

Better World Fund (£)

30 August 2019

Open Ended

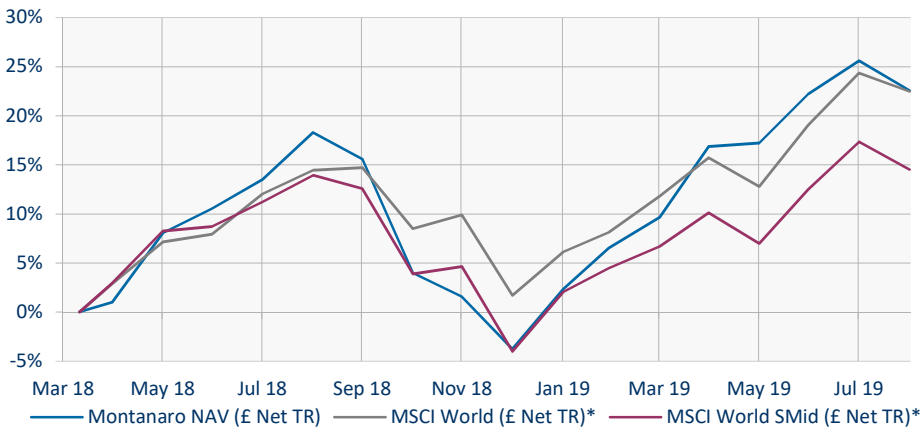
Fund Objective

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.

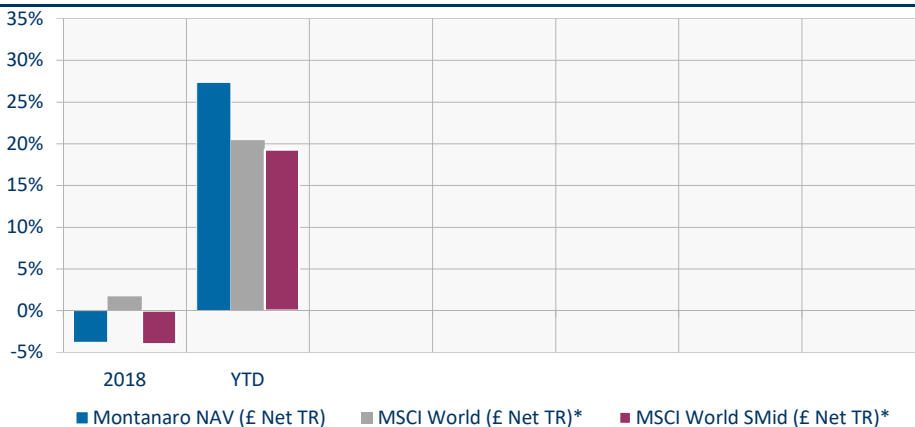
Performance

	YTD	1M	3M	6M	12M	3Y	5Y	Launch
Fund (TR)‡	27.4%	-2.4%	4.6%	15.1%	3.6%			22.6%
MSCI World (TR)*	20.4%	-1.5%	8.6%	13.3%	7.0%			22.5%
MSCI W. SMid (TR)*	19.3%	-2.4%	7.0%	9.6%	0.5%			14.5%
Fund	27.1%	-2.4%	4.6%	14.8%	3.4%			22.3%
MSCI World*	18.7%	-1.7%	8.2%	12.0%	4.9%			19.1%
MSCI W. SMid*	17.9%	-2.5%	6.7%	8.5%	-1.2%			11.8%

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 £2.2 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	£151 million
NAV	£1.223
No. of Holdings	50
Median Mkt Cap	£4404 million
Cash	2.2%
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

Sartorius Stedim Biotech	3.4%
Medidata Solutions	3.0%
Waters Corp	2.9%
Qualys Inc	2.8%
Ansys Inc	2.8%
Cochlear Ltd	2.8%
Amplifon	2.8%
Ryman Healthcare	2.7%
Solaredge Technologies	2.7%
Halma	2.6%
Total	28.5%

Risk Analysis

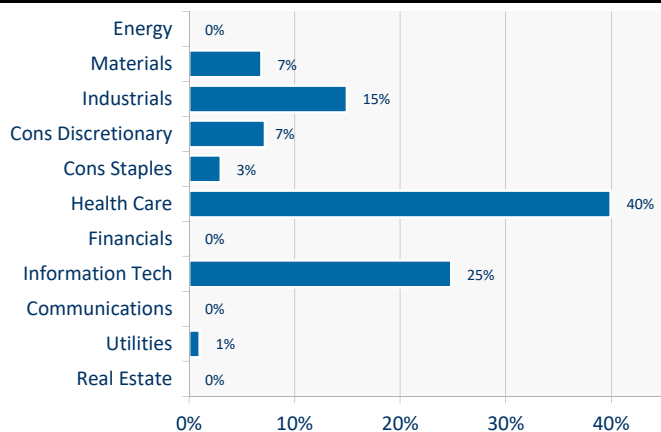
Insufficient data available for Risk Analysis

Portfolio Analysis

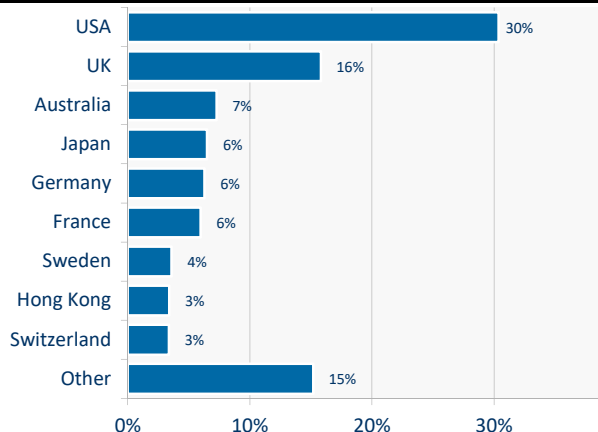
Price / Earnings 19F	30.4
EPS Growth 19F	5.5%
Dividend Yield 19F	1.2%
Dividend Growth 19F	-2.6%
Return on Equity 19F	17.0%
EV/EBITDA 19F	23.8
EBIT Margin 19F	24.3%
Net Debt/Equity 19F	-0.2%

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

August proved to be a volatile month for equity markets. A rise in the VIX index (a measure of market volatility) and equity market declines were influenced once again by the social media activity of the US President. Donald Trump announced another escalation in the Trade War with China by threatening to impose additional tariffs on over \$300 billion worth of Chinese imports. With trading volumes thin during the European holiday season, demand for “safe haven” assets soared. Global bond yields continued their decline, with the staggering consequence that the total market value of negative yielding debt reached over \$16 trillion. In Europe, the headlines were dominated by weak economic data, especially in Germany, and increasing political uncertainties, notably in Italy and the UK.

In this context, the NAV of the Sterling share class declined by 2.4% in August.

The strongest contribution during the month came from **SolarEdge**, the manufacturer of converters that increase the efficiency of solar panels, following a strong set of results which demonstrated renewed growth and improved margins. **Grand Canyon Education**, the largest online tertiary education business in the US, recovered after concerns surrounding Californian student eligibility for Federal funding. **Pro Medicus**, the provider of radiology IT software to healthcare centres, gained following a strong set of results.

The weakest contribution came from **First Derivatives**, the developer of highly efficient time-series databases, which continued to suffer following the untimely passing of its founder and CEO. **IDP Education**, the global English testing and student placement business, drifted lower due to slightly disappointing results and profit taking after a strong run. **Belimo**, the actuator manufacturer, experienced profit taking after a strong increase in the share price following the stock’s inclusion in the STOXX 600 index in June.

We live in a world in which sentiment can be directed by a person living in a white house with a fondness for keying pithy statements into his phone. It is likely that the US President will become ever more volatile in the run-up to next year’s election. Investors in Europe are perhaps a little more used to investing against a backdrop of political uncertainty. Italy, after all, is now on its 66th government since 1946.

Yet it is the prospects for growth that most concerns investors, given the weakness in economic data. As ever in this long Bull Market, Central Banks stand at the ready. Borrowing costs in Europe remain low – and the ECB is expected to unveil new stimulus measures in the coming month. Whether this will be enough to offset a general cooling of the world economy remains to be seen. Reason enough for investors to focus on companies with strong balance sheets that may be less exposed to slowing growth than their more leveraged counterparts.

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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