

SFDR Website Disclosures

Montanaro Better World Fund

Summary

The Fund has a sustainable investment objective and seeks to invest in high quality companies whose products, services or behaviour are deemed to make a positive impact on society and which emphasise sound ESG practices. Through the Fund's investments, the Investment Manager seeks to improve access to, and quality of, basic life essentials, reduce inequality, and mitigate the effects of climate change.

All investments, with the exception of cash, qualify as "Sustainable", although since investments in the Fund are made purely on a bottom-up basis, the proportion of Sustainable Investments with a specifically environmental or social objective will differ over time.

Investee companies held by the Fund must have at least 50% of their revenues aligned with one or more "Sustainability Themes" and meet the requirements set out in the Investment Manager's proprietary "Impact Report" and "ESG Checklist" on an ongoing basis. This research is underpinned by data provided by Impact Cubed, MSCI and Factiva.

The Investment Manager seeks to ensure that the investments in the Fund do no significant harm to any environmental or social objectives, with reference to certain ethical restrictions.

The Fund will monitor and report on Principal Adverse Impacts ("PAIs") and indicators to measure the environmental or social characteristics.

Engagement is important to our investment approach. The Investment Manager conducts engagement with companies to encourage the adoption of sustainable business practices.

The Fund does not have a designed reference benchmark for the purpose of monitoring the attainment of the Fund's E/S characteristics.

No significant harm to the sustainable investment objective

The Investment Manager seeks to ensure that the investments in the Fund do no significant harm to any environmental or social objectives. As such, the Fund does not invest in companies with more than 10% revenue exposure to:

- Tobacco
- Alcohol
- Manufacturing or supply of weapons
- Pornography
- Gambling
- High-interest Rate Lending
- Fossil Fuels

- Animal Testing (except for human healthcare purposes)

The Investment Manager makes use of different data sources to assess the exposure of companies to the areas listed above. In addition to its own proprietary research and the engagement with investee companies, the Investment Manager receives data from Impact Cubed, which carries out an annual impact assessment of the Fund; MSCI, which provides ESG research on companies; and Factiva, a press monitoring service.

Sustainable investment objective of the financial product

The Fund's Sustainability Objective is as follows:

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. Through the Fund's investments, the Investment Manager seeks to improve access to, and quality of, basic life essentials, reduce inequality, and mitigate the effects of climate change. In practice, and to contribute to the Sustainable Investment Objective, the Fund invests in Small and MidCap companies which have at least 50% of their revenues aligned with one or more of the six themes below:

1. **Environmental Protection** (including pollution control; water treatment; waste recycling and management; testing, inspection & certification)
2. **Green Economy** (including renewable energies; smart infrastructure; energy transition technologies and efficient transportation)
3. **Healthcare** (including treatment of illnesses and diseases; medical innovation; affordable healthcare and prevention)
4. **Innovative Technologies** (including manufacturing efficiencies; smart robots & artificial intelligence; connectivity and cyber-security)
5. **Nutrition** (including efficient food production, sustainable food distribution; healthy eating and food security)
6. **Wellbeing** (including addressing the challenges of population ageing; active lifestyles, education and security & safety)

(together the "Sustainability Themes")

These Sustainability Themes were chosen because they directly support 14 of the United Nations' 17 Sustainable Development Goals ("SDGs"), namely:

- GOAL 2: Zero Hunger
- GOAL 3: Good Health and Well-being
- GOAL 4: Quality Education
- GOAL 5: Gender Equality
- GOAL 6: Clean Water and Sanitation
- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 9: Industry, Innovation and Infrastructure
- GOAL 10: Reduced Inequality
- GOAL 11: Sustainable Cities and Communities

- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life below Water
- GOAL 15: Life on Land

Three Goals are not targeted directly by the Fund. These are:

- GOAL 1: No Poverty
- GOAL 16: Peace, Justice and Strong Institutions
- GOAL 17: Partnerships for the Goals

No target weightings have been set for the Sustainability Themes. The weighting of each Sustainability Theme is the result of the bottom-up stock-picking by the Investment Manager and may therefore vary over time.

To assess companies' alignment with the Sustainability Themes, the Investment Manager relies primarily on its internal research (which includes the production of an Impact Report and an Impact Score) and engagement with investee companies. This is supplemented by external data from MSCI and Impact Cubed.

The Fund contributes to the following environmental objectives under the EU Taxonomy Regulation:

- (a) climate change mitigation;
- (b) climate change adaptation;
- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy; and
- (e) pollution prevention and control.

No sustainable reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

The Fund does not have a stated carbon emissions reduction target. However, it reports periodically on its carbon emissions and compares these to the Benchmark.

Investment strategy

The Fund is actively managed and seeks to invest in high quality companies whose products, services or behaviour are deemed to make a positive impact on society and which emphasise sound ESG practices. Through the Fund's investments, the Investment Manager seeks to improve access to, and quality of, basic life essentials, reduce inequality, and mitigate the effects of climate change. The Fund shall invest in small and midcap companies primarily quoted in global markets and whose market capitalisation does not exceed that of the largest unadjusted market capitalisation of any of the constituents of Benchmark at the time of initial investment.

In order to meet the Fund's Sustainable Investment Objective, the Sustainability Risks arising from the Sustainability Themes are fully integrated into the Investment Manager's investment

decisions. Investments of the Fund will demonstrate characteristics that align with the Fund’s sustainability objective and the Investment Manager believes that investments will not significantly harm the Fund's sustainability investment objective. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or sell the holding. The Investment Manager’s Sustainability Committee provides oversight of Sustainability Risks.

These decisions are made in line with the Investment Manager's overall approach to sustainability through the application of ethical exclusions, quantitative and qualitative assessments and engagement with the Fund's investee companies.

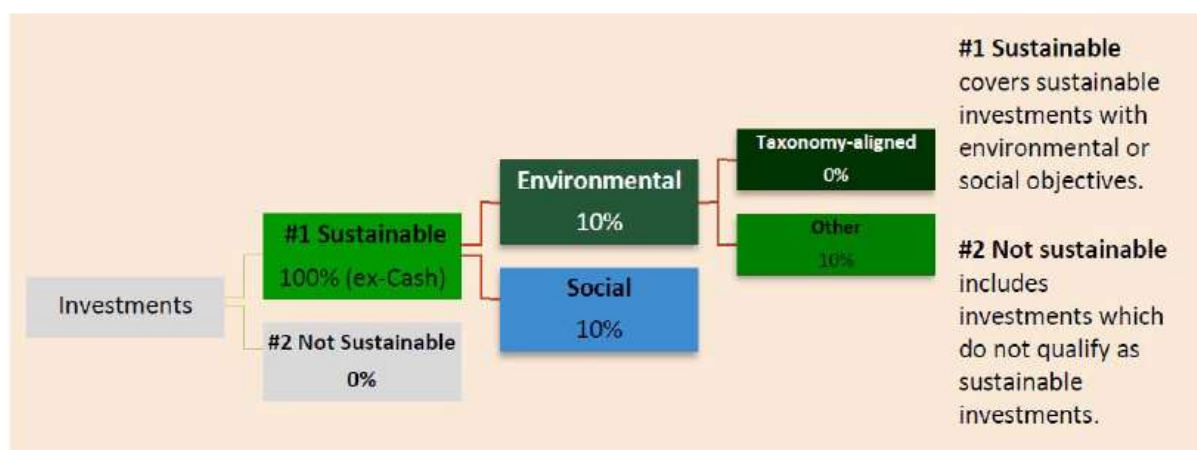
Proportion of investments

With the exception of Cash, which typically accounts for up to 5% of the Fund’s Net Asset Value, all investments qualify as “#1 Sustainable”.

Since investments in the Fund are made purely on a bottom-up basis, the proportion of Sustainable Investments with an environmental or social objective will differ over time. At a minimum, the Fund will have a 10% weighting in investments with an environmental objective and a further 10% in investments with a Social objective.

Although the Fund will invest at least 10% of its net assets in sustainable investments with an environmental objective, it has set a minimum of 0% alignment with EU Taxonomy-aligned activities.

Although the Fund invests in a number of companies that develop and market transitional and enabling activities, no minimum share has been set.



Monitoring of sustainable investment objective

The Investment Manager uses the following indicators to measure the attainment of the sustainable investment objective of the Fund:

- Percentage of investee companies' revenue alignment with the targets which underpin the SDGs. The minimum required for a company to be eligible for investment (both new and ongoing) by the Fund is 50%.
- Carbon intensity of the Fund (Scope 1 + 2) relative to its Benchmark;
- Percentage of investee companies which have credible Net Zero Carbon strategies;
- Percentage of women on boards of investee companies;
- Percentage of independent directors on boards of investee companies;
- Percentage of companies which have an anti-bribery policy.

Methodologies

All investments considered for the Fund are assessed according to the Investment Manager's proprietary Impact Report, which assess the potential impact a company's products or services may make according to the Fund's Sustainability Themes and additional impact criteria. Specifically, companies must score at least 25 out of 50 on the Impact Report.

At least 90% (by Net Assets) of the investee companies held by the Fund will need to meet the requirements set out in the Investment Manager's proprietary ESG Checklist (the "Checklist") on an ongoing basis. Specifically, these companies must score at least 4 out of 10 on the Checklist.

This score is derived by aggregating the scores (all out of 10) obtained across the three sections of the Checklist below:

- an Environmental section (30% weighting);
- a Social section (30% weighting);
- a Corporate Governance section (40% weighting).

The Environmental section of the Checklist covers the following areas:

- Carbon Intensity Scope 1;
- Carbon Intensity Scope 2;
- Carbon Intensity Scope 3;
- Carbon Intensity Scope 1 + 2 + 3;
- Water Intensity;
- Waste Intensity;
- Low Carbon Transition Management Score;
- Low Carbon Transition Score; and
- Any additional areas that may concern the Investment Manager (e.g. climate change targets, supply chain etc...).

The Social section of the Checklist covers the following areas:

- Employee Turnover;
- Gender diversity in the workforce;

- Gender diversity in management;
- Gender Pay Gap;
- Human Rights Policy;
- Anti Bribery Policy;
- Equal Opportunity Policy;
- Tax Gap; and
- Any additional areas that may concern the Investment Manager (e.g. labour practices, health & safety, quality of reporting...).

The Corporate Governance section of the Checklist covers the following areas:

- Remuneration of the Executive;
- Capital allocation record;
- Board independence;
- ESG culture of the Board;
- Board diversity; and
- Any additional areas that may concern the Investment Manager.

For companies which score between 4 and 5 on the Checklist, the Investment Manager will engage with the investee company.

In addition, the Fund may not invest in companies with more than 10% revenue exposure to the manufacturing or supply of weapons, tobacco, gambling, pornography, alcohol or any other areas deemed not to meet the Investment Manager's ethical standards.

Additionally, all companies in which the Fund invests in are subject to the Revenue Exclusions as described above.

Data sources and processing

The Investment Manager makes use of different data sources. In addition to proprietary research and the engagement with investee companies, data is received from:

- Impact Cubed, which calculates the net impact of the Fund (across 14 different metrics), the PAIs for the Fund as well as alignment with the EU Taxonomy;
- MSCI, which provides Carbon data and ESG research on companies; and
- Factiva, a press monitoring service.

Limitations to methodologies and data

Note that the level of disclosure of ESG and Sustainability data is typically more limited for small companies than it is for large companies. As a result, external providers such as Impact Cubed and MSCI make estimates where data is missing.

Due diligence

The Investment Manager meets with the companies in which it invests on a regular basis. A decision to actively engage typically arises from any of the following:

- the company fares badly (relative to its sector or other companies in the Fund) on any of the 10 PAIs considered by the Fund;
- the Investment Manager's proprietary ESG Checklist has flagged a weakness at the company;
- the Investment Manager's proprietary ESG Checklist has a score of 5 or below;
- the Investment Manager disagrees with one or several resolutions proposed at the company's forthcoming General Meeting;
- a sustainability-related controversy has emerged on the company.

All cases of engagement initiated by the Investment Manager are reviewed and monitored by the Investment Manager's internal Sustainability Committee. The Sustainability Committee considers the rationale, progress and outcome of every engagement case. In the event that the outcome of an engagement is deemed to fall short of the Investment Manager's expectations, or the company does not respond to requests to engage, the Sustainability Committee will recommend to the Investment Committee that the holding be sold.

Engagement policies

Engagement is important to the investment approach. Engagement is conducted to identify and manage sustainability risks within the Fund. Engagement directly affects investment decision making, either enhancing an investment case or highlighting a concern that makes investing less compelling.

Engagement is initiated when an E/S issue is identified and reflected in the Checklist. The Investment Manager conducts the following types of engagement:

- Direct Company Engagements
- Proxy Voting
- Deep Dive Research
- Collaborative Engagements
- Public Policy Advocacy

Proxy Voting is a vital part of company engagement. The Investment Manager attempts to vote at all Annual General Meetings for holdings within the Fund. Independent third-party corporate governance reports and voting recommendations are received from Institutional Investor Services (ISS) ahead of meetings. The Investment Manager systematically reviews all resolutions in conjunction with proprietary voting guidelines ahead of shareholder meetings. Voting decisions are made in accordance with this policy.

In instances where concerns are not addressed or the company does not respond constructively to an engagement, the Investment Manager will initiate the escalation strategy. The Sustainability Committee will decide if further engagement is required and likely to be constructive. If further engagement is warranted the Investment Manager will escalate the engagement up the corporate hierarchy. Where this approach fails to yield the desired outcome, the Investment Manager may undertake the following actions: withhold support for management resolutions at company meetings, call an EGM or exit the position.

Attainment of the sustainable investment objective

The Investment Manager uses the following indicators to measure the attainment of the sustainable investment objective of the Fund:

- Percentage of investee companies' revenue alignment with the targets which underpin the SDGs. The minimum required for a company to be eligible for investment (both new and ongoing) by the Fund is 50%.
- Carbon intensity of the Fund (Scope 1 + 2) relative to its Benchmark;
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