

## Better World Fund (£)

28 February 2019

Open Ended

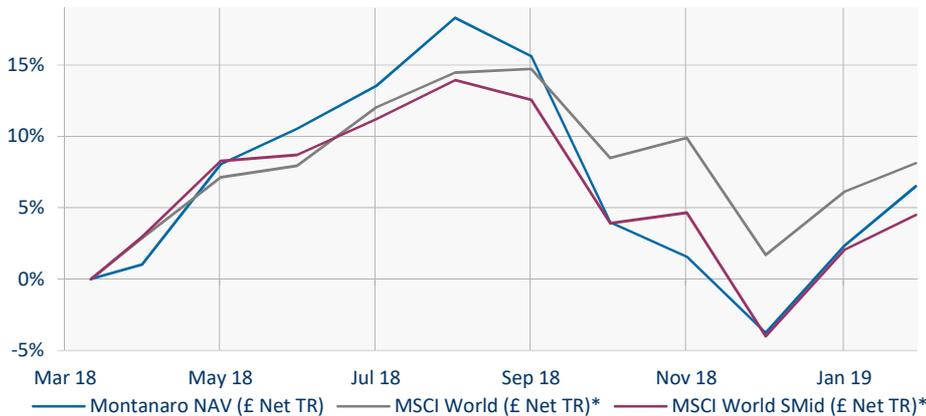
### Fund Objective

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)‡	10.7%	4.1%	4.9%	-10.0%				6.5%
MSCI World (TR)*	6.3%	1.9%	-1.6%	-5.5%				8.1%
MSCI W. SMid (TR)*	8.8%	2.4%	-0.2%	-8.3%				4.5%
Fund	10.7%	4.1%	4.9%	-10.0%				6.5%
MSCI World*	6.0%	1.7%	-2.0%	-6.3%				6.3%
MSCI W. SMid*	8.7%	2.3%	-0.4%	-8.9%				3.1%

### 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

<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>	£129 million
<b>NAV</b>	£1.065
<b>No. of Holdings</b>	48
<b>Median Mkt Cap</b>	£3604 million
<b>Cash</b>	1.0%
<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
<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.

**Top 10 Holdings**

Waters Corp	3.5%
Qualys Inc	3.2%
Ansys Inc	3.1%
Halma	3.0%
Christian Hansen Holding	3.0%
Sartorius Stedim Biotech	2.9%
Polypipe Group	2.8%
Nemetschek	2.8%
Medidata Solutions	2.6%
Croda International	2.6%
	<b>29.6%</b>

**Risk Analysis**

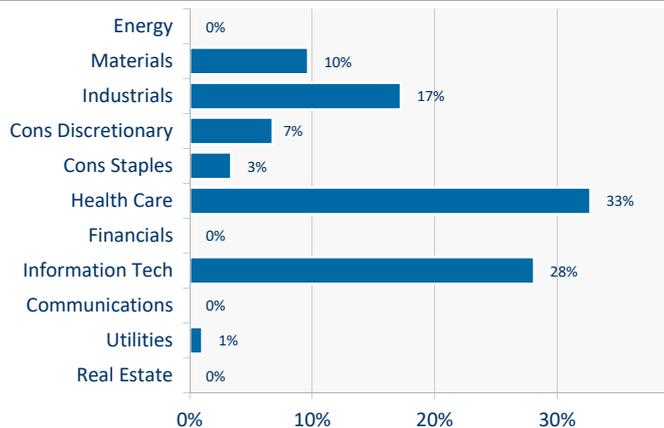
Insufficient data available for Risk Analysis

**Portfolio Analysis**

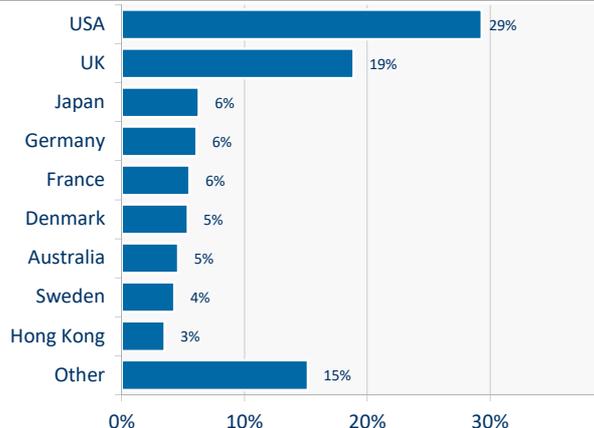
Price / Earnings 19F	27.2
EPS Growth 19F	6.5%
Dividend Yield 19F	1.4%
Dividend Growth 19F	4.0%
Return on Equity 19F	17.1%
EV/EBITDA 19F	21.2
EBIT Margin 19F	23.9%
Net Debt/Equity 19F	-14.4%

Source: Factset consensus estimates

**Sector Allocation**



**Country Allocation (Top 10)**



**Monthly Commentary**

Global equity markets have enjoyed their best start to a year since 1991. The bounce back from the fourth quarter of last year has been sudden, serving as a reminder to investors not to run for the hills when markets wobble. Sentiment in February was broadly improved by seemingly constructive trade talks between the US and China, as well as a more dovish tone from the Federal Reserve. While to some extent these developments lifted all boats, economic data continued to suggest a slowdown at the heart of the European economy.

In this context, the NAV of the share class increased by 4.1% in GBP in February.

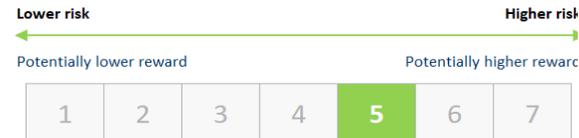
The strongest contribution came from **IDP Education**, the provider of international education services offering student placement, language teaching and language testing, which announced very strong interim results. **Orpea**, the operator of dependency care homes helping to manage ageing populations in Europe, performed well after announcing a strong set of results and a positive outlook. **Grand Canyon**, a leading provider of distance learning solutions in the US, announced solid Q4 results which showed healthy student enrolment numbers.

The weakest contribution came from **Cochlear**, the manufacturer of implantable hearing solutions, weakened after highlighting increased pressure from competitors. **Melexis**, the supplier of sensors to the automotive industry, increasing road safety, helping to reduce fuel emissions, and facilitate the transition to autonomous driving, declined as management suggested growth for the year would be lower than consensus expectations. **US Ecology**, an environmental services business, offering treatment, disposal and recycling of hazardous, non-hazardous and radioactive waste, traded down after an explosion at their Idaho site. We are seeking to engage with the company in relation to this.

Equities have already delivered returns in 2019 that most investors would take for the year as a whole. The European market is up 10%, while things are even hotter overseas: the Russell 2000 index has jumped by 17% and Chinese equities have soared by 18%. Despite this steep trajectory, however, it would be a surprise if markets continued their ascent unchallenged during the rest of the year.

In a world where economic data is mixed and politicians are as unpredictable as the weather, volatility is likely to rear its head at some stage. In such an environment, the case for owning High Quality companies – which have outperformed their lower quality counterparts by 3% already this year in Europe – remains compelling.

**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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