

Better World Fund (£)

28 February 2020

Open Ended

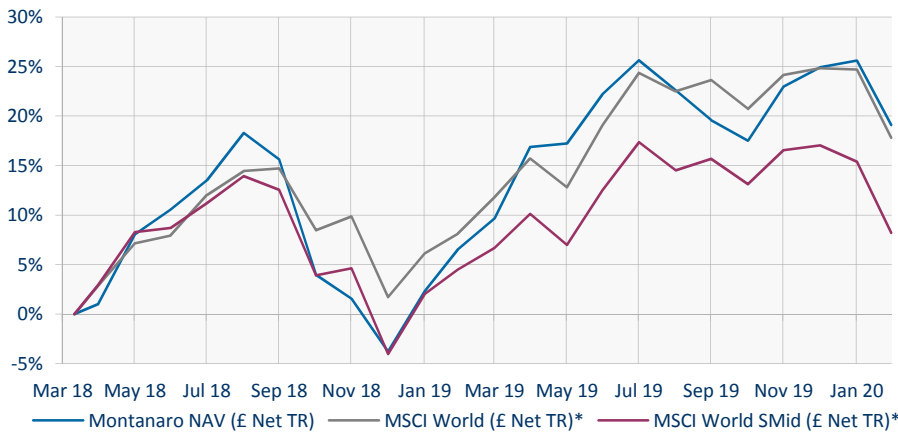
Fund Objective

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.

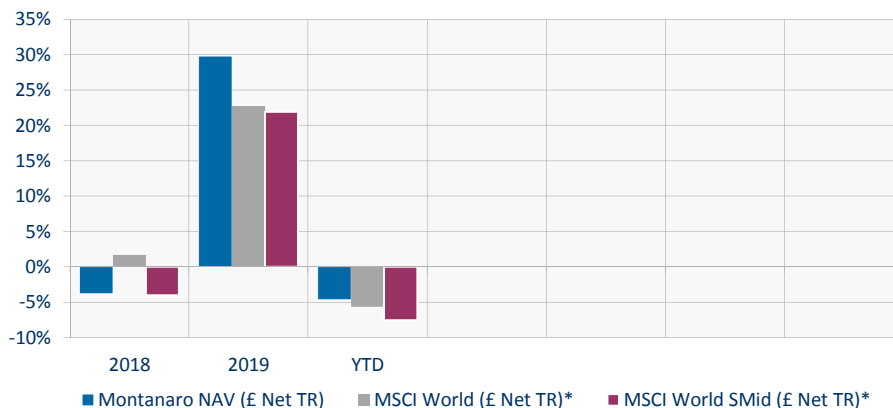
Performance

	YTD	1M	3M	6M	12M	3Y	5Y	Launch
Fund (TR)‡	-4.7%	-5.2%	-3.2%	-2.8%	11.8%			19.1%
MSCI World (TR)*	-5.6%	-5.5%	-5.1%	-3.8%	9.0%			17.8%
MSCI W. SMid (TR)*	-7.6%	-6.2%	-7.2%	-5.5%	3.6%			8.2%
Fund	-4.7%	-5.2%	-3.2%	-2.8%	11.6%			18.8%
MSCI World*	-5.8%	-5.7%	-5.4%	-4.5%	6.9%			13.7%
MSCI W. SMid*	-7.7%	-6.3%	-7.4%	-6.1%	1.8%			5.0%

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.

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 £2.6 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	MONBWFQ ID
ISIN	IE00BYWFFF02
Sedol	BYWFFF0
Net Assets	£159 million
NAV	£1.188
No. of Holdings	50
Median Mkt Cap	£4126 million
Cash	1.3%
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 0.85%
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.

Custodian, Fund Administrator and Subscriptions – Contact BNY MELLON
 Tel: +353 1 900 6140 Fax: +353 1 900 6141 Email: MontanaroTA@bnymellon.com

Montanaro Asset Management Limited, 53 Threadneedle Street, London, EC2R 8AR

Tel: 020 7448 8600

Fax: 020 7448 8601

www.montanaro.co.uk

enquiries@montanaro.co.uk

Top 10 Holdings

Sartorius Stedim Biotech	4.6%
Ansys Inc	3.6%
Qualys Inc	3.5%
Icon	3.1%
Halma	3.0%
Nemetschek	3.0%
Masimo Corp	2.8%
Adyen	2.8%
Ryman Healthcare	2.8%
Amplifon	2.8%
	32.0%

Risk Analysis

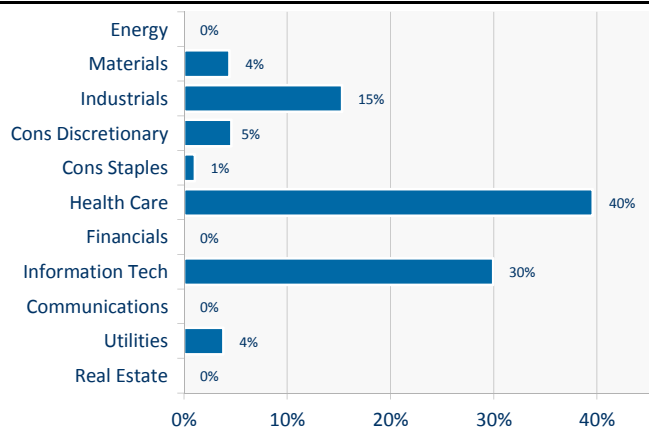
Insufficient data available for Risk Analysis

Portfolio Analysis

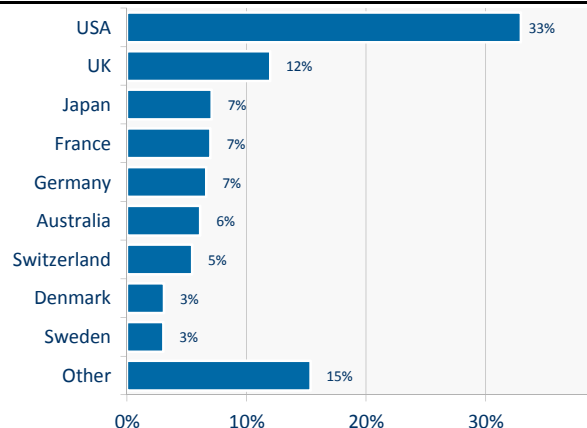
Price / Earnings 20F	29.3
EPS Growth 20F	9.4%
Dividend Yield 20F	1.1%
Dividend Growth 20F	4.4%
Return on Equity 20F	16.4%
EV/EBITDA 20F	22.3
EBIT Margin 20F	25.3%
Net Debt/Equity 20F	-6.7%

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

It was Klemens von Metternich, a distinguished diplomat during the Napoleonic era, who came up with one of the most famous phrases about the economy. In an era when Europe dominated the world, he stated: "When France sneezes, Europe catches a cold." Once the United States had acquired economic dominance, this was adapted: "When America sneezes, the world catches a cold."

The same is now true of China, in both economic and health terms. The country has grown to 17% of global GDP. As the Coronavirus spread across the world, China – the workshop of the global economy – closed for business. The result was an indiscriminate sell-off in risk assets as fear overtook greed to become the dominant force in financial markets.

In this context, the NAV of the Sterling share class declined by 5.2% in February, an outperformance of 1% versus the MSCI World SMidCap Index.

The strongest contribution during the month came from **SolarEdge**, the photovoltaics company, which gained after sales guidance for Q1 2020 beat consensus estimates. **Sartorius Stedim**, the developer of equipment used in the manufacture of biologic drugs, continued to rise after delivering strong results and a confident outlook. **Tristel**, the manufacturer of high-level disinfectants used for medical infection control, benefited on expectations that Coronavirus may provide a tailwind for its infection control products.

The weakest contribution came from **CyberArk**, the pioneer in privileged access management cybersecurity, which endured a difficult month after weak 2020 guidance undid the 20% share price rally in January. **Cochlear**, the manufacturer of implantable hearing solutions, declined due to worries the Coronavirus outbreak would negatively impact sales. **Ansysis**, the engineering simulation software provider, posted strong Q4 2019 results but weakened due to more muted guidance for 2020.

Nobody knows what the impact of Covid-19 will be. Despite the uncertainty, it is clear that the regularity of daily life across the northern hemisphere is under threat to an extent rarely seen in peace time. Global growth will be negatively impacted due to the double whammy of supply and demand shocks. Yet it is too early to tell if growth will plummet, or be pushed back towards the warmer months of the year when the virus may become less virulent.

Away from predictions about the virus, it is worth pointing out that from a purely financial market standpoint, the fall in equity prices is to some extent welcome. Markets had again reached record highs and the "froth" of expensive valuations has been skimmed away. While the situation may well worsen – both in health and economic terms – we would caution against selling. It rarely pays to run for the hills after the market has fallen. One of the reasons that quality companies outperform over the long-term is because their strong balance sheets provide the resilience to outlive periods of economic turbulence. Market falls provide opportunity to the rational and long-term investor.

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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