Throughout a remarkable five-year journey, we have tried to show our genuine commitment to Impact and Sustainability. Montanaro was among the first UK asset managers to become a certified B Corporation in 2019.

Last year, our Head of Sustainable Investment, Ed Heaven, co-chaired a B Corporation Investment & Working Group on best practice initiatives at the UN Climate Change Summit COP26 in Glasgow. He will never forget bumping into John Kerry, the US Presidential Envoy for Climate.

Not to be outdone, Mark Rogers (Head of Investments and Lead Fund Manager of the Better World Fund) could be seen amid the throng of climate protestors on the streets of Glasgow.

We have learned a lot and come a long way. We became a first-wave signatory to the revised UK Stewardship Code in 2021, when one third of asset managers failed.

As a signatory to the Net Zero Asset Managers initiative, Montanaro was the only UK investment boutique to be invited to join the Glasgow Financial Alliance for Net Zero (“GFANZ”) taskforce, chaired by former Bank of England Governor, Mark Carney.

With almost every asset manager dedicating more time and resource to ESG and sustainability, we try ever harder to be ahead of the curve. Our goal five years ago was to raise the bar as high as we could. This is a constant target.

We were delighted that Investment Week named the Better World Fund the “Best Equity Impact Fund” for the second time in 2021. It was humbling to win an award from Ethical Finance in March 2022 for Montanaro as “the Best Small & Mid-Cap Sustainable Investment Boutique”.

We recognise, however, that despite the efforts of many, we still have it all to do if we wish to make the world a better place. If the chart on the following page doesn’t demonstrate this to you, nothing will.

Charles Montanaro
June 2022
Atmospheric concentration of carbon dioxide

For millennia, atmospheric carbon dioxide had never been above this level.
The greatest investment opportunity of our lifetime

The growth tailwinds to build a more sustainable world are enormous, as the IPCC sixth assessment report made clear.

- Limiting global warming to 1.5°C or 2°C requires “rapid and deep” emissions reductions in “all sectors” of the global economy.
- Investment in new technologies is needed and worthwhile.
- The global economic benefit of limiting warming to 2°C is reported to exceed the cost of mitigation.
- Accelerated climate action is “critical” to achieving sustainable development.
- Annual climate finance flows must increase by between three and six times to meet average annual needs until 2030.
- The report finds that “there is sufficient global capital and liquidity to close investment gaps”... but barriers remain.

Our investments aim to make for a better world by allocating capital to businesses providing the solutions.
Fund Overview
The Better World Fund

The Better World Fund has a simple aim: to deliver strong investment returns by allocating capital to companies that are helping to solve some of the world’s greatest challenges.

**LAUNCHED**
Montanaro Better World Fund (Ireland) – April 2018*

* The LF Montanaro Better World Fund (UK) was launched in January 2021. This utilises the same investment process as the Irish Fund.

**INVESTMENT OBJECTIVE & STRATEGY:**
Long-term capital growth by investing in quoted global Small and MidCap companies in developed markets that make a positive impact on the world.

**EXCLUSIONS**
- Tobacco
- Alcohol
- Weapons
- Adult Entertainment
- Gambling
- High-interest Rate Lending
- Fossil Fuels
- Animal Testing (ex-healthcare)

**RATINGS**
- Label ISR: sustainability rating awarded by the French Finance Ministry
- Square Mile: AAA rating from 3D Investing
- RSMR: Sustainable rating
- FundCalibre: Elite Radar

**SFDR**
- Article 9
Small & MidCap investors can deliver real impact

1. There are more than 11,000 Smaller Companies globally:
   - investors tend to focus on LargeCap

2. Smaller Companies have less resource dedicated to ESG:
   - lots of room for improvement

3. Smaller Companies lag on climate reporting:
   - only 18% of the FTSE 250 have a Net Zero objective
   (vs. 51% of FTSE 100)*

4. Long-term shareholders can influence positive change:
   - constructive engagement makes a difference

As leading investors in SMidCap CEOs welcome our input. We can help them bring about change.

*From Accountability Emergency, February 2021
To build a more sustainable economy, capital needs to be shifted from the “old world” – of fossil fuels, energy intensive manufacturing, unequal healthcare systems – to a “new world” – built by companies whose products offer better outcomes for people and the planet. Our impact themes help us to identify companies that can deliver this new world.

**Impact themes**

- **ENVIRONMENTAL PROTECTION**
  - managing and protecting the natural environment
  - Pollution control
  - Water treatment
  - Waste recycling & management
  - Testing, inspection & certification

- **GREEN ECONOMY**
  - powering the transition to the low carbon economy
  - Renewable energy
  - Smart infrastructure
  - Efficient transportation
  - Climate change adaptation

- **HEALTHCARE**
  - delivering solutions that help to save lives
  - New treatments of illness & disease
  - Medical innovation
  - Affordable healthcare
  - Prevention

- **INNOVATIVE TECHNOLOGIES**
  - creating an efficient and sustainable world
  - Manufacturing efficiencies
  - Automation
  - Connected world
  - Cybersecurity

- **NUTRITION**
  - promoting healthy eating and sustainable food production
  - Efficient food production
  - Sustainable distribution
  - Healthy eating
  - Food security

- **WELLBEING**
  - supporting active lifestyles and education for all
  - Safety & Security
  - Better lifestyles
  - Sustainable finance
  - Education
The UN Sustainable Development Goals

Our themes support the UN Sustainable Development Goals.
2021 was another strong year with a +20% increase in the NAV in sterling and +28% in euros†.

Relative to its benchmark, the Fund outperformed by over 2% in 2021, marking four consecutive years of outperformance. Since launch, the relative outperformance was around 50% to the end of last year.

In the last Impact Report, we cautioned against expecting such strong returns each year. The start of 2022 saw the appalling war in Ukraine coupled with an energy crisis; rising inflation and interest rates; and a significant squeeze on the cost of living.

This has led to a sharp correction in the share prices of many of the investments in the Portfolio. Our companies are well capitalised with strong growth opportunities. We remain confident in their quality. Valuations seem attractive once again.

Mark Rogers & Charles Montanaro

†Returns for the Better World Fund are net of Fees. Based on the GBP Share class of the Irish-domiciled Better World Fund. The LF Better World Fund is similar but not identical to the Dublin Fund. The MSCI World SMID Cap became the official benchmark as of April 2020. Previous to this it is shown for comparison purposes only. *The Fund launched on 10 April 2018.
Investment Process
Quality companies that deliver lasting impact
What is a Better World company?

1. Products & services that make a positive impact
2. Business models we can understand
3. Profitable
4. Niche businesses in growth markets
5. Market leaders
6. High operating margins and high returns on capital
7. Exemplary standards of ESG and a willingness to engage
8. Outstanding management
It is important to get out and meet our companies, to sit down with management “in situ”, to meet other members of staff, taste the food in the canteen and to see for yourself if the solar panels powering the factory have actually been installed.
Impact & ESG: what do we look for?

We analyse and score companies across a number of metrics, using bespoke Impact and ESG templates that our Investment Team has designed. Their purpose is to help us find companies where the impact of the products/services is augmented by the ESG credentials.

**IMPACT**

**Products & Services**

- Impact on People
- Impact on Planet
- Intentionality (of management)
- Additionality (of product/service)
- Impact risk
- Thematic revenue

Approved for Impact by the Sustainability Committee

**ESG**

**Operations**

- Environmental intensity
- Low carbon transition score
- Social tax gap
- Remuneration
- Board / Ownership
- Diversity
- Capital allocation record

Approved for Quality by the Investment Committee
Companies in action
“Intensification of heavy precipitation is observed in parallel with a decrease in available water in dry seasons.”

IPCC AR6 Mitigation Report, Chap 1 p.106
Energy Recovery – reverse osmosis
Energy Recovery is a market leader in the engineering, design, manufacturing and supply of affordable energy recovery devices (ERDs) to the global reverse osmosis desalination market.

In arid regions of the world, reverse osmosis desalination helps turn seawater or brackish water into safe, fresh water. It is far more energy efficient than thermal desalination.

Today, some 2 billion people experience extreme water stress all year round.

Xylem – water technology solutions
Xylem aims to solve global water challenges through innovative technological solutions.

By developing and bringing technologies to market such as treatment, water loss prevention and water reuse, Xylem’s products have a clear positive impact.

Based on company estimates, approximately 90% of Xylem’s annual revenue addresses SDG 6, “Clean Water & Sanitation”.

Environmental Protection
“Current national pledges under the Paris Agreement are insufficient to limit warming to 1.5°C with no or limited overshoot”

IPCC AR6 Mitigation Report, TS p.11
Terna Energy – wind and solar power
Terna Energy constructs and operates renewable energy assets, primarily wind farms.

In Greek mythology, Aeolus was the keeper of the winds and Terna Energy is staying true to its roots, targeting more than 3,000MW of installed capacity over the next 5 years in Greece.

For context, 1 megawatt hour can provide about 330 homes with electricity for one hour.* Terna Energy is also expanding its solar capacity.

Ameresco – renewable energy assets
Ameresco is a leading cleantech integrator and renewable energy asset developer, owner and operator. The Ameresco mission is to help customers lower their carbon footprints and reduce their environmental impact.

This US company recently won a major project in Bristol providing wind and solar services to the city.

Between 2010 and 2020, some 60 million tonnes of CO₂ were offset by Ameresco’s renewable assets and customer projects.

*www.utilitybidder.co.uk
“Without urgent, effective and equitable mitigation actions, climate change increasingly threatens the health and livelihoods of people around the globe.”

IPCC AR6 Mitigation Report, SPM p.63
Pro Medicus – imaging software
Pro Medicus has one aim: to be the leading provider of best-in-class Healthcare imaging.

Its software can display the full spectrum of medical images, enabling clinicians to do in seconds what would otherwise take minutes with multiple other systems.

Minutes saves lives – and Pro Medicus is at the forefront of ensuring that patient outcomes get better every day.

ChemoMetec – cell counting products
ChemoMetec develops, produces and sells analytical equipment for cell counting and analysis.

These technologies can help to improve our understanding of human health and disease. This contributes to the development of new and improved treatments.

For example, the concentration of viruses in the blood can reveal information about the progress of an infectious disease.
“Reducing industry emissions will entail coordinated action throughout value chains to promote all mitigation options, including ... materials efficiency ... and transformational changes in production processes.”

IPCC AR6 Mitigation Report, SPM p.64
Innovative Technologies

Melexis – chips enabling electrification
Melexis supplies sensors to a range of industries, notably the automotive sector.

Every new car has on average 18 Melexis chips in it, helping to reduce fuel consumption, increase safety and facilitate the development of intelligent vehicles and electrification.

Outside the automotive industry, chips are used in robotics, healthcare and computing.

Ansys – engineering simulation software
If you’ve ever seen a rocket launch, flown on an airplane, driven a car, used a computer, touched a mobile device, or crossed a bridge, chances are you’ve used a product where Ansys played a critical role in its creation.

Ansys is the global leader in engineering simulation software that predicts how products will perform in real-world environments.

Their software enables companies in all corners of the economy - from electric car producers to wind turbine manufacturers - bring products to market faster, more cost-effectively and with higher quality.
“Sustainable healthy diets promote all dimensions of individuals’ health and wellbeing; have low environmental pressure and impact; are accessible, affordable, safe and equitable; and are culturally acceptable”

IPCC AR6 Mitigation Report, SPM p.63
**Chr Hansen – growing a better world, naturally**
The company is a natural ingredients specialist.

**Over 1 billion people consume a product with a Chr Hansen ingredient in it everyday and 82% of revenues positively contribute to the UN SDGs.**

By 2025, they aim to have treated 25 million hectares of farmland with natural solutions to enhance crop yield; reduced yoghurt waste by 2 million tonnes; and delivered their probiotics solutions to 200 million people.

**Rational – cooking equipment**
Rational’s professional ovens contribute to energy efficiencies in professional kitchens.

With a Rational oven you save: energy, water, time and raw materials.

According to research conducted by Zurich University of Applied Sciences, **Rational ovens use “34% less electricity and 53% less water” than alternative products.**
“Education that is designed to specifically inform decision makers of the impacts of their decisions and provide behavioural nudges can be a way to reduce emissions.”

IPCC AR6 Mitigation Report, Chap 2 p.379
Wellbeing

**IDP Education – language education**
Access to quality education reduces inequalities and increases opportunities.

IDP Education makes an impact across three divisions. The first helps place students from countries with poor higher education into quality universities overseas.

The second administers IELTS tests (International English Language Testing System). The third operates English language schools in Vietnam, Cambodia and Thailand.

**In 2021, over 1.2 million IELTS tests were taken by students.**

**Ryman Healthcare – care homes**
Ryman designs, builds and operates villages and care facilities for the elderly in New Zealand and Australia. The company’s motto is that their facilities “have to be good enough for mum”.

**Today, the company provides 12,777 care beds, helping to look after New Zealand's ageing population. By 2040, 20% of its people will be over the age of 65.**
Impact Measurement
We continue to place huge importance on remaining at the forefront of sustainable investing.

In the last year, we added to our Investment Team with an ESG & Impact Specialist and strengthened our ability to analyse data by hiring a new Risk Analyst. Our Investment Team worked together to develop an improved “data intensive” version of our ESG Checklist and we launched a company-level scoring system to enhance our analysis of impact.

We were busy on the engagement front too, publishing our second “Project: Net Zero Carbon” report following further sustained engagement with portfolio companies to encourage them along the path to net zero. We also published Deep Dive reports on the carbon intensity of Data Centres and considered possible solutions for the plastic problem in our “Plastic Fantastic” paper.

We further collaborated across the industry as a member of the Glasgow Financial Alliance for Net Zero (“GFANZ”) taskforce, where we sit on the Real Economy Transition workstream. In addition, we launched and co-chaired the B Corporation Finance & Investment Working Group, which we led to COP26 to share the benefits of stakeholder capitalism.

As standards across the industry tightened and improved, we were pleased to be listed as a first wave signatory to the updated UK Stewardship Code. We also submitted our portfolio-level methodology to the Net Zero Asset Managers Initiative, as we work towards our own net zero carbon target. The Better World Fund was classified as an Article 9 Fund and we are working with a number of partners to develop our reporting in line with EU Taxonomy requirements.

Finally, we are delighted to have added Rewilding Britain to our charity stable, which also includes Tribal Survival and City Harvest. Montanaro will support a project to rewild a section of the River Sherford in Dorset. This is an important biodiversity initiative and will also provide an excellent opportunity to get the team out of the office and into some muddy wetlands later this year!

Ed Heaven
Head of Sustainable Investment
Measuring impact

Impact Cubed assesses the Better World Fund against 14 sustainability metrics relative to a Global Developed SMidCap benchmark. The top scored areas are “Environmental Good” and “Social Good”, reflecting the strong impact focus of the Fund.

We have engaged with our companies to understand the Fund’s weaker exposures:

“Tax gap”: explained by tax breaks renewable companies benefit from in the US and the impact of stock-based compensation schemes on reported tax rates.

“Gender equality”: our companies are working to improve the gender diversity of their teams and this is a focus of ongoing engagement.

% MAPPED
PORTFOLIO >98% BENCHMARK >99%
In 2021, our Investment Team developed an “Impact Score” for each company, allowing us to better assess the spectrum of impact across the Better World Fund.

Companies are scored for impact based on defined criteria. A company must have an impact score of at least 25 in order to pass.

We also assess the percentage of revenue aligned to our impact themes and will only invest in companies with at least 50% of revenue alignment.

Using our bespoke ESG Checklists, we analyse companies across numerous metrics and calculate a score out of 10. Companies must have a score of at least 5 in order to pass.
We invest in Impact & ESG Leaders.

The chart compares the ESG scores of the companies in the Better World Fund with their impact scores, based on our internal analysis.

Each dot represents a company in the Fund.

The Better World Fund only invests in companies that meet our impact and ESG criteria.

We may invest in companies that require ESG improvement if an engagement opportunity exists.
While we analyse the ESG profile of companies using the bespoke Montanaro ESG Checklist, many clients use MSCI ESG ratings as a reference point.

Of the companies in the Better World Fund, 70% of companies score A, AA or AAA. No companies score below BB. We are engaging with several companies to improve their approach to sustainability and ESG reporting.

We are pleased that the Fund has been awarded a “AA” ESG rating by MSCI.
### Environmental intensities

#### Carbon intensity
(Scope 1 & 2, tonnes of CO$_2$e generated per $1M$ revenue)

<table>
<thead>
<tr>
<th></th>
<th>Fund 2019</th>
<th>Benchmark</th>
<th>Fund 2020*</th>
<th>Benchmark</th>
<th>Fund 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26</td>
<td>unavailable</td>
<td>216.1</td>
<td>unavailable</td>
<td>246.7</td>
</tr>
</tbody>
</table>

#### Water intensity
(thousand cubic metres fresh water used per $1M$ revenue)

<table>
<thead>
<tr>
<th></th>
<th>Fund 2019</th>
<th>Benchmark</th>
<th>Fund 2020*</th>
<th>Benchmark</th>
<th>Fund 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unavailable</td>
<td>unavailable</td>
<td>1.2</td>
<td>unavailable</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td>unavailable</td>
<td>unavailable</td>
<td>32.3</td>
<td>unavailable</td>
<td>23.8</td>
</tr>
</tbody>
</table>

#### Waste intensity
(tonnes of waste generated per $1M$ revenue)

<table>
<thead>
<tr>
<th></th>
<th>Fund 2019</th>
<th>Benchmark</th>
<th>Fund 2020*</th>
<th>Benchmark</th>
<th>Fund 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unavailable</td>
<td>unavailable</td>
<td>unavailable</td>
<td>unavailable</td>
<td>unavailable</td>
</tr>
</tbody>
</table>

**Sources:** MSCI, Bloomberg, Company annual reports (we take data at the following April as this takes into account 2021 year end reporting). *Covid year.
Social and Governance metrics

**Gender equality**
(women on boards and in top management)

- 2019: Fund 22%, Benchmark unavailable
- 2020: Fund 22%, Benchmark 21%
- 2021: Fund 22%

**Board independence**
(percentage of independent board members)

- 2019: Fund 71%, Benchmark unavailable
- 2020: Fund 72%, Benchmark 73%
- 2021: Fund 75%, Benchmark 73%

**Executive remuneration**
(ratio of executive level pay to average employee pay)

- 2019: Fund unavailable, Benchmark unavailable
- 2020: Fund 31.2, Benchmark 38.4
- 2021: Fund 37.2, Benchmark 43.6

Sources: MSCI, Bloomberg, Company annual reports
Impact on people and planet: thematic revenues

- Environmental Protection: 14%
- Green Economy: 16%
- Innovative Technologies: 23%
- Healthcare: 28%
- Nutrition: 4%
- Wellbeing: 15%
Our companies create impact together

**Impact on People (Wellbeing)**
**Alarm.com**: operates in connected home market - alarms, video monitoring, & energy solutions.

**Positive impact on People**: products keep people and properties safe and help run homes with increased energy efficiency.

**Impact on Planet (Green Economy)**
**SolarEdge**: a provider of power optimizers, solar inverters and monitoring solutions for solar panels.

**Positive impact on Planet**: products increase the energy and cost efficiency of solar panels compared to competitor products.

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**Connected impact**
Solar is one of the fastest-growing sectors of the US energy industry. In response, **Alarm.com** is offering an integrated solar monitoring solution, allowing customers with **SolarEdge** inverters to monitor home solar panel energy production and consumption, to lower power bills and reduce environmental footprint.
Engagement
Engaging for impact

We aim for quality over quantity when we engage. During 2021, we conducted a total of 55 company engagements covering a range of issues. Some of these engagements were part of collaborative efforts and some formed part of our “Deep Dive” research projects.

As well as speaking to our companies, we conducted meetings with academics, charities and research organisations to aid our stewardship efforts and help direct our ESG and sustainability work.

Of the environmental issues covered during 2021, climate change engagements made up 88%. The remainder focused on:

- plastic pollution
- collaborative engagements on agriculture
- transparent sustainability reporting
- executive remuneration
Deep Dive engagements are an important instrument in our Impact toolkit. They allow us to engage with companies from across our Approved List on a topic that affects a number of our companies.

In 2021, we conducted three “Deep Dive” reports:

1. Engaged with companies in relation to climate change as part of “Project Net Zero Carbon”, which is now in its third year.
2. Wanting to better understand the use of IT assets, we launched a “Data Centres Project”, involving leading academics in the US.
3. We continued to learn more about the plastics problem by visiting a major recycling facility in the UK.
We were invited to join the Glasgow Financial Alliance for Net Zero ("GFANZ") taskforce.

Ed Heaven, our Head of Sustainable Investment, sits on the Real Economy Transition Workstream. GFANZ provides a forum for leading financial institutions to accelerate the transition to a net-zero global economy.

In 2021, Montanaro co-chaired the B Corporation Finance & Investment Working Group, a group of certified B Corporations in our industry working together on best practice initiatives.

As part of this initiative, we led a group of investment boutiques to COP26 to discuss the benefits of stakeholder capitalism and being a B Corporation in the financial sector.
Montanaro became a signatory to the Net Zero Asset Managers initiative (“NZAM”) in 2021, committing to achieving net zero carbon across our investment portfolios. Our methodology is explained in our Climate Change Policy document and summarised below.

Our target covers Montanaro’s open ended funds (both Ireland and UK domiciled), which account for c.70% of our assets under management.

We have two targets, supported by recognised industry frameworks:

1. **PAII Net Zero Investment Framework**: used to set an annual 7% emissions reduction target across our portfolios. The 7% annual reduction target, which will apply across each of our in scope portfolios, is derived from the P2 model in the IPCC special report on global warming and aligned to a 1.5°C scenario (and a 50% reduction in emissions by 2030).

2. **Science Based Target initiative (SBTi) for Financial Institutions**: 50% of the designated AUM will have implemented a Science Based Target by 2030 and 100% of designated AUM will be covered by 2040.

The targets cover Scope 1 and 2 emissions and aim to include Scope 3 once sufficient data is available. Data disclosure continues to be an issue in Small & MidCap markets.

Our baseline year for the reporting frameworks is 2019. To effect change, we are in the third year of conducting a long-term net zero engagement project where we contact companies in which we invest to encourage better disclosure and ambitious target setting.
Our companies: time for action

Our companies are advancing along the pathway to net zero carbon. That, at least, is the headline summary from our 2021 climate change engagements. Companies must now step on the net zero accelerator. Looking ahead, our message for 2022 can be distilled to: “Hurry Up and Get On With It”.

In 2020, just 11 of our companies had set climate targets with the Science Based Targets initiative. This number jumped to 45 in the last year.

We expect this percentage to grow significantly in 2022 as a number of our companies are waiting for their targets and methodologies to be verified by SBTi before they can be officially announced.
According to MSCI data, the five most carbon-emitting companies account for 42% of the Better World Fund’s carbon intensity across Scopes 1 & 2.

The five least carbon emitting companies account for just 1% of the Fund’s carbon intensity.

It is important to recognise that reducing the emissions of certain companies will have a bigger impact than others on the portfolio. We are prioritising our engagement efforts accordingly.

<table>
<thead>
<tr>
<th>Most emitting companies</th>
<th>% of Fund’s carbon intensity Scopes 1 &amp; 2</th>
<th>Least emitting companies</th>
<th>% of Fund’s carbon intensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>SolarEdge Technologies</td>
<td>11.9%</td>
<td>Alfen</td>
<td>0.3%</td>
</tr>
<tr>
<td>Tristel</td>
<td>10.3%</td>
<td>Thule</td>
<td>0.2%</td>
</tr>
<tr>
<td>Trex</td>
<td>8.5%</td>
<td>Tecan</td>
<td>0.2%</td>
</tr>
<tr>
<td>Advanced Drainage System</td>
<td>7.2%</td>
<td>Belimo</td>
<td>0.2%</td>
</tr>
<tr>
<td>Genuit Group</td>
<td>4.2%</td>
<td>Adyen</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>42.1%</strong></td>
<td><strong>Total:</strong></td>
<td><strong>1.0%</strong></td>
</tr>
</tbody>
</table>
About Montanaro
Montanaro specialises exclusively in the management of Global Small & MidCap quoted equity portfolios.

Montanaro was founded in 1991 by Charles Montanaro to provide an institutional approach to investing in Small & MidCap quoted equities.

Today, we continue as a privately owned boutique and are known for our family culture. Based on Threadneedle Street close to the Bank of England, we have been described as “an Oasis in the City”.

We aim to deliver attractive investment returns and outstanding service to our clients. Our history of sustainable investing extends to the origins of our company.

We introduced our first ethical restrictions in the 1990s, recognising that there were certain areas of the economy where we did not want to direct capital towards due to their negative environmental and social impacts.

ESG has been integrated into our “Quality Growth” investment process for almost two decades, becoming a key tool in our ability to appraise the fundamental quality of a business and its management team.

We launched our first impact fund in 2018, the Irish-domiciled Montanaro Better World Fund, to direct capital to areas of the economy helping to solve major world problems. In 2020 we launched a UK-domiciled version of the Fund, the LF Montanaro Better World Fund.

In 2019 we became a certified B Corporation - a business that meets the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose.

We believe that to deliver superior investment returns to our clients, we should invest in those companies aiding the transition to a more sustainable global economy.

As of 31 December 2021, we looked after £5 billion of assets for our clients. £1 billion of our AUM is invested in our impact strategy.
Awards

2019 Winner of “Best Impact Report” (PENSIONS FOR PURPOSE)

2019 Winner of “Best Impact Fund” (INVESTMENT WEEK)

2020 Highly Commended for “Best Impact Fund” (INVESTMENT WEEK)

2021 Winner of “Best Impact Equity Fund” (INVESTMENT WEEK)

2022 Winner of “Best Equity Global Small & MidCap Fund” over 3 years (LIPPER EUROPE)

2022 Winner of “Best Responsible Alpha Manager” (FE FUNDINFO)

2022 Winner of “Best Small & MidCap Sustainable Investment Boutique” (ETHICAL FINANCE)
Investment team

Charles Montanaro
Chairman / Fund Manager

Mark Rogers
Head of Investments / Fund Manager

Ed Heaven
Head of Sustainable Investment

George Cooke
Head of Fund Management

Alex Magni
Analyst / Fund Manager

Andrea Shen
Analyst / Fund Manager

Stefan Fischerfeier
Analyst / Fund Manager

Guido Dacie-Lombardo
Analyst / Fund Manager

Nere Asumendi
Senior Analyst

Kate Hewitt
ESG & Impact Specialist

Manroop Bal
Analyst

Gaspar Arino
Analyst

Hal Miller
Analyst

Henrik Schmidt
Analyst

Yannis Gidopoulos
Analyst

Ed Heaven
Head of Sustainable Investment

George Cooke
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Yannis Gidopoulos
Analyst

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Sustainability Committee

Christian Albuisson
Chairman

Ed Heaven
Head of Sustainable Investment

Kate Hewitt
ESG & Impact Specialist

Nere Asumendi
Senior Analyst

Cedric Durant des Aulnois
Chief Executive Officer

Mark Rogers
Head of Investments / Fund Manager

Sarah Bridges
Compliance Executive

Manroop Bal
Analyst

Responsible for overseeing Montanaro’s sustainability efforts.
Our charities

CITY HARVEST
Montanaro is a donor to City Harvest. The charity collects high quality surplus food from the UK’s leading retailers, wholesalers, restaurants and manufacturers to distribute to more than 350 community programmes that serve meals to vulnerable people in London.

REWILDING BRITAIN
Montanaro has become a donor to Rewilding Britain. We will be the anchor partner as the Dorset Wildlife Trust rewets the headwaters of the River Sherford, in Dorset. The project will liberate the river and create between over 30 hectares of wildlife rich wet land, store carbon in wetter soils and reduce pollution and flooding.

TRIBAL SURVIVAL
Montanaro founded and supports Tribal Survival, a UK registered charity, which aims to promote the wellbeing of indigenous people across the world. When possible, Charles and a team of doctors take medical aid to remote tribes, including the Korowai in West Papua, a trip that was supported by the World Health Organisation.
Montanaro aims to be a sustainable business: from how we invest, support our clients, look after our staff and impact our various stakeholders.

In 2019, we placed sustainability at our core by becoming a certified B Corporation. In 2020, we amended our Articles of Association to place a legal obligation on the Board to consider the impact of Montanaro’s business on its stakeholders.

At COP25, we made a commitment to achieve Net Zero Carbon across our operations by 2030.

Our team is multi-cultural and comprises ten different nationalities. We promote diversity and equality throughout our business.

We even have over 100,000 honey bees buzzing around our roof to support a city-wide biodiversity project.
Montanaro’s sustainability library

ESG Handbook:
- ESG Handbook

Deep Dive Engagement reports:
- Project Net Zero Carbon 2021
- Project Net Zero Carbon 2020
- Data Centres Project
- The Biomass Debate
- Plastic Fantastic
- Supply Chain Investigation

UN PRI reports:
- 2020
- 2019
- 2018
- 2017

Voting records:
- Voting policy
- Proxy Voting Summary 2021
- Proxy Voting Summary 2020
- Proxy Voting Summary 2019
- Proxy Voting Summary 2018
We are grateful to our service providers, Impact Cubed, MSCI and Bloomberg for their impact analysis and data provision. Please note that company information, where referenced, is taken from the most recent publicly available company reports.

“Above the source”, by Gary Cook.
Low winter sun through the trees of the woods that cloak the valley above Stourhead, the source of the River Stour.
Attenborough, D. (2020) A Life on Our Planet, Netflix

Birney, A. (2017). ‘What are the capabilities we need for system change?’


CISL. (2017). Rewiring the economy: ten tasks, ten years.

CISL. (2022) ‘Sustainable Finance Short Course material’


