

LF Montanaro Funds

LF Montanaro Global Select Fund
LF Montanaro European Income Fund
LF Montanaro Better World Fund
LF Montanaro UK Income Fund

INTERIM UNAUDITED REPORT AND FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023



AUTHORISED CORPORATE DIRECTOR ('ACD')

LINK FUND SOLUTIONS LIMITED

Head Office:
6th Floor
65 Gresham Street
London EC2V 7NQ
Telephone: 0345 922 0044
Email: investorservices@linkgroup.co.uk
(Authorised and regulated by the Financial Conduct Authority)

DIRECTORS OF THE ACD

N. Boyling
B. Hammond
K.J. Midl
A.G. Reid*
A.J. Stuart*
E.E. Tracey*

INVESTMENT MANAGER

MONTANARO ASSET MANAGEMENT LIMITED

53 Threadneedle Street
London EC2R 8AR
(Authorised and regulated by the Financial Conduct Authority)

DEPOSITARY

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

160 Queen Victoria Street
London EC4V 4LA
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority)

REGISTRAR

LINK FUND ADMINISTRATORS LIMITED

Customer Service Centre:
Central Square
29 Wellington Street
Leeds LS1 4DL
Telephone: 0345 922 0044
Fax: 0113 224 6001
(Authorised and regulated by the Financial Conduct Authority)

INDEPENDENT AUDITOR

ERNST & YOUNG LLP

Atria One
144 Morrison Street
Edinburgh EH3 8EX

* Non-Executive Directors of the ACD.

CONTENTS

ACD's Report . . . . .	.4
Authorised Status . . . . .	.4
ACD's Statement. . . . .	.4
Cross Holdings . . . . .	.5
Securities Financing Transactions . . . . .	.5
Task Force on Climate-related Financial Disclosures ('TCFD') . . . . .	.5
Director's Statement. . . . .	.6
LF MONTANARO GLOBAL SELECT FUND	
ACD's Report . . . . .	.7
Investment Objective and Policy . . . . .	.7
Benchmark . . . . .	.8
Investment Manager's Report . . . . .	.9
Fund Information	11
Portfolio Statement	15
Summary of Material Portfolio Changes	17
INTERIM FINANCIAL STATEMENTS (UNAUDITED)	
Statement of Total Return	18
Statement of Change in Net Assets Attributable to Shareholders	18
Balance Sheet	19
Notes to the Interim Financial Statements.	20

CONTENTS *continued*

LF MONTANARO EUROPEAN INCOME FUND

ACD's Report 21

Investment Objective and Policy 21

Benchmark. 21

Investment Manager's Report 22

Fund Information 24

Portfolio Statement 28

Summary of Material Portfolio Changes 31

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

Statement of Total Return 32

Statement of Change in Net Assets Attributable to Shareholders . . 32

Balance Sheet 33

Notes to the Interim Financial Statements. 34

LF MONTANARO BETTER WORLD FUND

ACD's Report 35

Investment Objective and Policy 35

Benchmark. 36

Investment Manager's Report 37

Fund Information 40

Portfolio Statement 44

Summary of Material Portfolio Changes 47

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

Statement of Total Return 48

Statement of Change in Net Assets Attributable to Shareholders . . 48

Balance Sheet 49

Notes to the Interim Financial Statements. 50

CONTENTS *continued*

LF MONTANARO UK INCOME FUND

ACD's Report	51
Investment Objective and Policy	51
Benchmark	51
Investment Manager's Report	52
Fund Information	55
Portfolio Statement	59
Summary of Material Portfolio Changes	64

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

Statement of Total Return	65
Statement of Change in Net Assets Attributable to Shareholders	65
Balance Sheet	66
Notes to the Interim Financial Statements	67
General Information	68

ACD'S REPORT

for the half year ended 30 June 2023

Authorised Status

LF Montanaro Funds ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC022806 and authorised by the Financial Conduct Authority ('FCA') with effective from 15 January 2020. The Company has an unlimited duration.

The Company is a UK UCITS and the base currency of the Company and each sub-fund is pounds sterling.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

ACD's Statement

Proposed Sale of Fund Solutions Business

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Company nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Company to Waystone Group.

ACD'S REPORT *continued*

Economic Uncertainty

Whilst the outbreak of COVID-19 in March 2020 now seems a distant memory, and Russia's incursion into Ukraine in February 2022 remains an unresolved conflict, the consequences of these and other factors continue to be felt in both the domestic and global economy. Significant increases in the prices of energy and commodities have reverberated around the world, leading to many countries seeing inflation rates at levels not seen for many years. To curb the increase in inflation, many nations' central banks have been progressively increasing interest rates, a process which is expected to continue until inflation is brought under control in their respective countries. What is not clear at this time is whether the consequences of these events will culminate in local, or even a global, recession. With this level of economic uncertainty, it is reasonably foreseeable that markets may see further periods of instability and, consequently, volatility in asset pricing.

Cross Holdings

No sub-funds had holdings in any other sub-fund of the Company at the end of the period.

Securities Financing Transactions

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

Task Force on Climate-related Financial Disclosures ('TCFD')

In accordance with current Financial Conduct Authority rules, the ACD is required to publish its own TCFD report and that of each fund. The LFSL report can be found at TCFD Reporting (linkfundsolutions.co.uk) and the report of the sub-funds of the Company can be found at <https://www.linkfundsolutions.co.uk/uk/montanaro-asset-management-limited/>.

Prior to accessing the report of the sub-funds of the Company there is a link to the 'TCFD Reporting Guide' which provides an explanation of the TCFD report.

LINK FUND SOLUTIONS LIMITED

ACD of LF Montanaro Funds

31 August 2023

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of LF Montanaro Funds

31 August 2023

LF MONTANARO GLOBAL SELECT FUND ACD'S REPORT

for the half year ended 30 June 2023

Investment Objective and Policy

The investment objective of LF Montanaro Global Select Fund ('the Fund') is to achieve capital growth in excess of the MSCI World SMID Cap Index (Total Return) over any five year period, after all costs and charges have been taken.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 60% of its assets in the shares of small and medium sized companies, including Real Estate Investment Trusts ('REITs'), that:

- (i) are incorporated or domiciled in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan, United Kingdom and United States;
- (ii) are listed or traded on an exchange in the countries stated above; and
- (iii) have a market capitalisation below that of the largest constituent of the MSCI World SMID Cap Index.

The Fund may also invest up to 40% worldwide in the shares of large sized companies, including REITs (which have a market capitalisation in excess of the largest constituent of the MSCI World SMID Cap Index), money market instruments, deposits and cash.

Ethical, environmental, social and governance considerations play a key role in the Investment Manager's quality assessment.

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

The Fund may use derivatives only for the purposes of Efficient Portfolio Management.

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

Benchmark

The Fund's target benchmark is the MSCI World SMID Cap Index (Total Return).

The MSCI World SMID Cap Index (Total Return) has been selected as the Fund's target benchmark as it is a global equity small and medium sized market index that has a broad exposure to different countries, geographic areas and industry sectors which is in line with the Fund's investment policy. The Fund is not constrained by the target benchmark and may take positions in individual stocks, industry sectors, countries and geographic areas that differ significantly from the MSCI World SMID Cap Index (Total Return), with the aim of achieving a return (the money made or lost on an investment) in excess of the target benchmark. Further information on the target benchmark can be found at www.msci.com.

LINK FUND SOLUTIONS LIMITED

ACD of LF Montanaro Global Select Fund

31 August 2023

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the half year ended 30 June 2023

Review

"Things are not always what they seem", said Phaedrus in discussion with Socrates. *"The first appearance deceives many; the intelligence of a few perceives what has been carefully hidden".*

Equities delivered positive returns across most major developed markets during the first half of 2023. Yet the headline figures created something of an illusion. Not since the "Nifty Fifty" propelled the Bull Market of the early 1970s has US stock market performance been as reliant on so few names. Returns this year in the US were driven by the "Magnificent Seven", the behemoth technology stocks: Apple; Microsoft; Alphabet; Amazon; Nvidia; Tesla; and Meta (listed in order of market capitalisation).

Together, they propelled the Nasdaq to its strongest first-half performance for 40 years and staggeringly accounted for 75% of the total gains made by world equity markets during the period. The market capitalisation of Apple again breached the \$3 trillion mark, more than the combined value of the entire FTSE-100 and more than the Russell 2000 of smaller US companies. Across the S&P 500, over 80% of the year's return came from just 15 companies, many of them technology stocks. By contrast, the median company was flat. Pity those LargeCap managers underweight the Tech Titans.

Elsewhere, interest rates continued their rapid ascent. In the US, rates rose at their fastest pace in almost four decades, while the trajectory of tightening in the UK and Europe was also steep. *"The times they are a-changin"*, sang Bob Dylan, and it is easy to forget that just two years ago, a quarter of government debt was trading at negative yields. Investors *paid* for the privilege of lending money to governments.

While investors in smaller companies enjoyed healthy returns in the US and Europe during the last 6 months, these lagged those of the technology dominated indices. The UK remained a laggard on a global basis, the FTSE-100 index hurt by its heavy exposure to oil majors and its limited technology weighting (no *"Al hoopla"* as one Analyst pithily put it), while inflation remained stubborn and persistent.

From an asset allocation perspective, SmallCap remained unloved. Investors rarely favour smaller companies when the economic backdrop is uncertain and economists are talking about recession. Some reassurance was to be found, however, in the modest outperformance of Quality and Growth during the first half of the year (with the exception of the UK). Investors had not entirely forgotten the importance of fundamentals despite the cacophony of market noise.

Portfolio Comment: LF Global Select Fund

From 1 January 2023 to 30 June 2023, the NAV of the Fund gained 8.5%, an outperformance of 6.1% versus the MSCI World SMID Cap Index (Total Return).

The strongest contribution during the quarter came from **Bentley Systems**, the provider of design software for infrastructure assets, which rose following strong results which demonstrated that it is a beneficiary of large US government funding programmes. **Trex**, the world's largest manufacturer of composite decking made from recycled plastic, recovered as it became evident that channel destocking is now complete,

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

leaving distributors better positioned. **Games Workshop**, the developer of tabletop wargames and fantasy miniatures, outperformed following a trading update highlighting better than expected revenues and profitability. Excitement also continues to build around its potential future licensing agreement with Amazon.

The weakest contribution came from **Sartorius Stedim**, the provider of equipment and consumables used in the production of biologic drugs, which underperformed after cutting full year guidance, citing customer inventory destocking. **Chemometec**, the provider of instruments and consumables used in the quality control of cell therapy drugs, underperformed after posting weak guidance on customer funding concerns. **Esker**, the French provider of cloud software solutions to make the cash conversion cycle more efficient, weakened as its profitability was slightly lower than expected in its most recent results.

Outlook

How will the market's concentrated performance resolve itself? There may be three possible routes from here: the Magnificent Seven continue to soar (potentially at some point approaching a level so disconnected from their fundamentals that a bubble appears); they fall back to earth; or the rest of the market catches up. Which route the market embarks on may come down to whether the US economy heads towards a recession, which depresses corporate earnings. Either that or the Federal Reserve pulls off an "immaculate disinflation" – an engineered soft economic landing where inflation falls without harming the economy.

With the diversification benefits and risk profiles of certain benchmarks highly questionable (Apple constitutes 5% of the MSCI ACWI Index), we believe one thing is clear: a greater focus on alpha rather than beta will continue to be a key theme of 2023. The environment is ripe for stock picking and investors may find it prudent to increase diversification over the remainder of the year.

While investors have shunned smaller companies, we believe this part of the market should not be ignored. Valuations are more attractive than they have been for many years – certainly compared with the big technology stocks – and any sign that the macro environment is stabilising is likely to bring this area of the market some much needed momentum.

Many investors believe SmallCap can be timed with the economic cycle. In our opinion it cannot. Forecasting is difficult at the best of times and to some extent is pointless because the future is always so uncertain. As Kevin Keegan, the former-England football manager said when facing the sack after a bad result, "*I know what's around the corner, I just don't know where the corner is*". Amidst a turbulent backdrop, we try to provide our clients with some certainty by sticking to our guns and focusing on holding the very best companies we can find for the long-term.

MONTANARO ASSET MANAGEMENT LIMITED

Investment Manager

1 August 2023

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 6 because its volatility has been measured as above average to high.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Ethical and ESG Investments Risk: The Fund is prevented from investing in certain sectors or companies. This narrower range may constrain the Fund's performance. If an investment no longer meets the ethical exclusion criteria it will be sold and the price obtained may be less than could be obtained if a forced sale was not required.

Concentrated Risk: The Fund may invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single industry, sector or geographical region within the Fund has a greater effect (loss or gain) on the value of the Fund.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk.

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 June 2023 relates to the 6 month period ending 30 June 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 30 June 2023, expressed as an annualised percentage of the average net asset value.

GBP A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 ¹ pence per share
Opening net asset value per share	126.56	174.80	137.66	100.00
Return before operating charges*	13.39	(47.06)	38.54	38.94
Operating charges	(0.61)	(1.18)	(1.40)	(1.28)
Return after operating charges	12.78	(48.24)	37.14	37.66
Distributions	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	139.34	126.56	174.80	137.66
* after direct transaction costs of:	0.05	0.11	0.18	0.23

PERFORMANCE

Return after charges	10.10%	(27.60)%	26.98%	37.66%
----------------------	--------	----------	--------	--------

OTHER INFORMATION

Closing net asset value (£'000)	28,827	19,976	35,369	14,758
Closing number of shares	20,688,484	15,784,527	20,233,752	10,720,484
Operating charges ²	0.90%	0.90%	0.91%	1.24% ³
Direct transaction costs	0.04%	0.08%	0.11%	0.22% ³

PRICES

Highest share price	141.77	172.36	183.42	139.98
Lowest share price	127.05	113.58	128.13	79.43

¹ Share class launched on 31 January 2020.

² With effect from 27 August 2020, the Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an OCF of 0.90%.

³ Annualised figure due to share class launched less than 1 year.

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

GBP B ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 ¹ pence per share
Opening net asset value per share	103.97	100.00
Return before operating charges*	11.00	4.40
Operating charges	(0.36)	(0.43)
Return after operating charges	10.64	3.97
Distributions	-	(0.09)
Retained distributions on accumulation shares	-	0.09
Closing net asset value per share	114.61	103.97
* after direct transaction costs of:	0.04	0.05

PERFORMANCE

Return after charges	10.23%	3.97%
----------------------	--------	-------

OTHER INFORMATION

Closing net asset value (£'000)	29,945	17,356
Closing number of shares	26,127,506	16,692,988
Operating charges ²	0.65%	0.65% ³
Direct transaction costs	0.04%	0.08% ³

PRICES

Highest share price	116.50	116.66
Lowest share price	104.38	93.18

¹ Share class launched on 17 May 2022.

² The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an OCF of 0.65%.

³ Annualised figure due to share class launched less than 1 year.

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 June 2023 (%)

	6 months	1 year	3 years	Since launch ¹
LF Montanaro Global Select Fund	8.52	17.16	25.16	38.63
MSCI World SMID Cap Index (Total Return) ²	2.47	8.02	29.21	24.86

¹ Fund launched 31 January 2020.

² Source: Bloomberg.

The performance of the Fund is based on the published price per GBP A Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	UNITED KINGDOM – 8.39% (31.12.22 – 8.42%)		
29,000	Games Workshop	3,167	5.39
17,000	Spirax-Sarco Engineering	1,761	3.00
	TOTAL UNITED KINGDOM	4,928	8.39
	CONTINENTAL EUROPE – 35.93% (31.12.22 – 36.99%)		
	DENMARK – 1.56% (31.12.22 – 2.21%)		
17,000	Chemometec	915	1.56
	FRANCE – 5.78% (31.12.22 – 7.71%)		
17,000	Esker	2,022	3.44
7,000	Sartorius Stedim Biotech	1,373	2.34
	TOTAL FRANCE	3,395	5.78
	GERMANY – 5.60% (31.12.22 – 2.31%)		
40,000	Mensch und Maschine Software	1,871	3.18
2,500	Rational	1,419	2.42
	TOTAL GERMANY	3,290	5.60
	IRELAND – 3.68% (31.12.22 – 3.67%)		
11,000	ICON	2,165	3.68
	NETHERLANDS – 4.63% (31.12.22 – 3.83%)		
2,000	Adyen	2,722	4.63
	NORWAY – 1.31% (31.12.22 – 2.09%)		
40,000	Medistim	772	1.31
	SWEDEN – 6.83% (31.12.22 – 8.60%)		
440,000	Fortnox	2,029	3.45
200,000	NCAB	1,226	2.09
51,314	Plejd	759	1.29
	TOTAL SWEDEN	4,014	6.83

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	SWITZERLAND – 6.54% (31.12.22 – 6.57%)		
3,000	Partners	2,219	3.77
22,500	VZ	1,626	2.77
	TOTAL SWITZERLAND	<u>3,845</u>	<u>6.54</u>
	TOTAL CONTINENTAL EUROPE	<u>21,118</u>	<u>35.93</u>
	NORTH AMERICA – 47.49% (31.12.22 – 46.45%)		
	UNITED STATES – 47.49% (31.12.22 – 46.45%)		
11,000	Ansys	2,857	4.86
70,000	Bentley Systems	2,985	5.08
28,000	Bio-Techne	1,798	3.06
40,000	Bruker	2,326	3.96
29,000	Houlihan Lokey	2,241	3.81
4,500	IDEXX Laboratories	1,777	3.02
4,000	MSCI	1,476	2.51
9,000	Paycom Software	2,274	3.87
67,000	Rollins	2,256	3.84
5,500	SolarEdge Technologies	1,163	1.98
45,000	Trex	2,320	3.95
8,500	Tyler Technologies	2,784	4.73
25,000	XPEL	1,656	2.82
	TOTAL UNITED STATES	<u>27,913</u>	<u>47.49</u>
	TOTAL NORTH AMERICA	<u>27,913</u>	<u>47.49</u>
	ISRAEL – 1.45% (31.12.22 – 1.33%)		
80,000	Maytronics	854	1.45
	AUSTRALIA – 1.64% (31.12.22 – 2.34%)		
28,000	Pro Medicus	962	1.64
	Portfolio of investments	55,775	94.90
	Net other assets	2,997	5.10
	Net assets	<u>58,772</u>	<u>100.00</u>

The investments are ordinary shares listed on a regulated market.

LF MONTANARO GLOBAL SELECT FUND

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2023

Total purchases for the half year £'000	18,245	Total sales for the half year £'000	2,425
	Cost		Proceeds
Major purchases	£'000	Sales	£'000
Mensch und Maschine Software	1,901	Thule	970
Rollins	1,132	MIPS	802
Partners	1,046	SolarEdge Technologies	653
Tyler Technologies	929		
Adyen	921		
Paycom Software	920		
Plejd	890		
Ansys	870		
Games Workshop	860		
Bentley Systems	820		

The summary of material portfolio changes represents the 10 largest purchases and all of the sales during the half year.

LF MONTANARO GLOBAL SELECT FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Income:				
Net capital gains/(losses)		4,264		(12,123)
Revenue	362		186	
Expenses	(175)		(129)	
Net revenue before taxation	187		57	
Taxation	(57)		(32)	
Net revenue after taxation		130		25
Total return before distributions		4,394		(12,098)
Distributions		–		–
Change in net assets attributable to shareholders from investment activities		4,394		(12,098)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Opening net assets attributable to shareholders		37,332		35,369
Amounts receivable on issue of shares	19,368		10,072	
Amounts payable on redemption of shares	(2,322)		(4,869)	
		17,046		5,203
Change in net assets attributable to shareholders from investment activities		4,394		(12,098)
Closing net assets attributable to shareholders		58,772		28,474

The above statement shows the comparative closing net assets as at 30 June 2022 whereas the current accounting period commenced 1 January 2023.

LF MONTANARO GLOBAL SELECT FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
BALANCE SHEET
as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
ASSETS		
Fixed assets		
Investments	55,775	35,662
Current assets		
Debtors	482	49
Cash and bank balances	2,862	1,664
Total assets	<u>59,119</u>	<u>37,375</u>
LIABILITIES		
Creditors		
Other creditors	(347)	(43)
Total liabilities	<u>(347)</u>	<u>(43)</u>
Net assets attributable to shareholders	<u>58,772</u>	<u>37,332</u>

LF MONTANARO GLOBAL SELECT FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 June 2023

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

2. Subsequent Events

Since the balance sheet date the price of each of the Fund's share classes has moved as follows:

Share class	Balance sheet date	25.08.23	Movement
GBP A Accumulation	138.63	131.07	(5.45)%
GBP B Accumulation	114.03	107.85	(5.41)%

The decrease in the prices is primarily due to unfavourable market conditions. These accounts were approved on 31 August 2023.

LF MONTANARO EUROPEAN INCOME FUND ACD'S REPORT

for the half year ended 30 June 2023

Investment Objective and Policy

The investment objective of LF Montanaro European Income Fund ('the Fund') is to achieve growth in income and capital, over any five year period, after all costs and charges have been taken.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 60% of its assets in the shares of small and medium sized companies, including Real Estate Investment Trusts ('REITs'), that:

- (i) are incorporated or domiciled in the European Union (excluding the United Kingdom), Iceland, Norway and Switzerland;
- (ii) are listed or traded on a stock exchange in the European Union (excluding the United Kingdom), Iceland, Norway and Switzerland; and
- (iii) have a maximum market capitalisation of €20 billion.

The Fund may also invest up to 40% in the shares of large sized companies, including REITs (which have a market capitalisation in excess of €20 billion), that are listed or traded on a stock exchange in the European Union (excluding the United Kingdom), Iceland, Norway and Switzerland; in money market instruments, deposits and cash.

The Fund will invest in companies which, in the Investment Manager's opinion, offer the ability to provide stable or growing levels of dividend income.

Ethical, environmental, social and governance considerations play a key role in the Investment Manager's quality assessment.

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

The Fund may use derivatives only for the purposes of Efficient Portfolio Management.

Benchmark

The Fund's comparator benchmark is the IA Europe (excluding UK) sector.

The Fund's performance may be compared against the IA Europe (excluding UK) sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Montanaro European Income Fund
31 August 2023

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the half year ended 30 June 2023

Review

"Things are not always what they seem", said Phaedrus in discussion with Socrates. *"The first appearance deceives many; the intelligence of a few perceives what has been carefully hidden"*.

Equities delivered positive returns across most major developed markets during the first half of 2023. Yet the headline figures created something of an illusion. Not since the "Nifty Fifty" propelled the Bull Market of the early 1970s has US stock market performance been as reliant on so few names. Returns this year in the US were driven by the "Magnificent Seven", the behemoth technology stocks: Apple; Microsoft; Alphabet; Amazon; Nvidia; Tesla; and Meta (listed in order of market capitalisation).

Together, they propelled the Nasdaq to its strongest first-half performance for 40 years and staggeringly accounted for 75% of the total gains made by world equity markets during the period. The market capitalisation of Apple again breached the \$3 trillion mark, more than the combined value of the entire FTSE-100 and more than the Russell 2000 of smaller US companies. Across the S&P 500, over 80% of the year's return came from just 15 companies, many of them technology stocks. By contrast, the median company was flat. Pity those LargeCap managers underweight the Tech Titans.

Elsewhere, interest rates continued their rapid ascent. In the US, rates rose at their fastest pace in almost four decades, while the trajectory of tightening in the UK and Europe was also steep. *"The times they are a-changin"*, sang Bob Dylan, and it is easy to forget that just two years ago, a quarter of government debt was trading at negative yields. Investors *paid* for the privilege of lending money to governments.

While investors in smaller companies enjoyed healthy returns in the US and Europe during the last 6 months, these lagged those of the technology dominated indices. The UK remained a laggard on a global basis, the FTSE-100 index hurt by its heavy exposure to oil majors and its limited technology weighting (no *"AI hoopla"* as one Analyst pithily put it), while inflation remained stubborn and persistent.

From an asset allocation perspective, SmallCap remained unloved. Investors rarely favour smaller companies when the economic backdrop is uncertain and economists are talking about recession. Some reassurance was to be found, however, in the modest outperformance of Quality and Growth during the first half of the year (with the exception of the UK). Investors had not entirely forgotten the importance of fundamentals despite the cacophony of market noise.

Portfolio Comment: LF European Income Fund

From 1 January 2023 to 30 June 2023, the NAV of the Fund gained 4.9% (in GBP), an underperformance of 3.2% relative to the IA Europe (excluding UK) sector. The Fund suffered from its Small & MidCap bias, which underperformed the Large and MegaCaps during the period, relative to a benchmark that is composed largely of funds with a bias towards LargeCap.

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

The strongest contribution during the period came from **Kitron**, the leading Scandinavian electronics manufacturing services company, which performed well due to strong demand in certain end markets and higher margins thanks to operational leverage and better efficiencies. The company raised guidance for the full year. **Moncler**, the Italian luxury group, traded higher with better-than-expected results boosted by the reopening of business in Asia. **Brenntag**, the German chemicals distributor, gained after reporting solid earnings which highlighted the resilience of margins in the face of slowing growth.

The weakest contribution came from **Tryg**, the largest non-life insurer in Scandinavia, which experienced profit-taking after a good run. **Knowit**, the Swedish IT consultant, saw its shares slip on continued lacklustre operational performance through the first half of the year. **Merlin Properties**, the Spanish REIT focused on commercial assets in the Iberia Peninsula, underperformed as investors are pricing in the impact of higher interest rates.

Outlook

How will the market's concentrated performance resolve itself? There may be three possible routes from here: the Magnificent Seven continue to soar (potentially at some point approaching a level so disconnected from their fundamentals that a bubble appears); they fall back to earth; or the rest of the market catches up. Which route the market embarks on may come down to whether the US economy heads towards a recession, which depresses corporate earnings. Either that or the Federal Reserve pulls off an "immaculate disinflation" – an engineered soft economic landing where inflation falls without harming the economy.

With the diversification benefits and risk profiles of certain benchmarks highly questionable (Apple constitutes 5% of the MSCI ACWI Index), we believe one thing is clear: a greater focus on alpha rather than beta will continue to be a key theme of 2023. The environment is ripe for stock picking and investors may find it prudent to increase diversification over the remainder of the year.

While investors have shunned smaller companies, we believe this part of the market should not be ignored. Valuations are more attractive than they have been for many years – certainly compared with the big technology stocks – and any sign that the macro environment is stabilising is likely to bring this area of the market some much needed momentum.

Many investors believe SmallCap can be timed with the economic cycle. In our opinion it cannot. Forecasting is difficult at the best of times and to some extent is pointless because the future is always so uncertain. As Kevin Keegan, the former-England football manager said when facing the sack after a bad result, "*I know what's around the corner, I just don't know where the corner is*". Amidst a turbulent backdrop, we try to provide our clients with some certainty by sticking to our guns and focusing on holding the very best companies we can find for the long-term.

MONTANARO ASSET MANAGEMENT LIMITED

Investment Manager

1 August 2023

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 6 because its volatility has been measured as above average to high.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Ethical and ESG Investments Risk: The Fund is prevented from investing in certain sectors or companies. This narrower range may constrain the Fund's performance. If an investment no longer meets the ethical exclusion criteria it will be sold and the price obtained may be less than could be obtained if a forced sale was not required.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk.

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 June 2023 relates to the 6 month period ending 30 June 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 30 June 2023, expressed as an annualised percentage of the average net asset value.

GBP A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 ¹ pence per share
Opening net asset value per share	101.95	128.10	110.47	100.00
Return before operating charges*	6.38	(22.26)	21.17	12.87
Operating charges	(0.43)	(0.83)	(0.95)	(0.71)
Return after operating charges	5.95	(23.09)	20.22	12.16
Distributions	(2.52)	(3.06)	(2.59)	(1.69)
Closing net asset value per share	105.38	101.95	128.10	110.47
* after direct transaction costs of:	0.02	0.07	0.05	0.11

PERFORMANCE

Return after charges	5.84%	(18.02)%	18.30%	12.16%
----------------------	-------	----------	--------	--------

OTHER INFORMATION

Closing net asset value (£'000)	10,095	9,629	11,085	4,842
Closing number of shares	9,579,288	9,444,444	8,653,594	4,383,148
Operating charges ²	0.80%	0.80%	0.80%	0.80% ³
Direct transaction costs	0.02%	0.07%	0.04%	0.12% ³

PRICES

Highest share price	112.67	128.78	132.82	113.02
Lowest share price	102.57	88.95	106.37	72.38

¹ Share class launched on 31 January 2020.

² The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an OCF of 0.80%.

³ Annualised figure due to share class launched less than 1 year.

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

GBP A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 ¹ pence per share
Opening net asset value per share	109.30	133.20	112.39	100.00
Return before operating charges*	6.85	(23.02)	21.79	13.11
Operating charges	(0.47)	(0.88)	(0.98)	(0.72)
Return after operating charges	6.38	(23.90)	20.81	12.39
Distributions	(2.71)	(3.20)	(2.65)	(1.70)
Retained distributions on accumulation shares	2.71	3.20	2.65	1.70
Closing net asset value per share	115.68	109.30	133.20	112.39
* after direct transaction costs of:	0.02	0.08	0.05	0.11

PERFORMANCE

Return after charges	5.84%	(17.94)%	18.52%	12.39%
----------------------	-------	----------	--------	--------

OTHER INFORMATION

Closing net asset value (£'000)	41,821	37,358	31,552	16,769
Closing number of shares	36,152,008	34,178,075	23,688,039	14,920,067
Operating charges ²	0.80%	0.80%	0.80%	0.80% ³
Direct transaction costs	0.02%	0.07%	0.04%	0.12% ³

PRICES

Highest share price	120.91	133.90	137.47	114.47
Lowest share price	109.96	94.85	108.22	72.38

¹ Share class launched on 31 January 2020.

² The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an OCF of 0.80%.

³ Annualised figure due to share class launched less than 1 year.

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Distributions

Share class	First Interim 31.03.23 pence per share	Second Interim 30.06.23 pence per share
GBP A Income	0.1137	2.4074
GBP A Accumulation	0.1223	2.5836

Fund Performance to 30 June 2023 (%)

	6 months	1 year	3 years	Since launch ¹
LF Montanaro European Income Fund	4.91	11.72	19.94	15.48
IA Europe (excluding UK) sector ²	8.09	18.65	28.48	27.84

¹ Fund launched 31 January 2020.

² Source: Morningstar Direct.

The performance of the Fund is based on the published price per GBP A Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	BELGIUM – 4.44% (31.12.22 – 3.79%)		
19,000	Melexis	1,466	2.82
39,000	Warehouses De Pauw	839	1.62
	TOTAL BELGIUM	2,305	4.44
	DENMARK – 3.66% (31.12.22 – 4.37%)		
12,300	Christian Hansen	674	1.30
72,000	Tryg	1,226	2.36
	TOTAL DENMARK	1,900	3.66
	FRANCE – 15.22% (31.12.22 – 15.64%)		
35,150	Amundi	1,631	3.14
62,500	Bureau Veritas	1,347	2.59
32,600	Edenred	1,716	3.31
17,800	GTT	1,421	2.74
46,100	Kaufman & Broad	1,064	2.05
10,250	Thermador	724	1.39
	TOTAL FRANCE	7,903	15.22
	GERMANY – 12.38% (31.12.22 – 11.14%)		
12,850	Amadeus Fire	1,222	2.35
27,700	Brenntag	1,697	3.27
20,500	Mensch und Maschine	959	1.85
8,900	MTU Aero Engines	1,812	3.49
1,300	Rational	738	1.42
	TOTAL GERMANY	6,428	12.38
	ITALY – 19.34% (31.12.22 – 16.09%)		
106,300	Brembo	1,238	2.38
24,500	Carel Industries	580	1.12
37,000	Cembre	946	1.82
205,000	Enav	687	1.32
85,200	Marr	1,022	1.97
31,900	Moncler	1,734	3.34

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
42,500	Recordati	1,595	3.07
240,000	Terna	1,608	3.10
47,200	Zignago Vetro	633	1.22
	TOTAL ITALY	10,043	19.34
	NETHERLANDS – 1.65% (31.12.22 – 1.77%)		
16,000	Euronext	855	1.65
	NORWAY – 11.83% (31.12.22 – 11.95%)		
139,000	Atea	1,592	3.07
59,800	Borregaard	697	1.34
255,000	Bouvet ASA	1,211	2.33
349,000	Fjordkraft	545	1.05
85,000	Kid	468	0.90
512,000	Kitron	1,630	3.14
	TOTAL NORWAY	6,143	11.83
	PORTUGAL – 1.79% (31.12.22 – 1.85%)		
112,000	Corticeira Amorim	929	1.79
	SPAIN – 4.29% (31.12.22 – 4.89%)		
150,000	Merlin Properties	1,008	1.94
22,400	Viscofan	1,217	2.35
	TOTAL SPAIN	2,225	4.29
	SWEDEN – 12.98% (31.12.22 – 14.98%)		
34,100	Avanza Bank	544	1.05
52,300	Beijer Alma	857	1.65
67,200	BioGaia	569	1.10
73,000	Bravida	551	1.06
45,000	Knowit	571	1.10
70,600	Loomis	1,617	3.11
170,000	NCAB	1,042	2.01
42,900	Thule	987	1.90
	TOTAL SWEDEN	6,738	12.98

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	SWITZERLAND – 6.69% (31.12.22 – 6.65%)		
2,280	Burckhardt Compression	1,051	2.02
18,200	Galenica	1,155	2.23
1,710	Partners	1,265	2.44
	TOTAL SWITZERLAND	<u>3,471</u>	<u>6.69</u>
	Portfolio of investments	48,940	94.27
	Net other assets	<u>2,976</u>	<u>5.73</u>
	Net assets	<u>51,916</u>	<u>100.00</u>

The investments are ordinary shares listed on a regulated market.

LF MONTANARO EUROPEAN INCOME FUND

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2023

Total purchases for the half year £'000	7,342	Total sales for the half year £'000	3,939
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Partners	661	Kitron	659
Brembo	539	NCAB	330
Melexis	519	Bredband2	311
Tryg	312	Burckhardt Compression	265
Moncler	306	Knowit	258
Terna	304	Bureau Veritas	246
Amundi	284	Christian Hansen	230
GTT	267	Amundi	214
Bureau Veritas	256	Loomis	208
Edenred	234	Beijer Alma	198

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

LF MONTANARO EUROPEAN INCOME FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN
for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Income:				
Net capital gains/(losses)		1,767		(10,481)
Revenue	1,325		987	
Expenses	(203)		(160)	
Net revenue before taxation	1,122		827	
Taxation	(123)		(88)	
Net revenue after taxation		999		739
Total return before distributions		2,766		(9,742)
Distributions		(1,192)		(896)
Change in net assets attributable to shareholders from investment activities		1,574		(10,638)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Opening net assets attributable to shareholders		46,987		42,637
Amounts receivable on issue of shares	7,935		8,918	
Amounts payable on redemption of shares	(5,559)		(4,670)	
		2,376		4,248
Change in net assets attributable to shareholders from investment activities		1,574		(10,638)
Retained distributions on Accumulation shares		979		643
Closing net assets attributable to shareholders		51,916		36,890

The above statement shows the comparative closing net assets as at 30 June 2022 whereas the current accounting period commenced 1 January 2023.

LF MONTANARO EUROPEAN INCOME FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
ASSETS		
Fixed assets		
Investments	48,940	43,753
Current assets		
Debtors	544	374
Cash and bank balances	2,727	2,972
Total assets	<u>52,211</u>	<u>47,099</u>
LIABILITIES		
Creditors		
Distribution payable	(231)	(52)
Other creditors	(64)	(60)
Total liabilities	<u>(295)</u>	<u>(112)</u>
Net assets attributable to shareholders	<u>51,916</u>	<u>46,987</u>

LF MONTANARO EUROPEAN INCOME FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 June 2023

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

2. Subsequent Events

Since the balance sheet date the price of each of the Fund's share classes has moved as follows:

Share class	Balance sheet date	25.08.23	Movement
GBP A Income	107.60	100.45	(6.65)%
GBP A Accumulation	115.48	110.27	(4.51)%

The decrease in the prices is primarily due to unfavourable market conditions. These accounts were approved on 31 August 2023.

LF MONTANARO BETTER WORLD FUND ACD'S REPORT

for the half year ended 30 June 2023

Investment Objective and Policy

The investment objective of LF Montanaro Better World Fund ('the Fund') is to achieve capital growth, over any five year period, after all costs and charges have been taken, by investing in companies which make a positive impact on society or the environment.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 60% of its assets in the shares of small and medium sized companies, including Real Estate Investment Trusts ('REITs'), that:

- (i) are incorporated or domiciled in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan, United Kingdom and United States;
- (ii) are listed or traded on a stock exchange in the countries stated above; and
- (iii) have a market capitalisation below that of the largest constituent of the MSCI World SMID Cap Index.

The Fund may also invest up to 40% worldwide in the shares of large sized companies, including REITs (which have a market capitalisation in excess of the largest constituent of the MSCI World SMID Cap Index), money market instruments, deposits and cash.

The Investment Manager will invest in companies which, in its opinion, make a positive impact on society or the environment and which derive at least 50% of their revenue from themes which the Investment Manager considers contribute to these impacts, such as (but not limited to) environmental protection, low carbon economy, health care, nutrition, innovative technologies and well-being.

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

The Fund may use derivatives only for the purposes of Efficient Portfolio Management.

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

Benchmark

The Fund's comparator benchmark is the MSCI World SMID Cap Index (Total Return).

The Fund may be compared against the MSCI World SMID Cap Index (Total Return), referred to as 'comparator benchmark'. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The MSCI World SMID Cap Index (Total Return) is used as a comparator which may assist investors in evaluating the Fund's performance against global small and medium sized equity returns. The Fund is not constrained by the comparator benchmark and may take positions that differ significantly from it.

LINK FUND SOLUTIONS LIMITED

ACD of LF Montanaro Better World Fund

31 August 2023

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the half year ended 30 June 2023

Review

"Things are not always what they seem", said Phaedrus in discussion with Socrates. *"The first appearance deceives many; the intelligence of a few perceives what has been carefully hidden".*

Equities delivered positive returns across most major developed markets during the first half of 2023. Yet the headline figures created something of an illusion. Not since the "Nifty Fifty" propelled the Bull Market of the early 1970s has US stock market performance been as reliant on so few names. Returns this year in the US were driven by the "Magnificent Seven", the behemoth technology stocks: Apple; Microsoft; Alphabet; Amazon; Nvidia; Tesla; and Meta (listed in order of market capitalisation).

Together, they propelled the Nasdaq to its strongest first-half performance for 40 years and staggeringly accounted for 75% of the total gains made by world equity markets during the period. The market capitalisation of Apple again breached the \$3 trillion mark, more than the combined value of the entire FTSE-100 and more than the Russell 2000 of smaller US companies. Across the S&P 500, over 80% of the year's return came from just 15 companies, many of them technology stocks. By contrast, the median company was flat. Pity those LargeCap managers underweight the Tech Titans.

Elsewhere, interest rates continued their rapid ascent. In the US, rates rose at their fastest pace in almost four decades, while the trajectory of tightening in the UK and Europe was also steep. *"The times they are a-changin"*, sang Bob Dylan, and it is easy to forget that just two years ago, a quarter of government debt was trading at negative yields. Investors *paid* for the privilege of lending money to governments.

While investors in smaller companies enjoyed healthy returns in the US and Europe during the last 6 months, these lagged those of the technology dominated indices. The UK remained a laggard on a global basis, the FTSE-100 index hurt by its heavy exposure to oil majors and its limited technology weighting (no *"AI hoopla"* as one Analyst pithily put it), while inflation remained stubborn and persistent.

From an asset allocation perspective, SmallCap remained unloved. Investors rarely favour smaller companies when the economic backdrop is uncertain and economists are talking about recession. Some reassurance was to be found, however, in the modest outperformance of Quality and Growth during the first half of the year (with the exception of the UK). Investors had not entirely forgotten the importance of fundamentals despite the cacophony of market noise.

Portfolio Comment: LF Better World Fund

From 1 January 2023 to 30 June 2023, the NAV of the Fund declined by 4.0% (GBP A Accumulation share class), an outperformance of 1.6% versus the MSCI World SMID Cap Index (Total Return).

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

The strongest contribution during the period came from **Trex**, the world's largest manufacturer of composite decking made from recycled plastic, which recovered as it became evident that channel destocking is now complete, leaving distributors better positioned. **Entegris**, the US provider of specialty chemicals to the semiconductor industry, performed very strongly on better-than-expected results and the sale of a non-core business. **Ansys**, the engineering simulation software provider enabling new products to come to market with increased quality and energy efficiency, delivered a strong set of results.

The weakest contribution came from **IDP Education**, the provider of English qualification tests and student placement services, which lost exclusivity for its English qualifications used by the Canadian immigration service. **Sartorius Stedim**, the provider of equipment and consumables used in the production of biologic drugs, underperformed after cutting full year guidance, citing customer inventory destocking. **Alfen**, the Dutch renewable energy producer, saw its shares slip on concerns about growth and margin progression through 2023.

Outlook

How will the market's concentrated performance resolve itself? There may be three possible routes from here: the Magnificent Seven continue to soar (potentially at some point approaching a level so disconnected from their fundamentals that a bubble appears); they fall back to earth; or the rest of the market catches up. Which route the market embarks on may come down to whether the US economy heads towards a recession, which depresses corporate earnings. Either that or the Federal Reserve pulls off an "immaculate disinflation" – an engineered soft economic landing where inflation falls without harming the economy.

With the diversification benefits and risk profiles of certain benchmarks highly questionable (Apple constitutes 5% of the MSCI ACWI Index), we believe one thing is clear: a greater focus on alpha rather than beta will continue to be a key theme of 2023. The environment is ripe for stock picking and investors may find it prudent to increase diversification over the remainder of the year.

While investors have shunned smaller companies, we believe this part of the market should not be ignored. Valuations are more attractive than they have been for many years – certainly compared with the big technology stocks – and any sign that the macro environment is stabilising is likely to bring this area of the market some much needed momentum.

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Many investors believe SmallCap can be timed with the economic cycle. In our opinion it cannot. Forecasting is difficult at the best of times and to some extent is pointless because the future is always so uncertain. As Kevin Keegan, the former-England football manager said when facing the sack after a bad result, *"I know what's around the corner, I just don't know where the corner is"*. Amidst a turbulent backdrop, we try to provide our clients with some certainty by sticking to our guns and focusing on holding the very best companies we can find for the long-term.

MONTANARO ASSET MANAGEMENT LIMITED

Investment Manager

1 August 2023

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 6 because its volatility has been measured as above average to high.

This indicator is based on a mixture of the Fund's historical data and simulated historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time. Number 1 on the scale does not mean that a fund is risk free.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Ethical and ESG Investments Risk: The Fund is prevented from investing in certain sectors or companies. This narrower range may constrain the Fund's performance. If an investment no longer meets the ethical exclusion criteria it will be sold and the price obtained may be less than could be obtained if a forced sale was not required.

Concentrated Risk: The Fund may invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single industry, sector or geographical region within the Fund has a greater effect (loss or gain) on the value of the Fund.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk.

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 June 2023 relates to the 6 month period ending 30 June 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 30 June 2023, expressed as an annualised percentage of the average net asset value.

GBP A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 ¹ pence per share
Opening net asset value per share	115.25	160.74	134.46	100.00
Return before operating charges*	6.87	(44.26)	27.74	35.48
Operating charges	(0.60)	(1.23)	(1.46)	(1.02)
Return after operating charges	6.27	(45.49)	26.28	34.46
Distributions	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	121.52	115.25	160.74	134.46
* after direct transaction costs of:	0.05	0.07	0.14	0.30

PERFORMANCE

Return after charges	5.44%	(28.30)%	19.54%	34.46%
----------------------	-------	----------	--------	--------

OTHER INFORMATION

Closing net asset value (£'000)	105,296	74,495	71,039	17,253
Closing number of shares	86,648,605	64,640,572	44,194,630	12,831,045
Operating charges ²	1.00%	1.00%	1.00%	1.00% ³
Direct transaction costs	0.04%	0.05%	0.10%	0.29%

PRICES

Highest share price	128.35	158.62	170.00	136.33
Lowest share price	115.49	106.86	125.30	80.71

¹ Share class launched on 31 January 2020.

² The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an OCF of 1.00%.

³ Annualised figure due to share class launched less than 1 year.

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

GBP B INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 ¹ pence per share
Opening net asset value per share	99.56	138.59	115.70	100.00
Return before operating charges*	5.95	(38.18)	23.90	15.99
Operating charges	(0.42)	(0.85)	(1.01)	(0.29)
Return after operating charges	5.53	(39.03)	22.89	15.70
Distributions	-	-	-	-
Closing net asset value per share	105.09	99.56	138.59	115.70
* after direct transaction costs of:	0.04	0.06	0.12	0.11

PERFORMANCE

Return after charges	5.55%	(28.16)%	19.78%	15.70%
----------------------	-------	----------	--------	--------

OTHER INFORMATION

Closing net asset value (£'000)	2,985	12,042	53,335	20,072
Closing number of shares	2,840,044	12,094,215	38,485,377	17,349,025
Operating charges ²	0.80%	0.80%	0.80%	0.80% ³
Direct transaction costs	0.04%	0.05%	0.10%	0.77%

PRICES

Highest share price	110.91	136.76	146.53	117.31
Lowest share price	99.78	92.22	107.86	96.96

¹ Share class launched on 27 August 2020.

² The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an OCF of 0.80%.

³ Annualised figure due to share class launched less than 1 year.

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 June 2023 (%)

	6 months	1 year	3 years	Since launch ¹
LF Montanaro Better World Fund	4.03	7.49	9.14	20.84
MSCI World SMID Cap Index (Total Return) ²	2.47	8.02	29.21	24.86

¹ Fund launched 31 January 2020.

² Source: Bloomberg.

The performance of the Fund is based on the published price per GBP A Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

LF MONTANARO BETTER WORLD FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT**

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	UNITED KINGDOM – 6.08% (31.12.22 – 6.25%)		
130,000	Halma	2,960	2.74
275,000	Marshalls	662	0.61
23,500	Spirax-Sarco Engineering	2,435	2.25
150,000	Tristel ¹	525	0.48
	TOTAL UNITED KINGDOM	<u>6,582</u>	<u>6.08</u>
	EUROPE – 27.55% (31.12.22 – 28.06%)		
	BELGIUM – 2.49% (31.12.22 – 2.08%)		
35,000	Melexis	<u>2,700</u>	<u>2.49</u>
	DENMARK – 3.65% (31.12.22 – 3.95%)		
27,500	Chemometec	1,479	1.37
45,000	Christian Hansen	2,466	2.28
	TOTAL DENMARK	<u>3,945</u>	<u>3.65</u>
	FRANCE – 2.45% (31.12.22 – 2.48%)		
13,500	Sartorius Stedim Biotech	<u>2,648</u>	<u>2.45</u>
	GERMANY – 2.10% (31.12.22 – 1.42%)		
4,000	Rational	<u>2,271</u>	<u>2.10</u>
	GREECE – 2.40% (31.12.22 – 2.61%)		
150,000	Terna Energy	<u>2,598</u>	<u>2.40</u>
	IRELAND – 3.18% (31.12.22 – 2.80%)		
17,500	ICON	<u>3,444</u>	<u>3.18</u>
	NETHERLANDS – 2.28% (31.12.22 – 2.94%)		
750	Adyen	1,021	0.94
27,500	Alfen	1,452	1.34
	TOTAL NETHERLANDS	<u>2,472</u>	<u>2.28</u>

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	SWEDEN – 4.29% (31.12.22 – 5.17%)		
30,000	MIPS	1,165	1.08
85,000	Sdiptech	1,656	1.53
65,000	Surgical Science	1,138	1.05
30,000	Thule	690	0.64
	TOTAL SWEDEN	4,649	4.29
	SWITZERLAND – 4.71% (31.12.22 – 4.61%)		
22,500	Bachem	1,542	1.42
6,000	Belimo	2,354	2.17
4,000	Tecan	1,206	1.11
	TOTAL SWITZERLAND	5,102	4.71
	TOTAL EUROPE	29,829	27.55
	NORTH AMERICA – 46.69% (31.12.22 – 46.27%)		
	UNITED STATES – 46.69% (31.12.22 – 46.27%)		
30,000	Advanced Drainage Systems	2,682	2.48
30,000	Alarm.com	1,219	1.13
20,000	American Water Works	2,245	2.07
13,500	Ansys	3,506	3.24
20,000	Badger Meter	2,321	2.14
25,000	Balchem	2,647	2.44
45,000	Bio-Techne	2,889	2.67
55,000	Bruker	3,198	2.95
50,000	Cognex	2,203	2.03
100,000	Energy Recovery	2,198	2.03
30,000	Entegris	2,614	2.41
13,500	IDEX	2,287	2.11
2,000	IDEXX Laboratories	790	0.73
23,500	Masimo	3,041	2.81
5,000	MSCI	1,846	1.71
30,000	Power Integrations	2,231	2.06
11,000	SolarEdge Technologies	2,325	2.15
65,000	Trex	3,352	3.10

LF MONTANARO BETTER WORLD FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
5,000	Tyler Technologies	1,638	1.51
20,000	Veeva Systems	3,111	2.87
25,000	Xylem	2,214	2.05
	TOTAL UNITED STATES	50,558	46.69
	TOTAL NORTH AMERICA	50,558	46.69
	ISRAEL – 2.13% (31.12.22 – 2.16%)		
25,000	Nova Measuring Instruments	2,307	2.13
	JAPAN – 7.69% (31.12.22 – 6.58%)		
100,000	Azbil	2,458	2.27
100,000	Mani	922	0.85
175,000	Nihon M&A Center	1,046	0.97
45,000	Shionogi	1,485	1.37
67,500	Yaskawa Electric	2,418	2.23
	TOTAL JAPAN	8,329	7.69
	AUSTRALIA – 3.98% (31.12.22 – 5.00%)		
165,000	IDP Education	1,908	1.76
70,000	Pro Medicus	2,406	2.22
	TOTAL AUSTRALIA	4,314	3.98
	NEW ZEALAND – 1.45% (31.12.22 – 1.14%)		
500,000	Ryman Healthcare	1,566	1.45
	Portfolio of investments	103,485	95.57
	Net other assets	4,796	4.43
	Net assets	108,281	100.00

The investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Quoted on the Alternative Investment Market (AIM).

LF MONTANARO BETTER WORLD FUND

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2023

Total purchases for the half year £'000	38,285	Total sales for the half year £'000	22,361
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
MSCI	1,822	IDEXX Laboratories	2,472
Balchem	1,820	MSCI	1,912
Sartorius Stedim Biotech	1,559	Zscaler	1,372
Power Integrations	1,442	Tecan	1,213
IDEXX Laboratories	1,362	Ameresco	1,169
Halma	1,342	Thule	1,061
SolarEdge Technologies	1,194	Adyen	1,000
Masimo	1,153	Veeva Systems	985
Melexis	1,150	IDEX	933
Christian Hansen	1,096	Entegris	903

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

**LF MONTANARO BETTER WORLD FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Income:				
Net capital gains/(losses)		4,881		(33,499)
Revenue	490		318	
Expenses	(450)		(416)	
Net revenue/(expense)				
before taxation	40		(98)	
Taxation	(46)		(42)	
Net revenue after taxation		(6)		(140)
Total return before distributions		4,875		(33,639)
Distributions		–		–
Change in net assets				
attributable to shareholders				
from investment activities		4,875		(33,639)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Opening net assets attributable to shareholders		86,537		124,374
Amounts receivable on issue of shares	33,595		26,819	
Amounts payable on redemption of shares	(16,762)		(46,029)	
		16,833		(19,210)
Dilution levy		36		66
Change in net assets attributable to shareholders from investment activities		4,875		(33,639)
Closing net assets attributable to shareholders		108,281		71,591

The above statement shows the comparative closing net assets as at 30 June 2022 whereas the current accounting period commenced 1 January 2023.

LF MONTANARO BETTER WORLD FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
BALANCE SHEET
as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
ASSETS		
Fixed assets		
Investments	103,485	82,612
Current assets		
Debtors	824	313
Cash and bank balances	5,192	3,702
Total assets	<u>109,501</u>	<u>86,627</u>
LIABILITIES		
Creditors		
Other creditors	(1,220)	(90)
Total liabilities	<u>(1,220)</u>	<u>(90)</u>
Net assets attributable to shareholders	<u>108,281</u>	<u>86,537</u>

LF MONTANARO BETTER WORLD FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 June 2023

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

LF MONTANARO UK INCOME FUND ACD'S REPORT

for the half year ended 30 June 2023

Investment Objective and Policy

The investment objective of LF Montanaro UK Income Fund ('the Fund') is to achieve growth in income and capital, over any five year period, after all costs and charges have been taken.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 60% of its assets in the shares of small and medium sized companies, including Real Estate Investment Trusts ('REITs'), that:

- (i) are incorporated or domiciled in the United Kingdom;
- (ii) are listed or traded on a stock exchange in the UK; and
- (iii) have a maximum market capitalisation of £10 billion.

The Fund may invest up to 20% in the shares of small, medium and large sized companies, including REITs which are listed or traded on a stock exchange in the European Union (excluding for this purpose the United Kingdom), Iceland, Norway and Switzerland.

The Fund may also invest up to 40% in the shares of large sized companies, including REITs (which have a market capitalisation in excess of £10 billion), that are listed or traded on a stock exchange in the UK; money market instruments, deposits and cash.

The Fund will invest in companies which, in the Investment Manager's opinion, offer the ability to provide stable or growing levels of dividend income.

Ethical, environmental, social and governance considerations play a key role in the Investment Manager's quality assessment.

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

The Fund may use derivatives only for the purposes of Efficient Portfolio Management.

Benchmark

The Fund's comparator benchmark is the IA UK All Companies sector.

The Fund's performance may be compared against the IA UK All Companies sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Montanaro UK Income Fund

31 August 2023

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the half year ended 30 June 2023

Review

"Things are not always what they seem", said Phaedrus in discussion with Socrates. *"The first appearance deceives many; the intelligence of a few perceives what has been carefully hidden".*

Equities delivered positive returns across most major developed markets during the first half of 2023. Yet the headline figures created something of an illusion. Not since the "Nifty Fifty" propelled the Bull Market of the early 1970s has US stock market performance been as reliant on so few names. Returns this year in the US were driven by the "Magnificent Seven", the behemoth technology stocks: Apple; Microsoft; Alphabet; Amazon; Nvidia; Tesla; and Meta (listed in order of market capitalisation).

Together, they propelled the Nasdaq to its strongest first-half performance for 40 years and staggeringly accounted for 75% of the total gains made by world equity markets during the period. The market capitalisation of Apple again breached the \$3 trillion mark, more than the combined value of the entire FTSE-100 and more than the Russell 2000 of smaller US companies. Across the S&P 500, over 80% of the year's return came from just 15 companies, many of them technology stocks. By contrast, the median company was flat. Pity those LargeCap managers underweight the Tech Titans.

Elsewhere, interest rates continued their rapid ascent. In the US, rates rose at their fastest pace in almost four decades, while the trajectory of tightening in the UK and Europe was also steep. *"The times they are a-changin",* sang Bob Dylan, and it is easy to forget that just two years ago, a quarter of government debt was trading at negative yields. Investors *paid* for the privilege of lending money to governments.

While investors in smaller companies enjoyed healthy returns in the US and Europe during the last 6 months, these lagged those of the technology dominated indices. The UK remained a laggard on a global basis, the FTSE-100 index hurt by its heavy exposure to oil majors and its limited technology weighting (no *"AI hoopla"* as one Analyst pithily put it), while inflation remained stubborn and persistent.

From an asset allocation perspective, SmallCap remained unloved. Investors rarely favour smaller companies when the economic backdrop is uncertain and economists are talking about recession. Some reassurance was to be found, however, in the modest outperformance of Quality and Growth during the first half of the year (with the exception of the UK). Investors had not entirely forgotten the importance of fundamentals despite the cacophony of market noise.

Portfolio Comment: LF UK Income Fund

From 1 January 2023 to 30 June 2023, the NAV of the Fund remained flat (in GBP), an underperformance of 1.8% relative to the IA UK All Companies sector. The Fund suffered from its Small & MidCap bias, which underperformed the Large and MegaCaps during the period, relative to a benchmark that is composed largely of funds with a bias towards LargeCap.

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

The strongest contribution during the period came from **Games Workshop**, the developer of tabletop wargames and fantasy miniatures, outperformed following a trading update highlighting better than expected revenues and profitability. Excitement also continues to build around its potential future licensing agreement with Amazon. **Sage**, the developer of accounting, HR and payroll software for smaller companies, saw its share price gain after the company upgraded its full-year guidance. **Dechra Pharmaceuticals**, the provider of veterinary drugs, agreed to be taken over by private equity firm EQT at a 44% premium.

The weakest contribution came from **NCC Group**, the cyber security consultant, which issued a profit warning largely as a result of its tech-heavy US customer base reducing business activity in a weak macroeconomic environment. **Kainos**, the provider of digital transformation services primarily to the UK Government, drifted lower as investors worried about budgets for digital transformation projects, albeit with no company-specific news. **Liontrust**, the asset manager, underperformed due to outflows and its acquisition of Swiss asset manager GAM.

Outlook

How will the market's concentrated performance resolve itself? There may be three possible routes from here: the Magnificent Seven continue to soar (potentially at some point approaching a level so disconnected from their fundamentals that a bubble appears); they fall back to earth; or the rest of the market catches up. Which route the market embarks on may come down to whether the US economy heads towards a recession, which depresses corporate earnings. Either that or the Federal Reserve pulls off an "immaculate disinflation" – an engineered soft economic landing where inflation falls without harming the economy.

With the diversification benefits and risk profiles of certain benchmarks highly questionable (Apple constitutes 5% of the MSCI ACWI Index), we believe one thing is clear: a greater focus on alpha rather than beta will continue to be a key theme of 2023. The environment is ripe for stock picking and investors may find it prudent to increase diversification over the remainder of the year.

While investors have shunned smaller companies, we believe this part of the market should not be ignored. Valuations are more attractive than they have been for many years – certainly compared with the big technology stocks – and any sign that the macro environment is stabilising is likely to bring this area of the market some much needed momentum.

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Many investors believe SmallCap can be timed with the economic cycle. In our opinion it cannot. Forecasting is difficult at the best of times and to some extent is pointless because the future is always so uncertain. As Kevin Keegan, the former-England football manager said when facing the sack after a bad result, *"I know what's around the corner, I just don't know where the corner is"*. Amidst a turbulent backdrop, we try to provide our clients with some certainty by sticking to our guns and focusing on holding the very best companies we can find for the long-term.

MONTANARO ASSET MANAGEMENT LIMITED

Investment Manager

1 August 2023

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 6 because its volatility has been measured as above average to high.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Counterparty Risk: The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

Currency Risk: As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

Ethical and ESG Investments Risk: The Fund is prevented from investing in certain sectors or companies. This narrower range may constrain the Fund's performance. If an investment no longer meets the ethical exclusion criteria it will be sold and the price obtained may be less than could be obtained if a forced sale was not required.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk.

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 June 2023 relates to the 6 month period ending 30 June 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 30 June 2023, expressed as an annualised percentage of the average net asset value.

GBP A INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 ¹ pence per share
Opening net asset value per share	79.27	109.16	90.98	100.00
Return before operating charges*	0.86	(26.08)	21.83	(6.95)
Operating charges	(0.33)	(0.69)	(0.82)	(0.61)
Return after operating charges	0.53	(26.77)	21.01	(7.56)
Distributions	(1.80)	(3.12)	(2.83)	(1.46)
Closing net asset value per share	78.00	79.27	109.16	90.98
* after direct transaction costs of:	0.10	0.20	0.68	0.73

PERFORMANCE

Return after charges	0.67%	(24.52)%	23.09%	(7.56)%
----------------------	-------	----------	--------	---------

OTHER INFORMATION

Closing net asset value (£'000)	15,657	17,492	30,762	5,115
Closing number of shares	20,072,721	22,066,497	28,180,838	5,622,079
Operating charges ²	0.80%	0.80%	0.80%	0.80% ³
Direct transaction costs	0.12%	0.23%	0.66%	0.96% ³

PRICES

Highest share price	87.57	110.55	115.45	102.32
Lowest share price	78.32	68.24	89.69	65.59

¹ Share class launched on 31 January 2020.

² The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an OCF of 0.80%.

³ Annualised figure due to share class launched less than 1 year.

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

GBP A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 ¹ pence per share
Opening net asset value per share	86.21	114.16	92.60	100.00
Return before operating charges*	0.92	(27.22)	22.40	(6.78)
Operating charges	(0.36)	(0.73)	(0.84)	(0.62)
Return after operating charges	0.56	(27.95)	21.56	(7.40)
Distributions	(1.97)	(3.30)	(2.90)	(1.46)
Retained distributions on accumulation shares	1.97	3.30	2.90	1.46
Closing net asset value per share	86.77	86.21	114.16	92.60
* after direct transaction costs of:	0.11	0.21	0.70	0.74

PERFORMANCE

Return after charges	0.65%	(24.48)%	23.28%	(7.40)%
----------------------	-------	----------	--------	---------

OTHER INFORMATION

Closing net asset value (£'000)	58,543	47,633	39,425	10,609
Closing number of shares	67,471,582	55,254,755	34,536,055	11,456,253
Operating charges ²	0.80%	0.80%	0.80%	0.80% ³
Direct transaction costs	0.12%	0.23%	0.66%	0.96% ³

PRICES

Highest share price	95.22	115.60	119.15	102.32
Lowest share price	85.62	73.59	91.28	65.59

¹ Share class launched on 31 January 2020.

² The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an OCF of 0.80%.

³ Annualised figure due to share class launched less than 1 year.

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Distributions

Share class	First Interim 31.03.23 pence per share	Second Interim 30.06.23 pence per share
GBP A Income	0.4350	1.3658
GBP A Accumulation	0.4729	1.4930

Fund Performance to 30 June 2023 (%)

	6 months	1 year	3 years	Since launch ¹
LF Montanaro UK Income Fund	(0.05)	1.83	6.78	(13.38)

¹ Fund launched 31 January 2020.

The performance of the Fund is based on the published price per GBP A Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	UNITED KINGDOM – 92.12% (31.12.22 – 88.97%)		
	TECHNOLOGY – 12.56% (31.12.22 – 13.06%)		
	SOFTWARE & COMPUTER SERVICES – 11.30% (31.12.22 – 11.37%)		
39,803	Bytes Technology	210	0.28
37,500	Computacenter	859	1.16
230,000	FDM	1,290	1.74
210,000	Kainos	2,587	3.49
825,000	NCC	798	1.08
285,000	Sage	2,636	3.55
		<u>8,380</u>	<u>11.30</u>
	TELECOMMUNICATIONS – 1.26% (31.12.22 – 1.69%)		
575,000	Spirent Communications	941	1.26
	TOTAL TECHNOLOGY	<u>9,321</u>	<u>12.56</u>
	HEALTH CARE – 2.48% (31.12.22 – 1.71%)		
	PHARMACEUTICALS AND BIOTECHNOLOGY – 2.48% (31.12.22 – 1.71%)		
50,000	Dechra Pharmaceuticals	1,842	2.48
	TOTAL HEALTH CARE	<u>1,842</u>	<u>2.48</u>
	FINANCIALS – 12.12% (31.12.22 – 14.44%)		
	INVESTMENT BANKING AND BROKERAGE SERVICES – 7.30% (31.12.22 – 9.29%)		
259,181	IntegraFin	614	0.83
625,000	Jupiter Fund Management	673	0.91
115,000	Liontrust	824	1.11
105,000	Rathbones	1,953	2.63
775,000	XPS Pensions	1,352	1.82
		<u>5,416</u>	<u>7.30</u>

LF MONTANARO UK INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	LIFE INSURANCE – 3.00% (31.12.22 – 2.77%)		
205,000	St. James's Place	2,229	3.00
	NON LIFE INSURANCE – 1.82% (31.12.22 – 2.38%)		
65,000	Admiral	1,353	1.82
	TOTAL FINANCIALS	8,998	12.12
	REAL ESTATE – 10.36% (31.12.22 – 10.58%)		
	REAL ESTATE INVESTMENT AND SERVICES – 1.32% (31.12.22 – 1.27%)		
115,000	Savills	979	1.32
	REAL ESTATE INVESTMENT TRUSTS – 9.04% (31.12.22 – 9.31%)		
210,000	Big Yellow	2,251	3.03
27,500	Derwent London	564	0.76
1,000,000	LondonMetric Property	1,653	2.23
1,300,000	Primary Health Properties	1,241	1.67
800,000	Tritax Big Box REIT	999	1.35
	TOTAL REAL ESTATE	7,687	10.36
	CONSUMER DISCRETIONARY – 18.87% (31.12.22 – 15.22%)		
	HOUSEHOLD GOODS AND HOME CONSTRUCTION – 4.70% (31.12.22 – 5.37%)		
1,725,000	Taylor Wimpey	1,772	2.39
260,000	Vistry	1,717	2.31
		3,489	4.70
	LEISURE GOODS – 5.15% (31.12.22 – 3.68%)		
35,000	Games Workshop	3,822	5.15

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	MEDIA – 6.54% (31.12.22 – 6.17%)		
62,500	4imprint	2,994	4.04
425,000	Bloomsbury Publishing	1,853	2.50
		<u>4,847</u>	<u>6.54</u>
	RETAIL – 2.48% (31.12.22 – 0.00%)		
140,000	Howdens Joinery	899	1.21
250,000	Pets at Home	942	1.27
		<u>1,841</u>	<u>2.48</u>
	TOTAL CONSUMER DISCRETIONARY	<u>13,999</u>	<u>18.87</u>
	CONSUMER STAPLES – 7.28% (31.12.22 – 7.00%)		
	BEVERAGES – 2.19% (31.12.22 – 2.21%)		
190,000	Britvic	1,626	2.19
	PERSONAL CARE, DRUG AND GROCERY STORES – 2.32% (31.12.22 – 2.34%)		
67,500	Greggs	1,724	2.32
	FOOD PRODUCERS – 2.77% (31.12.22 – 2.45%)		
25,000	Cranswick	812	1.09
200,000	Hilton Food	1,246	1.68
		<u>2,058</u>	<u>2.77</u>
	TOTAL CONSUMER STAPLES	<u>5,408</u>	<u>7.28</u>
	INDUSTRIALS – 23.07% (31.12.22 – 19.83%)		
	CONSTRUCTION & MATERIALS – 3.66% (31.12.22 – 3.30%)		
350,000	Genuit	1,027	1.39
700,000	Marshalls	1,684	2.27
		<u>2,711</u>	<u>3.66</u>

LF MONTANARO UK INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	ELECTRONIC AND ELECTRICAL EQUIPMENT – 5.17% (31.12.22 – 3.25%)		
325,000	DiscoverIE	2,727	3.68
45,000	IMI	738	0.99
300,000	Luceco	374	0.50
		<u> 3,839 </u>	<u> 5.17 </u>
	INDUSTRIAL GOODS & SERVICES – 1.27% (31.12.22 – 1.17%)		
57,500	Smiths	945	1.27
	INDUSTRIAL SUPPORT SERVICES – 10.08% (31.12.22 – 9.14%)		
90,616	Diploma	2,704	3.64
35,000	Intertek	1,492	2.01
196,965	Ricardo	1,127	1.52
160,000	RS	1,216	1.64
275,000	SThree	939	1.27
		<u> 7,478 </u>	<u> 10.08 </u>
	INDUSTRIAL TRANSPORTATION – 2.89% (31.12.22 – 2.97%)		
72,500	Clarkson	2,146	2.89
	TOTAL INDUSTRIALS	<u> 17,119 </u>	<u> 23.07 </u>
	UTILITIES – 5.38% (31.12.22 – 7.13%)		
	GAS, WATER AND MULTIUTILITIES – 5.38% (31.12.22 – 5.79%)		
90,000	Pennon	639	0.86
87,500	Severn Trent	2,245	3.03
115,000	United Utilities	1,106	1.49
		<u> 3,990 </u>	<u> 5.38 </u>
	WATER AND DISPOSAL SERVICES – 0.00% (31.12.22 – 1.34%)		
	TOTAL UTILITIES	<u> 3,990 </u>	<u> 5.38 </u>
	TOTAL UNITED KINGDOM	<u> 68,364 </u>	<u> 92.12 </u>

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of Investments	Value £'000	30.06.23 %
	EUROPE – 3.96% (31.12.22 – 4.53%)		
	BELGIUM – 0.94% (31.12.22 – 0.83%)		
9,000	Melexis	694	0.94
	SWEDEN – 3.02% (31.12.22 – 3.70%)		
365,000	NCAB	2,238	3.02
	TOTAL EUROPE	2,932	3.96
	FAR EAST (EX JAPAN) – 1.59% (31.12.22 – 1.64%)		
	SINGAPORE – 1.59% (31.12.22 – 1.64%)		
60,000	XP Power	1,180	1.59
	TOTAL FAR EAST EX JAPAN	1,180	1.59
	NORTH AMERICA – 1.62% (31.12.22 – 1.59%)		
	BERMUDA – 1.62% (31.12.22 – 1.59%)		
110,000	Hiscox	1,199	1.62
	TOTAL NORTH AMERICA	1,199	1.62
	Portfolio of investments	73,675	99.29
	Net other assets	525	0.71
	Net assets	74,200	100.00

The investments are ordinary shares listed on a regulated market.

LF MONTANARO UK INCOME FUND

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2023

Total purchases for the half year £'000	17,581	Total sales for the half year £'000	5,508
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Kainos	987	Biffa	880
Howdens Joinery	967	Thule	839
Pets at Home	959	Headlam	425
IMI	701	Britvic	403
Games Workshop	655	United Utilities	359
Sage	618	Liontrust	339
Marshalls	598	Greggs	334
DiscoverIE	587	IntegraFin	316
Severn Trent	560	Pennon	205
St. James's Place	489	Savills	182

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

LF MONTANARO UK INCOME FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Income:				
Net capital losses		(1,396)		(19,097)
Revenue	1,741		1,175	
Expenses	(303)		(239)	
Net revenue before taxation	1,438		936	
Taxation	(4)		(2)	
Net revenue after taxation		1,434		934
Total return before distributions		38		(18,163)
Distributions		(1,700)		(1,156)
Change in net assets				
attributable to shareholders				
from investment activities		(1,662)		(19,319)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Opening net assets attributable to shareholders		65,125		70,187
Amounts receivable on issue of shares	15,995		22,960	
Amounts payable on redemption of shares	(6,595)		(17,698)	
		9,400		5,262
Dilution levy		-		14
Change in net assets				
attributable to shareholders				
from investment activities		(1,662)		(19,319)
Retained distributions on Accumulation shares		1,337		732
Closing net assets attributable to shareholders		74,200		56,876

The above statement shows the comparative closing net assets as at 30 June 2022 whereas the current accounting period commenced 1 January 2023.

LF MONTANARO UK INCOME FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
BALANCE SHEET
as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
ASSETS		
Fixed assets		
Investments	73,675	62,997
Current assets		
Debtors	459	479
Cash and bank balances	653	1,872
Total assets	<u>74,787</u>	<u>65,348</u>
LIABILITIES		
Creditors		
Distribution payable	(274)	(148)
Other creditors	(313)	(75)
Total liabilities	<u>(587)</u>	<u>(223)</u>
Net assets attributable to shareholders	<u>74,200</u>	<u>65,125</u>

LF MONTANARO UK INCOME FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 June 2023

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

GENERAL INFORMATION

Share Capital

The minimum share capital of the Company is £1 and the maximum share capital is £100,000,000,000.

Structure of the Company

The Company is structured as an umbrella company in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

LF Montanaro Global Select Fund
LF Montanaro European Income Fund
LF Montanaro Better World Fund
LF Montanaro UK Income Fund

In future there may be other sub-funds of the Company.

Classes of Shares

The Instrument of Incorporation allows income and accumulation shares to be issued.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

Valuation Point

The current valuation point of each sub-fund of the Company is 12.00 noon (London time) on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 922 0044.

GENERAL INFORMATION *continued*

Prices

The prices of all shares are published on every dealing day on the ACD's website: www.linkfundsolutions.co.uk and by calling 0345 922 0044 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.



 6th Floor, 65 Gresham Street, London EC2V 7NQ

 0345 922 0044

 linkfundsolutions.co.uk