

## Better World Fund (£)

28 June 2019

Open Ended

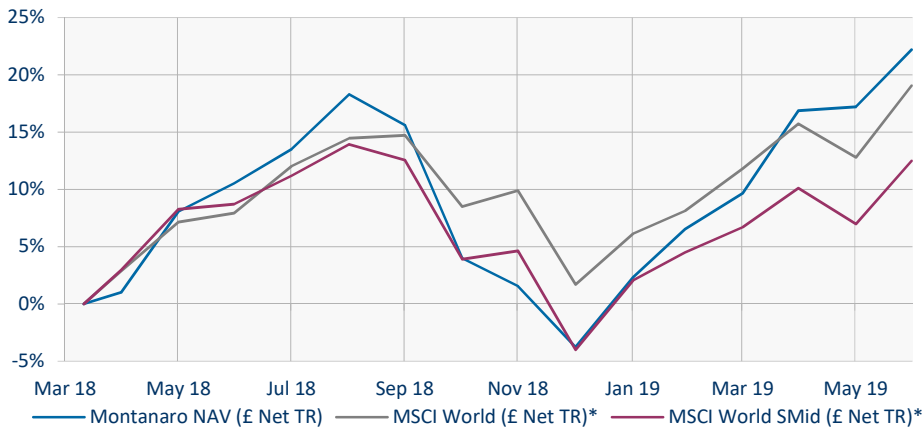
### Fund Objective

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.

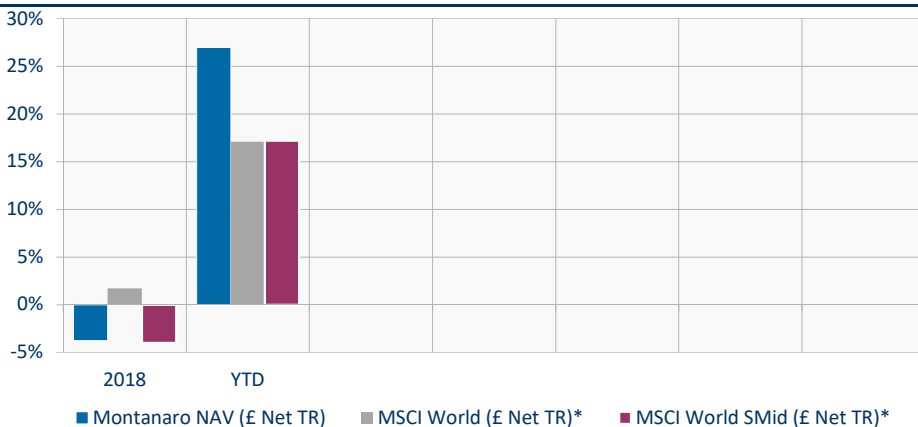
### Performance

	YTD	1M	3M	6M	12M	3Y	5Y	Launch
<b>Fund (TR)‡</b>	27.0%	4.3%	11.4%	27.0%	10.6%			22.2%
<b>MSCI World (TR)*</b>	17.1%	5.6%	6.5%	17.1%	10.3%			19.1%
<b>MSCI W. SMid (TR)*</b>	17.2%	5.2%	5.4%	17.2%	3.5%			12.5%
<b>Fund</b>	26.7%	4.3%	11.4%	26.7%	10.3%			21.9%
<b>MSCI World*</b>	15.7%	5.4%	5.8%	15.7%	8.2%			16.1%
<b>MSCI W. SMid*</b>	16.0%	5.0%	4.8%	16.0%	1.8%			10.0%

### 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 £2.2 billion.

### Fund Facts

<b>Co-Fund Managers</b>	Charles Montanaro Mark Rogers
<b>Contact</b>	Ed Heaven
<b>Fund Launch</b>	10 April 2018
<b>Currency</b>	GBP
<b>Class</b>	Distribution
<b>IA Sector</b>	Global
<b>Benchmark</b>	None
<b>Ticker</b>	MONBWFG ID
<b>ISIN</b>	IE00BYWFFF02
<b>Sedol</b>	BYWFFF0
<b>Net Assets</b>	£150 million
<b>NAV</b>	£1.219
<b>No. of Holdings</b>	50
<b>Median Mkt Cap</b>	£4267 million
<b>Cash</b>	1.9%
<b>Legal Status</b>	Irish OEIC
<b>Listing</b>	Irish Stock Exchange
<b>Valuation Time</b>	Daily 4pm Dublin time
<b>Minimum Investment</b>	£1,000
<b>Dealing Time</b>	12pm Dublin time
<b>Dividend Date</b>	Expected Q1
<b>Management Fee</b>	Annual 0.50% Will increase to 0.85% from 1 January 2020
<b>Authorised for marketing in</b>	Ireland, UK, Iceland, Sweden, Finland, France, Netherlands, Italy
<b>Fund ESG Score</b>	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	3.5%
Halma	3.4%
Ansys Inc	3.2%
Qualys Inc	3.0%
Nemetschek	2.9%
Medidata Solutions	2.8%
Waters Corp	2.8%
Cochlear Ltd	2.7%
Kingspan	2.6%
IDP Education	2.6%
	<b>29.5%</b>

**Risk Analysis**

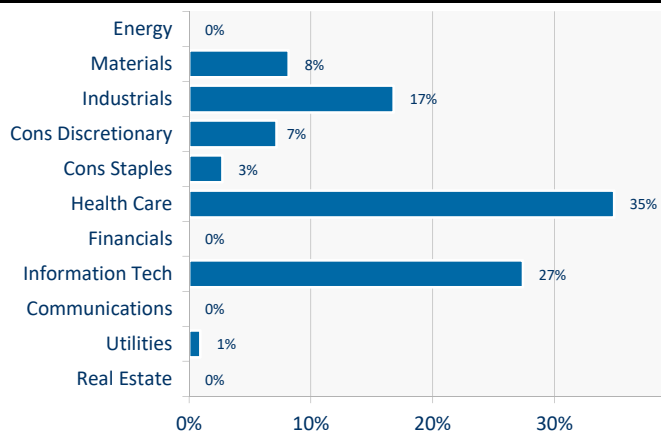
Insufficient data available for Risk Analysis

**Portfolio Analysis**

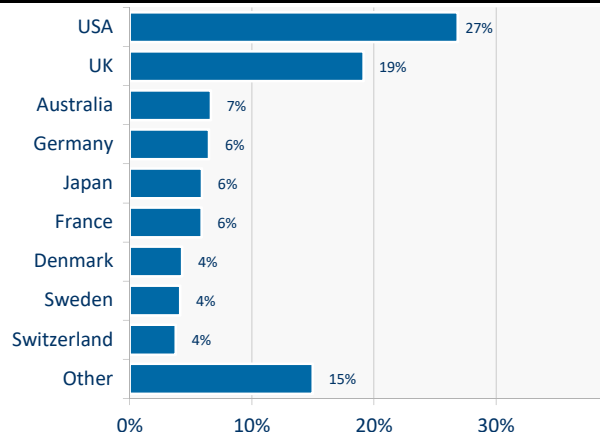
Price / Earnings 19F	30.7
EPS Growth 19F	4.3%
Dividend Yield 19F	1.2%
Dividend Growth 19F	-2.4%
Return on Equity 19F	17.5%
EV/EBITDA 19F	24.0
EBIT Margin 19F	23.8%
Net Debt/Equity 19F	4.5%

Source: Factset consensus estimates

**Sector Allocation**



**Country Allocation (Top 10)**



**Monthly Commentary**

The wobble experienced by markets in May was greeted with the balm that has become so familiar during this Bull Market: the soothing words of Central Bankers. This had the “new normal” effect of turning bad economic data into good news for investors. Equities thus resumed their upwards momentum in June, even as safe haven assets – such as gold – also saw decent gains.

At the mid-point of the year, it is worth noting just how strong equity returns have been. All major equity indices are in positive territory, with European and US markets posting double-digit gains. Even the UK, where Brexit has proven such a headwind to sentiment, experienced good returns. Investors who have tried to “time” the end to the Bull Market have again been caught out.

In this context, the NAV of the Sterling share class increased by 4.3% in June. Since the beginning of the year, the NAV has increased by over 26%. Over the same period the MSCI World SMidCap Index has increased by 16%, while the MSCI World Index gained by 15%.

The strongest contributions during the month came from **Nemetschek**, the provider of design software for the architecture and construction industries, which rose sharply at the end of the month on little news. **Sartorius Stedim**, the developer of equipment used to bring biologic drugs to market efficiently, continued to benefit from very good Q1 numbers. **Ansys**, the provider of engineering simulation software helping to bring products to market cheaper, faster, and with higher safety standards, recovered after a soft May.

The weakest contributions came from **Chr Hansen**, the supplier of bioscience products helping to reduce food waste, increase farming efficiencies and healthy foods ingredients, which suffered due to weak Chinese growth. **Vitasoy**, the Hong Kong producer of soy based products helping to promote non-dairy food alternatives, retreated due to a weaker growth outlook. **Alarm.com**, the leading cloud-based platform for the connected home, continued to suffer from exposure to the China/US trade war.

The last six months have witnessed a marked increase in the pace of the “Sustainability Revolution”. A focus on climate change – which two of the Fund’s six themes seeks to address – is leading the charge. In June, the UK government became the first major economy to adopt a net zero carbon emission target for 2050. The need to respond to big challenges like climate change is one that increasingly bridges the generations, from teenager Greta Thunberg to older members of the population intent on improving the world for the benefit of their descendants.

Set against this is the likelihood that the investment narrative of the second half of 2019 may mirror that of the first: politics and the trade war could dominate the headlines once again. With this in mind, we continue to believe that the environment remains supportive of owning “Quality” companies that support the structural growth of the sustainability movement. The businesses we aim to identify are in control of their own destiny and have the resilience and strength to weather periods of market turbulence, which any long-term investor should expect to experience from time to time.

**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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