

Better World Fund (£)

30 April 2019

Open Ended

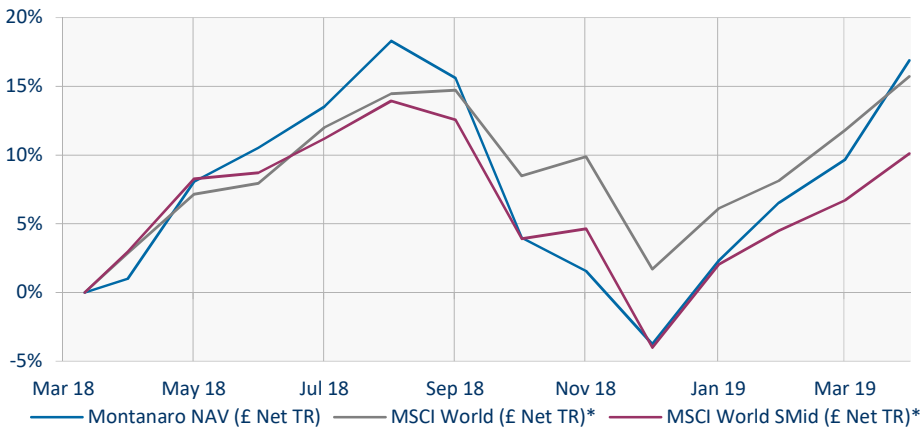
Fund Objective

The Fund will seek to invest in high quality companies whose products, services or behaviour are deemed to make a positive impact on society and which emphasise sound environmental, social and governance (ESG) practices. In particular, the Investment Manager will seek to identify profitable and well managed businesses operating in markets that offer attractive structural growth opportunities. The Fund may not invest in companies with material revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, adult entertainment, alcohol, exploration and production oil & coal companies, or any other areas deemed not to meet the Investment Manager's ethical standards.

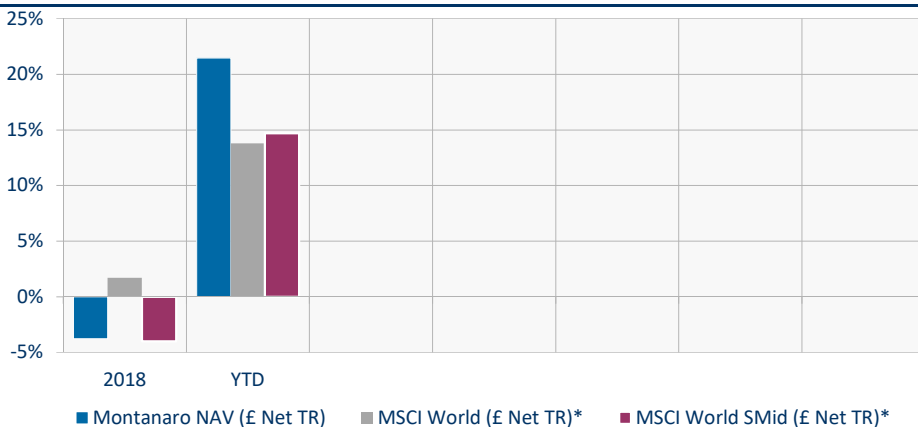
Performance

	YTD	1M	3M	6M	12M	3Y	5Y	Launch
Fund (TR)‡	21.5%	6.6%	14.2%	12.4%	15.7%			16.9%
MSCI World (TR)*	13.8%	3.5%	9.0%	6.7%	12.5%			15.7%
MSCI W. SMid (TR)*	14.7%	3.2%	7.9%	6.0%	6.9%			10.1%
Fund	21.2%	6.6%	14.0%	12.2%	15.5%			16.6%
MSCI World*	13.0%	3.3%	8.4%	5.6%	10.3%			13.3%
MSCI W. SMid*	14.0%	3.0%	7.3%	5.1%	5.2%			8.2%

Cumulative Performance Since Inception



Calendar Year Returns



Source: Montanaro, Bloomberg. NAV to NAV, unrounded.

‡ Dividends reinvested at ex-date.

*Please note the MSCI World & MSCI World SMid indexes are shown for comparison purposes only.

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About Montanaro

Montanaro, an independent specialist asset manager, was established in 1991 to research and invest in quoted Small & MidCap companies. Funds under management are currently £2.4 billion.

Fund Facts

Co-Fund Managers	Charles Montanaro Mark Rogers
Contact	Ed Heaven
Fund Launch	10 April 2018
Currency	GBP
Class	Distribution
IA Sector	Global
Benchmark	None
Ticker	MONBWFG ID
ISIN	IE00BYWFFF02
Sedol	BYWFFF0
Net Assets	£141 million
NAV	£1.166
No. of Holdings	49
Median Mkt Cap	£4109 million
Cash	0.9%
Legal Status	Irish OEIC
Listing	Irish Stock Exchange
Valuation Time	Daily 4pm Dublin time
Minimum Investment	£1,000
Dealing Time	12pm Dublin time
Dividend Date	Expected Q1
Management Fee	Annual 0.50% Will increase to 0.85% from 1 January 2020
Authorised for marketing in	Ireland, UK, Iceland, Sweden, Finland, France, Netherlands, Italy
Fund ESG Score	6.4

The Fund ESG Score is the weighted average of Montanaro's proprietary company ESG Checklist scores (0-10; 10 is best).

Ratings



Montanaro is signatory to:



Important Information

All investments are subject to risk and the value of shares and the income from them can fall as well as rise due to stock market and currency movements. You may not get back as much as you originally invested.

Top 10 Holdings

Nemetschek	3.3%
Ansys Inc	3.2%
Qualys Inc	3.2%
Halma	3.2%
Sartorius Stedim Biotech	3.1%
Medidata Solutions	2.9%
Waters Corp	2.9%
Spirax-Sarco Engineering	2.8%
Christian Hansen Holding	2.8%
Polypipe Group	2.7%
Total	30.0%

Risk Analysis

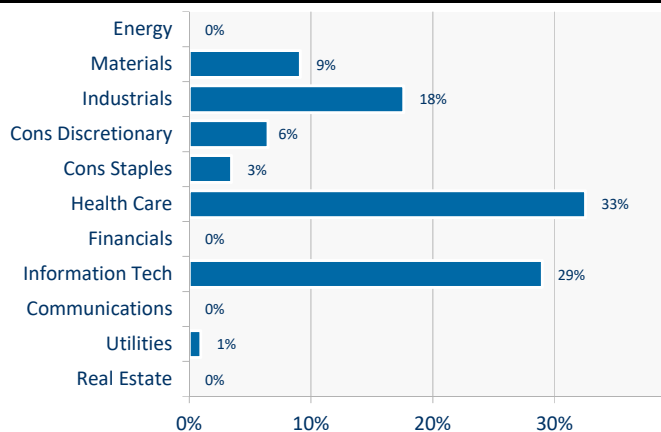
Insufficient data available for Risk Analysis

Portfolio Analysis

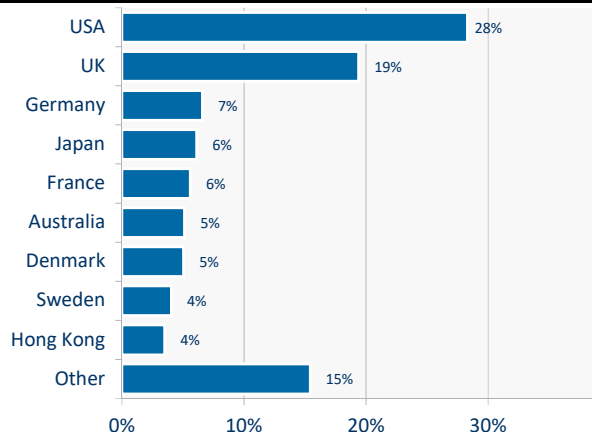
Price / Earnings 19F	30.0
EPS Growth 19F	5.9%
Dividend Yield 19F	1.3%
Dividend Growth 19F	3.6%
Return on Equity 19F	17.6%
EV/EBITDA 19F	23.3
EBIT Margin 19F	23.9%
Net Debt/Equity 19F	4.9%

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

The Goldilocks conditions that have been such a feature of this long Bull Market continued to be “just right” in April. Central Banks remained accommodative, particularly in Europe, while growth surprised in China and the US as talk of a Trade War diminished. This sustained the ascent of equity markets, with returns for the year moving firmly into double-digit territory. A further boost was provided by a solid start to the earnings season, although it is worth remembering that expectations had been revised down after the torrid end to 2018.

In this context, the NAV of the Sterling share class increased by 6.6% in April. Since launching in April 2018, the Fund has outperformed the MSCI World SMidCap Index by 8.5%.

The strongest contribution during the month came from **Melexis**, the supplier of sensors to the automotive industry, as the outlook for the sector improved due to better than expected macroeconomic data. **Medidata**, the US software provider for clinical trials, performed well after an analyst report highlighted it could be a takeover target for Dassault Systèmes. **Spirax-Sarco**, the manufacturer of energy-efficient steam systems, continued to perform well after signing an agreement to acquire Thermocoax.

The weakest contribution came from **Waters Corp.**, the US analytical instrument manufacturer, which reported disappointing Q1 results and downgraded its full-year guidance. **Smart Metering Systems**, the owner and operator of smart meters, announced strong results that also contained near-term accounting-driven EPS downgrades. **Ryman Healthcare**, the builder and operator of retirement villages and care homes in New Zealand, weakened slightly on little newsflow.

The momentum behind the “Sustainability Revolution” is increasing at an exponential rate. In London, the Extinction Rebellion protests brought the city to a standstill, leading the Prime Minister and senior politicians to meet with teenage campaigners. The UK government has since declared a climate change emergency. Investors are responding to this by allocating an increasing amount of capital to companies that are helping to solve the world’s major problems.

Yet given the recent rise in equity markets, investors may also be forgiven for wanting to draw breath. Indeed, a pause would be welcome. However, we would caution those preparing to “sell in May and go away”. Economic data is pointing towards a slowing world economy rather than one that is coming off the rails. And becoming bearish too early hurts: those who moved to cash in the fourth quarter of last year have had a painful few months.

Risk and Reward Profile



These numbers rate how the Fund may perform and the risk of losing some or all of your investment. In general the potential for higher returns also implies a higher level of risk. However, the lowest category (1) does not mean a risk free investment.

This risk rating is based on historical data which may not be a reliable indication of the future risks and rewards of the fund. The risk rating of the fund may change over time.

Past performance is not a reliable indicator of future results. All investments are subject to risk and the value of shares and the income from them can fall as well as rise due to stock market and currency movements. You may not get back as much as you originally invested.

For further information please see the Risk and Reward section of the Key Investor Information Document (KIID).

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