

Better World Fund (£)

31 July 2019

Open Ended

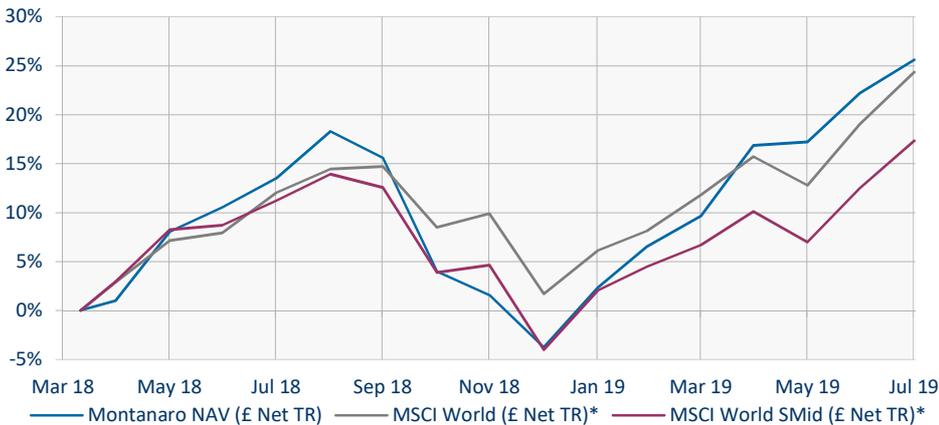
Fund Objective

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)‡	30.5%	2.8%	7.5%	22.7%	10.7%			25.6%
MSCI World (TR)*	22.3%	4.5%	7.5%	17.2%	11.0%			24.4%
MSCI W. SMid (TR)*	22.3%	4.3%	6.6%	15.0%	5.5%			17.4%
Fund	30.3%	2.8%	7.5%	22.5%	10.4%			25.4%
MSCI World*	20.8%	4.4%	6.9%	15.9%	8.8%			21.2%
MSCI W. SMid*	21.0%	4.3%	6.1%	13.9%	3.8%			14.7%

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 £2.2 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	£157 million
NAV	£1.254
No. of Holdings	50
Median Mkt Cap	£4452 million
Cash	7.4%
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.

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Top 10 Holdings

Sartorius Stedim Biotech	3.2%
Qualys Inc	3.0%
Medidata Solutions	2.9%
Cochlear Ltd	2.8%
Waters Corp	2.8%
IDP Education	2.8%
Ansys Inc	2.7%
Ryman Healthcare	2.7%
Amplifon	2.6%
Halma	2.5%
Total	27.7%

Risk Analysis

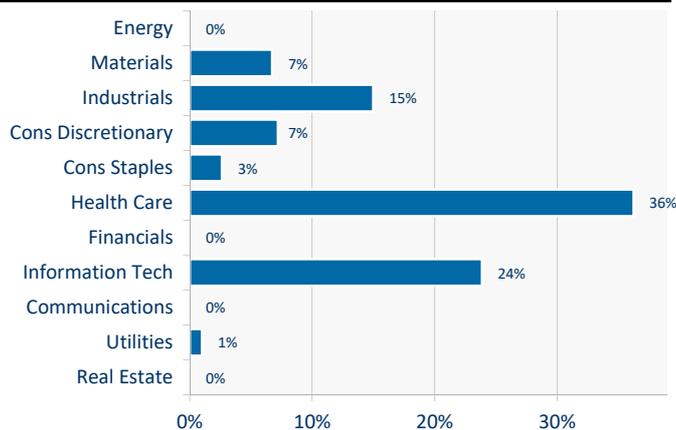
Insufficient data available for Risk Analysis

Portfolio Analysis

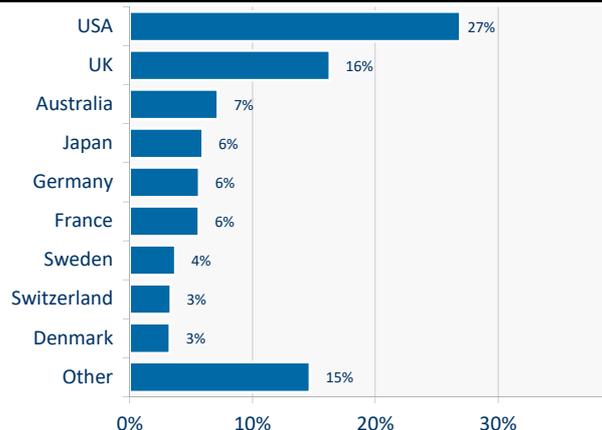
Price / Earnings 19F	30.9
EPS Growth 19F	4.2%
Dividend Yield 19F	1.2%
Dividend Growth 19F	-3.2%
Return on Equity 19F	17.1%
EV/EBITDA 19F	24.2
EBIT Margin 19F	23.9%
Net Debt/Equity 19F	2.2%

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

A summer lull fell upon equity markets in July. Amid typically thin trading volumes for this time of year, equities posted modest returns. This was no bad thing after such a strong opening half to the year. The month was not without its headlines, however. In the US, the Federal Reserve lowered interest rates for the first time in eleven years, while the European Central Bank indicated that further easing measures remained in the monetary pipeline. Thus far, the reporting season indicates a weakening in quarterly earnings and sales growth, although many companies have continued to beat market expectations. This is a true stock picker's market.

In this context, the NAV of the Sterling share class increased by 2.8% in July.

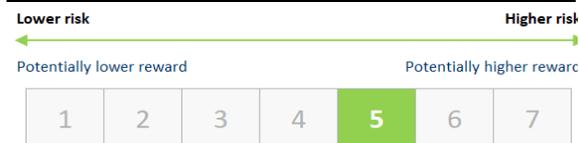
The strongest contributions during the month came from **Pro Medicus**, the developer of enterprise imaging solutions for medical facilities, which rose as the company's shares entered the S&P/ASX 200 Index. **Ryman Healthcare**, the builder and operator of retirement villages in New Zealand that have to be "good enough for Mum", performed well in July following a good set of results. **IDP Education**, the leading English testing and Student placement business, continued to re-rate higher ahead of its FY19 results.

The weakest contributions came from **First Derivatives**, the database technology and consulting services provider, which retreated following a placing of some of the CEO & Founder's shares after he was diagnosed with cancer. Sadly, later in the month, it was announced that he had passed away. **Croda**, a speciality chemicals company helping to lead the transition towards more natural and sustainable chemical ingredients, posted disappointing results as growth cooled. **Polypipe**, the supplier of recyclable plastic piping systems that are replacing carbon intensive cement alternatives, underperformed as a no-deal Brexit weighed heavily on construction related companies.

A re-escalation of the US/China trade war should come as little surprise to observers of this dispute. The rhetoric between the two countries ebbs and flows between economic resolution and tariff-related conflict. A sceptical analysis suggests that this will be a consistent feature of the investment backdrop in the run-up to 3 November 2020, the date of the next US presidential election. A well-timed "breakthrough" in negotiations could boost the economy – and the prospects of the White House incumbent.

In the meantime, it would be little surprise if investors retained a degree of caution during the remainder of the summer. Certainly, it would be unwise to extrapolate the returns of the last six months. Brexit will dominate headlines over the coming months which may add to uncertainty. Nevertheless, with monetary policy supportive and economic data suggesting a stable backdrop, there remains life in this Bull Market yet. In such an environment, companies that perform well will be rewarded and those that disappoint punished. This is as it should and always will be. We continue to focus on identifying high quality companies that have the potential to generate strong absolute and relative performance for our clients over the long-term.

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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