

# Montanaro UK Smaller Companies Investment Trust PLC

## ("MUSCIT" or the "Company")

LEI: 213800UDDXXTXIF29P85

### Half-Yearly Report for the six months to 30 September 2021

MUSCIT was launched in March 1995 and is a closed-ended investment trust with shares premium listed on the London Stock Exchange ("LSE").

#### Investment Objective

MUSCIT's investment objective is capital appreciation through investing in small quoted companies listed on the LSE or traded on the Alternative Investment Market ("AIM") and to outperform its benchmark, the Numis Smaller Companies Index (excluding investment companies) ("NSCI").

No unquoted investments are permitted.

#### Investment Policy

The Company seeks to achieve its objective and to manage risk by investing in a diversified portfolio of quoted UK small companies. At the time of initial investment, a potential investee company must be profitable and no bigger than the largest constituent of the NSCI, which represents the smallest 10% of the UK Stock Market by value. At the start of 2021, this was any company below £1.50 billion in size.

In order to manage risk, the Manager limits any one holding to a maximum of 4% of the Company's investments at the time of initial investment. The portfolio weighting of each investment is closely monitored to reflect the underlying liquidity of the particular company. The Company's AIM exposure is also closely monitored by the Board and is limited to 40% of total investments at the time of investment, with Board approval required for exposure above 35%.

The Manager is focused on identifying high-quality, niche companies operating in growth markets. This typically leads the Manager to invest in companies that enjoy high barriers to entry, pricing power, a sustainable competitive advantage and strong management teams. The portfolio is constructed on a "bottom-up" basis.

The Alternative Investment Fund Manager ("AIFM"), in consultation with the Board, is responsible for determining the gearing levels of the Company and has determined that the Company's borrowings should be limited to a maximum of 25% of shareholders' funds. Gearing is used to enhance returns when the timing is considered appropriate.

The Company will not invest more than 10%, in aggregate, of the value of its total assets at the time of investment in other investment trusts or investment companies admitted to the Official List of the UK Listing Authority.

All material changes to the policy will require shareholder and FCA approval.

#### Highlights

for the six months to 30 September 2021

#### Results

	<b>As at 30 September 2021 (unaudited)</b>	As at 31 March 2021 (audited)	% Change
Ordinary share price <sup>1</sup>	<b>164.0p</b>	145.0p	+13.1
Net asset value ("NAV") per Ordinary share <sup>2</sup>	<b>172.6p</b>	148.6p	+16.2
Discount to NAV <sup>2</sup>	<b>5.0%</b>	2.4%	
NSCI <sup>3</sup>	<b>9,495.6</b>	8,822.6	+7.6

1 LSE closing price.

2 Including accrued revenue.

3 Capital only.

	<b>As at 30 September 2021 (unaudited)</b>	As at 31 March 2021 (audited)	% Change
Gross assets <sup>1</sup>	<b>£318.9m</b>	£268.7m	+18.7
Net assets	<b>£288.9m</b>	£248.7m	+16.2
Market capitalisation	<b>£274.5m</b>	£242.7m	+13.1
Net gearing employed <sup>2</sup>	<b>4.8%</b>	4.0%	
Ongoing charges <sup>3</sup>	<b>0.77%</b>	0.82%	
Portfolio turnover (rolling twelve months) <sup>4</sup>	<b>14.6%</b>	27.8%	

1 Net assets adding back borrowings.

2 Total debt, net of cash and equivalents, as a percentage of shareholders' funds.

3 Company's expenses (excluding interest payable) expressed as a percentage of its average daily net assets, annualised at the half year end date.

4 Calculated using the total purchases plus the sales proceeds divided by two as a percentage of the average total investments at fair value during the period.

## Performance

### As at 30 September 2021

<b>Total Return Percentage</b>	<b>6 months</b>	<b>1 year</b>	<b>3 year</b>	<b>5 year</b>	<b>10 year</b>	<b>Since launch</b>
Share Price*	15.3	56.7	53.9	108.6	227.7	1,271.2
NAV*	18.2	37.4	36.2	67.6	177.2	1,178.6
Benchmark**	9.2	45.9	26.5	54.2	217.6	621.1

\*Returns have been adjusted for dividends paid.

\*\* The Benchmark is a composite index with the NSCI used since 1 April 2013.

Sources: AIC, Morningstar Direct, Numis, Montanaro Asset Management Limited.

## Capital Structure

As at 30 September 2021 and the date of this report, the Company had 167,379,790 Ordinary shares of 2p each in issue (none of which were held in treasury). See note 6 for further details. Holders of Ordinary shares have unrestricted voting rights of one vote per share at all general meetings of the Company.

## Manager's Review

The period under review was bookended by two market rotations. In April, we saw the tail end of a Value rally following the approval of the first Covid-19 vaccines in November 2020. As MUSCIT entered its 27th financial year, Growth stocks began to outperform in a rising equity market that was boosted by increasing economic growth revisions. In the UK, as in many developed economies, we enjoyed the strongest GDP growth forecasts since the Second World War. The upward trajectory of markets continued into the summer months as confidence in the economic recovery was bolstered by accelerating vaccination programmes.

Towards the end of the period, the second of the Value rallies began as investors shifted their attention to the risks associated with rising interest rates and emerging pockets of inflation.

Meanwhile, after years of steady outflows from domestic UK equities, the tide appeared to have turned. In the decade to the end of 2020, over £600 million was withdrawn from UK SmallCap funds according to the Investment Association. Since the beginning of 2021, over £700 million has come back to the asset class, an indication that on a global basis the UK looks attractive as the economy reopens and the overhang of Brexit fades.

MUSCIT performed well during the six-month period ended 30 September 2021. The NAV gained 18.2% in Sterling terms (with dividends reinvested), outperforming the Benchmark by 9.2%. The share price gained 15.3% during the same period.

## Outlook

The fizz appears to have gone out of equity markets at the time of writing. September and October have historically been tricky months for investors, so a period of consolidation may be no bad thing. UK SmallCap investors, who have had plenty to cheer about in recent years, are sitting on double-digit gains so far in 2021.

Through all the uncertainty and change all around us, the Montanaro investment process and philosophy remains the same: to invest in the highest quality, growing smaller companies bought at reasonable valuations and to hold them for as long as possible. Rather than worrying about whether inflation will rise or fall, we prefer to invest in companies that have the pricing power to pass higher input costs onto their customers. This means that we look forward to the future with confidence. The companies held in the portfolio have a spring in their step not seen for a couple of years.

**Charles Montanaro, Montanaro Asset Management Limited**

24 November 2021

**Twenty Largest Holdings**  
as at 30 September 2021

Holding	Sector	Value £'000	Market cap £m	% of portfolio 30 September 2021	% of portfolio 31 March 2021
discoverIE	Electronic and Electrical Equipment	11,983	988	4.0	3.8
Kainos	Software and Computer Services	10,793	2,317	3.6	3.7
4imprint Group	Media	10,535	845	3.5	3.3
Big Yellow Group	Real Estate Investment Trust	10,463	2,566	3.5	3.0
Ideagen	Software and Computer Services	10,238	804	3.4	3.1
Marshalls	Construction and Materials	10,071	1,492	3.4	3.5
Liontrust	Financial Services	9,563	1,302	3.2	3.2
Yougov	Media	9,375	1,384	3.1	2.8
XP Power	Electronic and Electrical Equipment	8,995	1,010	3.0	3.6
Clarkson	Industrial Transportation	8,550	1,156	2.9	2.1
Diploma	Industrial Support Services	8,526	3,540	2.8	2.9
NCC Group	Software and Computer Services	8,353	795	2.8	3.9
Biffa	Waste and Disposal Services	7,650	1,100	2.6	1.5
Treatt	Chemicals	7,613	605	2.5	3.6
Boku	Industrial Support Services	7,313	577	2.4	2.0
Tracsis	Software and Computer Services	7,125	279	2.4	1.8
Hilton Food Group	Food Producers	7,020	961	2.3	2.5
Porvair	Electronic and Electrical Equipment	6,920	319	2.3	2.1
Judges Scientific	Electronic and Electrical Equipment	6,768	475	2.3	2.2
Auction Technology Group	Software and Computer Services	6,650	1,596	2.2	1.6
<b>Twenty Largest Holdings</b>		<b>174,504</b>		<b>58.2</b>	

## **Interim Management Report and Responsibility Statement**

### **Interim Management Report**

The important events that have occurred during the period under review and the key factors influencing the financial statements are set out in the Manager's Review above.

#### Statement of Principal Risks and Uncertainties:

The principal risks facing the Company are unchanged since the date of the Annual Report and Accounts for the year ended 31 March 2021 and continue to be as set out in that report on pages 10 to 12 and pages 53 and 54. These include, but are not limited to, liquidity and discount management, poor investment performance, risk oversight, gearing, key man risk, operational risk, cyber risk and breach of regulation, including the impact of the Covid-19 pandemic on the market and the Company's business operations. The principal financial risks include, but are not limited to, market risk, market price risk, foreign currency risk, interest rate risk, liquidity risk, credit risk and gearing levels. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

#### Related party transactions:

Related party transactions are disclosed in note 9 below. There have been no material changes in the related party transactions described in the last annual report.

#### Going concern:

As stated in note 7 to the condensed financial statements, the Directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

### **Responsibility Statement**

The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements which has not been reviewed or audited by the external Auditor, has been prepared in accordance with Financial Reporting Standard ("FRS") 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- This Half-Yearly Report includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
  - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last Annual Report that could do so.

This Half-Yearly Report was approved by the Board and the above Responsibility Statement was signed on its behalf by:

**Arthur Copple**  
**Chairman**  
**24 November 2021**

**Condensed Income Statement (unaudited)**

for the six months to 30 September 2021

	6 months to 30 September 2021 (unaudited)			6 months to 30 September 2020 (unaudited)			Year to 31 March 2021 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments at fair value through profit or loss	-	44,696	44,696	-	32,251	32,251	-	66,370	66,370
Dividends and interest	2,189	-	2,189	1,217	-	1,217	2,994	-	2,994
Management fee	(197)	(592)	(789)	(154)	(461)	(615)	(320)	(960)	(1,280)
Other expenses	(292)	-	(292)	(249)	-	(249)	(557)	-	(557)
<b>Return before finance costs and taxation</b>	<b>1,700</b>	<b>44,104</b>	<b>45,804</b>	<b>814</b>	<b>31,790</b>	<b>32,604</b>	<b>2,117</b>	<b>65,410</b>	<b>67,527</b>
Interest payable and similar charges	(76)	(227)	(303)	(79)	(237)	(317)	(154)	(462)	(616)
<b>Return before taxation</b>	<b>1,624</b>	<b>43,877</b>	<b>45,501</b>	<b>735</b>	<b>31,553</b>	<b>32,287</b>	<b>1,963</b>	<b>64,948</b>	<b>66,911</b>
Taxation (note 3)	-	-	-	-	-	-	-	-	-
<b>Net return after taxation</b>	<b>1,624</b>	<b>43,877</b>	<b>45,501</b>	<b>735</b>	<b>31,553</b>	<b>32,287</b>	<b>1,963</b>	<b>64,948</b>	<b>66,911</b>
<b>Return per Ordinary share: Basic and diluted</b>	<b>0.97p</b>	<b>26.21p</b>	<b>27.18</b>	<b>0.44p</b>	<b>18.85p</b>	<b>19.29p</b>	<b>1.18p</b>	<b>38.80p</b>	<b>39.98p</b>

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS 102"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice ("AIC SORP").

All revenue and capital items in the above statement derive from continuing operations.

There are no items of other comprehensive income and therefore the net return after taxation is also the total comprehensive income for the period.

No operations were acquired or discontinued in the period.

**Condensed Statement of Changes in Equity**  
for the six months to 30 September 2021

	Called-up share capital	Share premium account	Capital redemption reserve	Special reserve*	Capital reserve*	Distributable revenue reserve*	Total equity shareholders' funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>6 months to 30 September 2021 (unaudited)</b>							
<b>As at 31 March 2021</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>219,814</b>	<b>193</b>	<b>248,666</b>
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	44,696	-	44,696
Costs allocated to capital	-	-	-	-	(819)	-	(819)
Net revenue for the period	-	-	-	-	-	1,624	1,624
	-	-	-	-	43,877	1,624	45,501
Dividends paid in the period (note 4)	-	-	-	-	(4,301)	(955)	(5,256)
<b>As at 30 September 2021</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>259,390</b>	<b>862</b>	<b>288,911</b>
<b>6 months to 30 September 2020 (unaudited)</b>							
<b>As at 31 March 2020</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>159,757</b>	<b>1,993</b>	<b>190,409</b>
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	32,241	-	32,241
Costs allocated to capital	-	-	-	-	(698)	-	(698)
Net revenue for the period	-	-	-	-	-	735	735
	-	-	-	-	31,543	735	32,278
Dividends paid in the period	-	-	-	-	(2,036)	(1,980)	(4,016)
<b>As at 30 September 2020</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>189,264</b>	<b>748</b>	<b>218,671</b>
<b>Year to 31 March 2021 (audited)</b>							
<b>As at 31 March 2020</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>159,757</b>	<b>1,993</b>	<b>190,409</b>
Total comprehensive income:							
Fair value movement of investments	-	-	-	-	66,370	-	66,370
Costs allocated to capital	-	-	-	-	(1,422)	-	(1,422)
Net revenue for the year	-	-	-	-	-	1,963	1,963
	-	-	-	-	64,948	1,963	66,911
Dividends paid in the year (note 4)	-	-	-	-	(4,891)	(3,763)	(8,654)
<b>As at 31 March 2021</b>	<b>3,348</b>	<b>19,307</b>	<b>1,362</b>	<b>4,642</b>	<b>219,814</b>	<b>193</b>	<b>248,666</b>

\*These reserves are distributable, excluding any unrealised capital reserve. The special reserve is used for the repurchase of the Company's own shares.

**Condensed Balance Sheet (unaudited)**  
as at 30 September 2021

	As at 30 September 2021 £'000 (unaudited)	As at 30 September 2020 £'000 (unaudited)	As at 31 March 2021 £'000 (audited)
<b>Fixed assets</b>			
Investments at fair value (note 5)	299,340	226,795	262,436
<b>Current assets</b>			
Debtors	3,905	1,193	787
Cash at bank	16,063	11,209	10,031
	<b>19,968</b>	<b>12,402</b>	<b>10,818</b>
<b>Creditors: amounts falling due within one year</b>			
Fixed rate term loan	(20,000)	-	(20,000)
Floating rate revolving term loan	(10,000)	-	-
Other creditors	(397)	(526)	(4,588)
	<b>(30,397)</b>	<b>(526)</b>	<b>(24,588)</b>
<b>Net current (liabilities) / assets</b>	<b>(10,429)</b>	<b>11,876</b>	<b>(13,770)</b>
<b>Total assets less current liabilities</b>	<b>288,911</b>	<b>238,671</b>	<b>248,666</b>
<b>Creditors: amounts falling due after more than one year</b>			
Fixed rate term loan	-	(20,000)	-
<b>Net assets</b>	<b>288,911</b>	<b>218,671</b>	<b>248,666</b>
<b>Share capital and reserves</b>			
Called-up share capital	3,348	3,348	3,348
Share premium account	19,307	19,307	19,307
Capital redemption reserve	1,362	1,362	1,362
Special reserve	4,642	4,642	4,642
Capital reserve	259,390	189,264	219,814
Distributable revenue reserve	862	748	193
<b>Total equity shareholders' funds</b>	<b>288,911</b>	<b>218,671</b>	<b>248,666</b>
<b>Net asset value per Ordinary share: Basic and Diluted</b>	<b>172.61p</b>	<b>130.64p</b>	<b>148.56p</b>
<b>Number of Ordinary shares in issue</b>	<b>167,379,790</b>	<b>167,379,790</b>	<b>167,379,790</b>



## Notes to the Financial Statements

As at 30 September 2021

### 1 Financial Information

The condensed financial statements for the six months ended 30 September 2021 comprise the statements together with the related notes. The Company applies FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' in its annual financial statements and the AIC SORP issued in November 2014 and updated in October 2019. The condensed financial statements for the six months to 30 September 2021 have been prepared in accordance with FRS 104 Interim Financial Reporting. The financial statements have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Accounts for the year ended 31 March 2021.

Following the adoption of FRS 102, the Company elected not to present the statement of cash flows per section 7.1.A.

The financial information contained in this Half-Yearly Report does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the six months to 30 September 2021 and 30 September 2020 has not been audited or reviewed by the Company's Auditor pursuant to the Auditing Practices Board guidance on such reviews.

The information for the year ended 31 March 2021 has been extracted from the latest published Annual Report and Accounts, which have been filed with the Registrar of Companies. The Report of the Auditors on those financial statements was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

### 2 Management Expenses and Finance Costs

Management fees and finance costs are allocated 75% to the capital reserve and 25% to the revenue account. Costs arising on early settlement of debt are allocated 100% to capital, in accordance with the requirements of the AIC SORP. All other expenses are allocated in full to the revenue account on an accruals basis.

### 3 Tax Credit/Charge on Ordinary Activities

The tax charge for the six months to 30 September 2021 comprises irrecoverable withholding tax suffered of £nil (six months to 30 September 2020: £nil; year to 31 March 2021: £nil).

The corporation tax charge is based on an estimated effective tax rate of 0% as investment gains are exempt from tax owing to the Company's status as an investment trust and there is expected to be an excess of management expenses over taxable income.

### 4 Dividends

	<b>6 months to 30 September 2021 £'000 (unaudited)</b>	Year to 31 March 2021 £'000 (audited)
<b>In respect of the previous period:</b>		
Paid		
2020 fourth quarter dividend of 1.14p per Ordinary share	-	1,908
2021 fourth quarter dividend of 1.49p per Ordinary share	2,494	-
<b>In respect of the period under review:</b>		
Paid		
2021 first quarter dividend of 1.26p per Ordinary share	-	2,109
2021 second quarter dividend of 1.31p per Ordinary share	-	2,193
2021 third quarter dividend of 1.46p per Ordinary share	-	2,444
2022 first quarter dividend of 1.65p per Ordinary share	2,762	-
	5,256	8,654
<i>Declared</i>		
2021 fourth quarter dividend of 1.49p per Ordinary share	-	2,494
2022 second quarter dividend of 1.73p per Ordinary share	2,896	-

The quarters referred to in the table above relate to the Company's financial year.

## 5 Fair Value Hierarchy

For investments actively traded in organised financial markets, fair value is generally determined by reference to quoted market bid prices or closing prices for SETS (LSE's electronic trading service) stocks sourced from the LSE on the balance sheet date, without adjustment for transaction costs necessary to realise the asset.

In accordance with FRS 102, the Company must disclose the fair value hierarchy of financial instruments.

The fair value hierarchy consists of the following three levels:

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

The table below sets out fair value measurements of financial assets in accordance with the FRS 102 fair value hierarchy system:

	30 September 2021 (unaudited)			31 March 2021 (audited)		
	Level 1 £'000	Level 2 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Total £'000
Equity investments	299,340	-	299,340	262,436	-	262,436
	<b>299,340</b>	<b>-</b>	<b>299,340</b>	<b>262,436</b>	<b>-</b>	<b>262,436</b>

There were no level 2 or 3 investments during the period.

## 6 Share Capital

	30 September 2021 (unaudited)		31 March 2021 (audited)	
	Number of shares	£'000	Number of shares	£'000
Allotted, called-up and fully paid: Ordinary shares of 2p each (31 March 2021: 2p each)				
Balance at beginning of period	167,379,790	3,348	167,379,790	3,348
Balance at end of period	167,379,790	3,348	167,379,790	3,348

## 7 Going Concern

The Company has adequate financial resources to meet its investment commitments and as a consequence, the Directors believe that the Company is well placed to manage its business risks. After making appropriate enquiries and due consideration of the Company's cash balances, the liquidity of the Company's investment portfolio and the cost base of the Company, the Directors have a reasonable expectation that the Company has adequate available financial resources to continue in operational existence for the foreseeable future and accordingly have concluded that it is appropriate to continue to adopt the going concern basis in preparing the Half-Yearly Report, consistent with previous years.

## 8 Segmental Reporting

The Company has one reportable segment, being investing primarily in a portfolio of quoted UK small companies.

## 9 Related Party Transactions

Under the Listing Rules, the Manager is regarded as a related party of the Company. The relationship between the Company, its Directors and the Manager is disclosed in the Directors' Report in the Annual Report and Accounts for the year ended 31 March 2021.

The amount charged by the Manager during the period was £790,000 (six months to 30 September 2020: £615,000; year to 31 March 2021: £1,280,000). At 30 September 2021, the amount due to the Manager,

included in creditors, was £187,000. The management fee is 0.50% per annum of the gross assets of the Company, plus £50,000 per annum in respect of acting as the AIFM.

#### *Directors' Emoluments*

At 30 September 2021, the Board consisted of four non-executive Directors. All Directors are considered to be independent of the Manager. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £36,750, the Chairman of the Audit and Management Engagement Committee receives an annual fee of £29,500 and Non-Executive Directors receive £25,250 per annum. The Senior Independent Director is entitled to an additional payment of £1,050, and as disclosed in the Company's Annual Report and Accounts, Mr Robinson has waived his entitlement to this additional fee.

At 30 September 2021, the amount outstanding in respect of Directors' fees was £nil (31 March 2021: £nil).

At 30 September 2021, the interests of the Directors in the ordinary shares of the Company were as follows:

	<b>As at 24 November 2021 No. of shares</b>	<b>As at 30 September 2021 No. of shares</b>	<b>As at 31 March 2021 No. of shares</b>
Arthur Copple <sup>1</sup>	125,000	125,000	125,000
James Robinson <sup>2</sup>	40,000	40,000	40,000
Catriona Hoare	7,339	7,339	7,339
Barbara Powley	11,791	11,673	11,458

1 Includes 25,000 shares held by Mrs Copple.

2 Held jointly by Mr and Mrs Robinson.

**Montanaro UK Smaller Companies Investment Trust PLC**  
**Registered in England and Wales No. 3004101**  
**An investment company as defined under section 833 of the Companies Act 2006**

**Directors**

Arthur Copple (Chairman)  
James Robinson  
Catriona Hoare  
Barbara Powley

**Principal Advisers**

**AIFM and Investment Manager**

MONTANARO ASSET MANAGEMENT LIMITED  
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**Depository**

THE BANK OF NEW YORK MELLON  
(INTERNATIONAL) LIMITED  
One Canada Square  
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**Administrator**

LINK ALTERNATIVE FUND ADMINISTRATORS  
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**Company Secretary and Registered Office**

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London EC2V 7NQ  
Tel: +44 (0) 7709 515694  
Email: [Muscit\\_Cosec@linkgroup.co.uk](mailto:Muscit_Cosec@linkgroup.co.uk)

**Banker**

ING BANK N.V  
60 London Wall  
London EC2M 5TQ

**Registrar**

LINK GROUP  
Shareholder Services Department  
The Registry  
10th Floor  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

**Broker**

CENKOS SECURITIES PLC  
6-8 Tokenhouse Yard  
London EC2R 7AS

**Shareholder Helpline**

Tel: 0371 664 0300  
Email: [shareholderenquiries@link.co.uk](mailto:shareholderenquiries@link.co.uk)

**Auditor**

BDO LLP  
55 Baker Street  
London W1U 7EU

**Lawyers**

GOWLING WLG  
4 More London Riverside  
London SE1 2AU

**Sources of Further Information**

Information on the Company, including this Half-Yearly Report is available on the Company's website:  
<https://montanaro.co.uk/trust/montanaro-uk-smaller-companies-investment-trust/>

**Key Dates**

February, May, August and November	Quarterly dividends payable
31 March	Company year end
June	Annual results
July	Annual General Meeting
November	Half-yearly results

**Frequency of NAV Publication**

The Company's NAV is released to the LSE on a daily basis.

**ISA Status**

The Company's shares are fully eligible for inclusion in ISAs.

**AIC**

The Company is a member of the AIC.

**Registrar enquiries**

The register for the Ordinary Shares is maintained by Link Group. In the event of queries regarding your holding, please contact the registrar. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales or alternatively at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk).

Changes of name must be notified in writing to the registrar, whose address is: Link Group, Shareholder Services Department, The Registry, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. A change of address can be updated online via [www.signalshares.com](http://www.signalshares.com).

**Warning to Shareholders – Beware of Share Fraud**

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. Investment scams are often sophisticated and difficult to spot.

How to avoid investment scams:

- **Reject unexpected offers:** Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.
- **Check the FCA Warning List:** Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without FCA authorisation.
- **Get impartial advice:** Get impartial advice before investing – don't use an adviser from the firm that contacted you.

You can report a firm or scam to the Financial Conduct Authority on 0800 111 6768 or through [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or [www.actionfraud.police.uk](http://www.actionfraud.police.uk)

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

For further information, please contact:  
Montanaro Asset Management Limited  
Tel: 020 7448 8600  
[enquiries@montanaro.co.uk](mailto:enquiries@montanaro.co.uk)