,395,800	(1,510,390)	5,449,524
Swedish Krona Accumulation Class	317,630	–	–	317,630
US Dollar Class	72,973	18,174	(34,474)	56,673
Montanaro European Focus Fund*				
Euro Distribution Class	39,576,883	162,040	(39,233,482)	505,441
Euro Institutional Accumulation Class	3,043,112	3,969	(7,358)	3,039,723

*Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

30 June 2023

	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	18,398,137	3,307,929	(779,082)	20,926,984
Euro Class	16,988,667	89,230	(208,212)	16,869,685
Euro Institutional Accumulation Class	4,238,215	129,791	(237,245)	4,130,761
Euro Institutional Distribution Class	12,655,471	421,987	(2,876,713)	10,200,745
Sterling Class	3,894,309	457,009	(102,485)	4,248,833
Sterling Institutional Distribution Class	3,564,114	2,780,327	(762,539)	5,581,902
Swedish Krona Accumulation Class	317,630	–	–	317,630
US Dollar Class	72,973	18,174	(18,174)	72,973
Montanaro European Focus Fund*				
Euro Distribution Class	39,576,883	57,098	(31,715,536)	7,918,445
Euro Institutional Accumulation Class	3,043,112	3,969	(4,903)	3,042,178

*Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

10. Exchange Rates

The exchange rates to Euro (€) at the financial period ended 30 June 2024, financial year ended 31 December 2023 and financial period ended 30 June 2023 are as follows:

	30 June 2024	31 December 2023	30 June 2023
Australian Dollar	1.6048	1.6189	1.6390
Canadian Dollar	1.4665	1.4566	1.4370
Danish Krone	7.4575	7.4546	7.4459
Israeli New Shekel	4.0375	3.9777	4.0486
Japanese Yen	172.4018	155.7336	157.6877
New Taiwan Dollar	34.7692	33.9023	33.9787
New Zealand Dollar	1.7588	1.7447	1.7808
Norwegian Krone	11.4115	11.2185	11.6885
Pound Sterling	0.8478	0.8665	0.8581
Swedish Krona	11.3501	11.1325	11.7842
Swiss Franc	0.9631	0.9297	0.9761
US Dollar	1.0718	1.1047	1.0910

11. 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 TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

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

30 June 2024

	Net Assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€127,329,527	17,551,850	€7.254
Euro Class	€112,272,737	14,906,455	€7.532
Euro Institutional Accumulation Class	€44,728,619	5,323,721	€8.402
Euro Institutional Distribution Class	€47,500,443	6,198,986	€7.663
Sterling Class	£10,029,185	1,565,723	£6.405
Sterling Institutional Distribution Class	£36,288,029	5,359,905	£6.770
Swedish Krona Accumulation Class	SEK8,786,451	317,630	SEK27.663
US Dollar Class	\$209,485	54,655	\$3.833
Montanaro European Focus Fund			
Euro Distribution Class	€953,364	804,108	€1.186
Euro Institutional Accumulation Class	€8,285,198	3,039,594	€2.726

31 December 2023

	Net Assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€117,329,321	17,219,632	€6.814
Euro Class	€115,724,161	16,307,470	€7.096
Euro Institutional Accumulation Class	€36,396,255	4,635,193	€7.852
Euro Institutional Distribution Class	€40,837,368	5,590,376	€7.305
Sterling Class	£9,573,465	1,543,089	£6.204
Sterling Institutional Distribution Class	£35,583,436	5,449,524	£6.530
Swedish Krona Accumulation Class	SEK8,094,410	317,630	SEK25.484
US Dollar Class	\$211,081	56,673	\$3.725
Montanaro European Focus Fund*			
Euro Distribution Class	€1,232,867	505,441	€2.439
Euro Institutional Accumulation Class	€8,010,521	3,039,723	€2.635

*Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

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

30 June 2023

	Net Assets for dealing	Shares in issue	NAV per Share
Montanaro European Smaller Companies Fund			
Euro Accumulation Class	€139,387,577	20,926,984	€6.661
Euro Class	€117,024,524	16,869,685	€6.937
Euro Institutional Accumulation Class	€31,548,763	4,130,761	€7.638
Euro Institutional Distribution Class	€72,569,984	10,200,745	€7.114
Sterling Class	£25,518,382	4,248,833	£6.006
Sterling Institutional Distribution Class	£35,152,545	5,581,902	£6.298
Swedish Krona Accumulation Class	SEK8,375,779	317,630	SEK26.370
US Dollar Class	\$262,410	72,973	\$3.596
Montanaro European Focus Fund*			
Euro Distribution Class	€20,102,991	7,918,445	€2.539
Euro Institutional Accumulation Class	€8,314,542	3,042,178	€2.733

* Effective 17 May 2023, Montanaro European MidCap Fund changed its name to Montanaro European Focus Fund.

13. Comparatives

Comparative information for the Statement of Financial Position is as at 31 December 2023. Comparative information for the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares is for the period ended 30 June 2023.

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

30 June 2024

Average Euro/Pound Sterling 1.1698

Spot Euro/Pound Sterling 1.1795

30 June 2023

Average Euro/Pound Sterling 1.1410

Spot Euro/Pound Sterling 1.1653

15. 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

MONTANARO SMALLER COMPANIES PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial period ended 30 June 2024

15. Right to Publicly Market Shares in Germany (continued)

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

16. Events during the Financial Period

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

17. Events since the Financial Period End

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

18. Commitments and Contingent Liabilities

As at 30 June 2024 and 31 December 2023 there were no commitments or contingent liabilities.

19. Valuation Date

The financial statements have been prepared on the last Net Asset Value of the financial period which has been calculated on 28 June 2024 with a price of that date.

20. Approval of Financial Statements

These financial statements were approved by the Directors of the Company on 21 August 2024.

MONTANARO SMALLER COMPANIES PLC

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

As at 30 June 2024

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 2023: 2.59%)			
103,000	Melexis NV	8,301,800	2.14
		8,301,800	2.14
Denmark (31 December 2023: 1.43%)			
100,000	Chemometec A/S	4,084,504	1.05
		4,084,504	1.05
France (31 December 2023: 5.27%)			
60,000	Esker SA	10,446,000	2.69
36,000	Sartorius Stedim Biotech	5,565,600	1.44
		16,011,600	4.13
Germany (31 December 2023: 10.07%)			
58,000	MTU Aero Engines AG	13,908,400	3.59
150,000	CTS Eventim AG & Co KGaA	11,677,500	3.01
13,000	Rational AG	10,205,000	2.63
16,000	Hypoport SE	4,822,400	1.25
85,000	Schott Pharma AG & Co KGaA	2,606,100	0.67
		43,219,400	11.15
Iceland (31 December 2023: 1.28%)			
550,000	Marel HF '144A'	1,826,000	0.47
		1,826,000	0.47
Italy (31 December 2023: 12.41%)			
90,000	Reply SpA	12,519,000	3.23
1,000,000	Technoprobe SpA	9,290,000	2.40
102,000	Moncler SpA	5,852,760	1.51
560,000	Brembo NV	5,754,560	1.48
135,000	Interpump Group SpA	5,621,400	1.45
550,000	Technogym SpA '144A'	5,293,750	1.37
292,500	Carel Industries SpA '144A'	5,060,250	1.31
127,173	SOL SpA	4,215,785	1.09
		53,607,505	13.84
Netherlands (31 December 2023: 3.90%)			
83,000	IMCD NV	10,785,850	2.78
		10,785,850	2.78
Spain (31 December 2023: 1.39%)			
500,000	Merlin Properties Socimi SA (REIT)	5,175,000	1.34
		5,175,000	1.34

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND (continued)

As at 30 June 2024

Shares	Description	Fair value €	% of net assets
Sweden (31 December 2023: 17.82%)			
500,000	AAK AB	13,709,188	3.54
350,000	Thule Group AB '144A'	8,498,640	2.19
1,470,000	Fortnox AB	8,270,817	2.14
375,000	Sectra AB	7,988,950	2.06
400,000	Biotage AB	5,747,991	1.48
139,175	MIPS AB	5,105,921	1.32
225,000	Plejd AB	4,955,925	1.28
200,000	Avanza Bank Holding AB	4,556,807	1.18
545,454	NCAB Group AB	3,991,167	1.03
350,000	Hufvudstaden AB	3,888,529	1.00
275,000	Surgical Science Sweden AB	3,045,581	0.79
		69,759,516	18.01
Switzerland (31 December 2023: 12.11%)			
115,000	VZ Holding AG	13,755,938	3.55
110,000	Bachem Holding AG	9,422,942	2.43
19,000	Belimo Holding AG	8,940,945	2.31
25,000	Tecan Group AG	7,844,664	2.03
31,000	Kardex Holding AG	7,338,993	1.89
		47,303,482	12.21
United Kingdom (31 December 2023: 30.23%)			
450,000	Halma Plc	14,330,600	3.70
250,000	Cranswick Plc	13,121,640	3.39
265,000	Diploma Plc	12,990,011	3.35
185,000	4imprint Group Plc	12,764,850	3.29
90,000	Games Workshop Group Plc	11,390,173	2.94
2,500,000	Marshalls Plc	8,639,642	2.23
85,000	Spirax Group Plc	8,506,656	2.20
600,000	Kainos Group Plc	7,430,653	1.92
1,500,000	IntegraFin Holdings Plc	6,192,235	1.60
125,000	Clarkson Plc	6,096,402	1.57
2,000,000	Advanced Medical Solutions Group Plc	5,072,915	1.31
960,000	B&M European Value Retail SA	4,973,037	1.28
330,000	Big Yellow Group Plc (REIT)	4,600,653	1.19
		116,109,467	29.97
Vietnam (31 December 2023: 0.97%)			
225,000	XP Power Ltd	3,943,569	1.02
		3,943,569	1.02
Total equities		380,127,693	98.11
Total financial assets at fair value through profit or loss		380,127,693	98.11

MONTANARO SMALLER COMPANIES PLC

SCHEDULE OF INVESTMENTS

MONTANARO EUROPEAN SMALLER COMPANIES FUND (continued)

As at 30 June 2024

Cash and cash equivalents	7,630,090	1.97
Other net liabilities	<u>(326,947)</u>	<u>(0.08)</u>
Total net assets attributable to holders of redeemable participating Shares	387,430,836	100.00

	% of Total
Analysis of Total Assets	Assets
Financial assets at fair value through profit or loss	97.76
Cash and cash equivalents	1.96
Other assets	<u>0.28</u>
Total assets	<u>100.00</u>

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO EUROPEAN FOCUS FUND**

As at 30 June 2024

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 2023: 9.09%)			
18,000	Azelis Group NV	299,520	3.24
		299,520	3.24
Denmark - Nil (31 December 2023: 4.52%)			
France (31 December 2023: 13.33%)			
6,900	Amundi SA '144A'	416,070	4.50
4,000	Edenred SE	158,760	1.72
		574,830	6.22
Germany (31 December 2023: 4.01%)			
1,900	MTU Aero Engines AG	455,620	4.93
		455,620	4.93
Italy (31 December 2023: 19.30%)			
7,700	Moncler SpA	441,826	4.78
9,000	Recordati Industria Chimica e Farmaceutica SpA	438,120	4.74
3,000	Reply SpA	417,300	4.52
8,000	Interpump Group SpA	333,120	3.61
10,000	SOL SpA	331,500	3.59
38,700	Terna - Rete Elettrica Nazionale	278,563	3.01
		2,240,429	24.25
Netherlands (31 December 2023: 1.02%)			
350	ASM International NV	248,780	2.70
		248,780	2.70
Norway - Nil (31 December 2023: 2.02%)			
Sweden (31 December 2023: 5.64%)			
15,000	AAK AB	411,276	4.45
16,000	Loomis AB - Class B	388,791	4.21
29,200	BioGaia AB - Class B	319,012	3.45
12,000	Thule Group AB '144A'	291,382	3.16
20,000	Biotage AB	287,399	3.11
		1,697,860	18.38
Switzerland (31 December 2023: 7.95%)			
1,100	Dottikon Es Holding AG	291,254	3.15
		291,254	3.15
United Kingdom (31 December 2023: 29.39%)			
12,300	Diploma Plc	602,933	6.53
2,850	Games Workshop Group Plc	360,689	3.90
70,000	SThree Plc	338,690	3.67
65,000	B&M European Value Retail SA	336,716	3.64
4,750	4imprint Group Plc	327,746	3.55
5,000	Ashtead Group Plc	311,381	3.37
23,200	Sage Group Plc/The	298,265	3.23

MONTANARO SMALLER COMPANIES PLC

**SCHEDULE OF INVESTMENTS
MONTANARO EUROPEAN FOCUS FUND (continued)**

As at 30 June 2024

Shares	Description	Fair value €	% of net assets
United Kingdom (31 December 2023: 29.39%) (continued)			
80,000	Marshalls Plc	276,469	2.99
		<u>2,852,889</u>	<u>30.88</u>
Total equities		8,661,182	93.75
Total financial assets at fair value through profit or loss		8,661,182	93.75
Cash and cash equivalents		414,379	4.49
Other net assets		<u>163,001</u>	<u>1.76</u>
Total net assets attributable to holders of redeemable participating Shares		9,238,562	100.00
			% of Total
Analysis of Total Assets			Assets
Financial assets at fair value through profit or loss			93.48
Cash and cash equivalents			4.47
Other assets			<u>2.05</u>
Total assets			<u>100.00</u>

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN SMALLER COMPANIES FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2024*

Purchases	Nominal	Cost €
B&M European Value Retail SA	960,000	6,173,205
Interpump Group SpA	135,000	5,978,578
Technogym SpA '144A'	550,000	5,041,337
SOL SpA	127,173	4,216,584
Hypoport SE	5,000	1,190,833
Biotage AB	75,000	1,154,304
VZ Holding AG	10,000	1,114,014
Kardex Holding AG	3,000	776,009
MIPS AB	14,175	525,808
Big Yellow Group Plc (REIT)	30,000	416,907

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

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN SMALLER COMPANIES FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2024*

Sales	Nominal	Proceeds
		€
Shaftesbury Capital PLC	3,000,000	4,856,461
Moncler SpA	58,000	3,671,677
NCC Group Plc	2,500,000	3,560,698
Brembo SpA	290,000	3,524,097
Marel HF '144A'	950,000	3,138,302
Fortnox AB	530,000	3,079,203
Kainos Group Plc	160,000	1,824,421
MTU Aero Engines AG	7,000	1,486,295
IMCD NV	7,000	1,094,349
Sectra AB	50,000	1,059,176
Sartorius Stedim Biotech	4,000	1,010,478
CTS Eventim AG & Co KGaA	10,000	839,830
4imprint Group Plc	10,000	745,935

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

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN FOCUS FUND****PORTFOLIO CHANGES – PURCHASES***For the financial period ended 30 June 2024*

Purchases	Nominal	Cost €
B&M European Value Retail SA	65,000	408,956
Interpump Group SpA	8,000	355,941
4imprint Group Plc	4,750	321,463
AAK AB	15,000	308,188
SOL SpA	10,000	299,278
Biotage AB	20,000	299,208
Thule Group AB '144A'	12,000	296,763
Hilton Food Group Plc	30,000	278,640
Marshalls Plc	80,000	248,073
Loomis AB - Class B	5,400	127,036
ASM International NV	150	85,430
Dottikon Es Holding AG	300	73,729
Reply SpA	400	51,017
SThree Plc	7,000	34,375

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

MONTANARO SMALLER COMPANIES PLC**MONTANARO EUROPEAN FOCUS FUND****PORTFOLIO CHANGES – SALES***For the financial period ended 30 June 2024*

Sales	Nominal	Proceeds
		€
Chr Hansen Holding A/S	5,500	415,835
Dechra Pharmaceuticals Ltd	9,000	406,899
Rentokil Initial PLC	71,000	342,915
Warehouses De Pauw CVA (REIT)	13,100	330,026
Teleperformance SE	2,950	328,221
Hilton Food Group Plc	30,000	325,123
Tecan Group AG	840	285,568
Bachem Holding AG	3,250	208,129
Ashtead Group PLC	3,000	204,511
Borregaard ASA	12,200	203,860
Edenred SE	3,700	176,398
Terna - Rete Elettrica Nazionale	20,000	158,422
Reply SpA	700	88,118
Recordati Industria Chimica e Farmaceutica SpA	1,550	79,096
Azelis Group NV	3,000	66,635

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

MONTANARO SMALLER COMPANIES PLC

TOTAL EXPENSE RATIOS (ANNUALISED)

For the financial period ended 30 June 2024

The total expense ratio table shows the actual expenses incurred by each Fund during the 12 months preceding the end of the financial reporting period, expressed as a percentage of the average NAV of that Fund for the corresponding financial period.

	Total expense ratio %
Montanaro European Smaller Companies Fund	
Euro Accumulation Class	1.62%
Euro Class	1.62%
Euro Institutional Accumulation Class	0.62%
Euro Institutional Distribution Class	0.87%
Sterling Class	1.61%
Sterling Institutional Distribution Class	0.87%
Swedish Krona Accumulation Class	1.62%
US Dollar Class	1.62%
Montanaro European Focus Fund	
Euro Distribution Class	1.59%
Euro Institutional Accumulation Class	0.86%