

Better World Fund (£)

31 October 2019

Open Ended

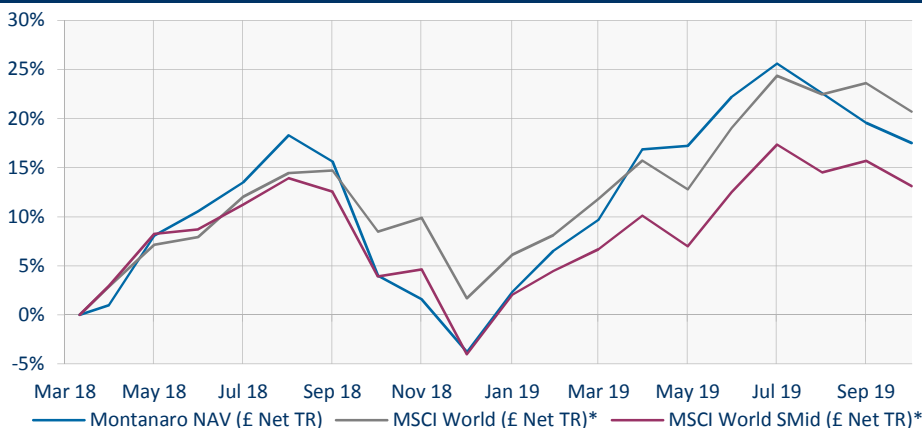
Fund Objective

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.

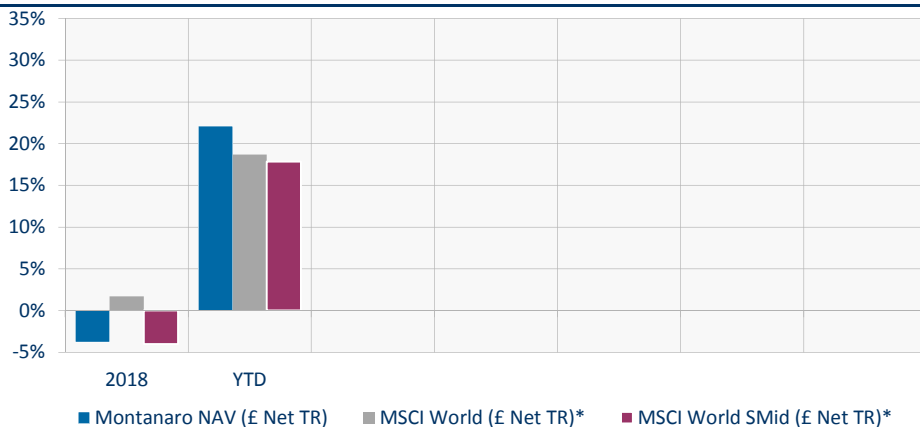
Performance

	YTD	1M	3M	6M	12M	3Y	5Y	Launch
Fund (TR)‡	22.1%	-1.7%	-6.4%	0.6%	13.0%			17.5%
MSCI World (TR)*	18.7%	-2.3%	-2.9%	4.3%	11.3%			20.7%
MSCI W. SMid (TR)*	17.8%	-2.2%	-3.6%	2.7%	8.9%			13.1%
Fund	21.9%	-1.7%	-6.4%	0.6%	12.8%			17.3%
MSCI World*	22.7%	0.3%	1.7%	2.4%	12.0%			14.3%
MSCI W. SMid*	16.1%	-2.3%	-4.0%	1.8%	7.0%			10.1%

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.

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

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	£147 million
NAV	£1.173
No. of Holdings	50
Median Mkt Cap	£3513 million
Cash	7.5%
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.

Top 10 Holdings

Sartorius Stedim Biotech	3.5%
Ansys Inc	3.2%
Qualys Inc	3.1%
Waters Corp	2.8%
Cochlear Ltd	2.7%
Solaredge Technologies	2.7%
Amplifon	2.6%
Ryman Healthcare	2.6%
Halma	2.5%
Belimo Holding	2.5%
Total	28.2%

Risk Analysis

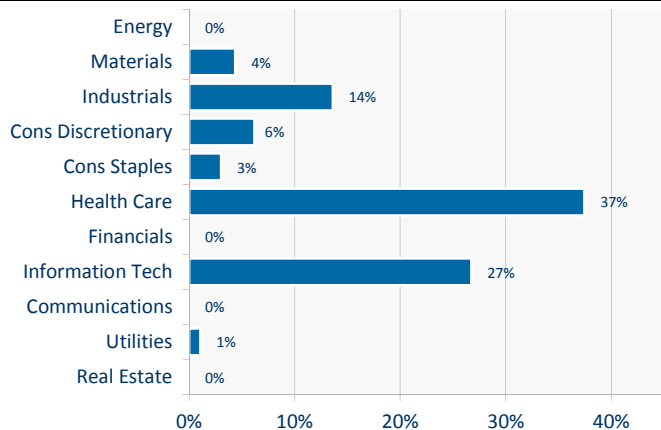
Insufficient data available for Risk Analysis

Portfolio Analysis

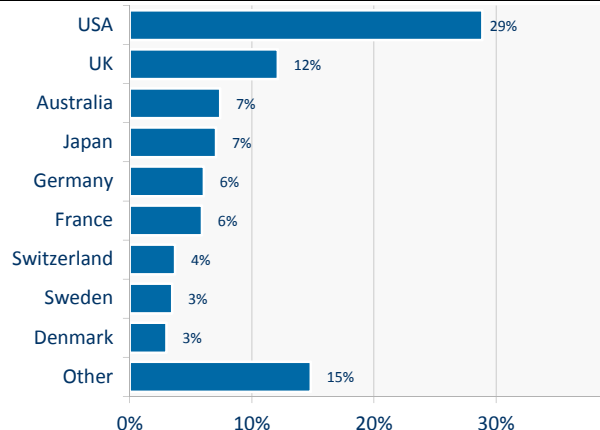
Price / Earnings 20F	27.6
EPS Growth 20F	11.8%
Dividend Yield 20F	1.2%
Dividend Growth 20F	4.0%
Return on Equity 20F	17.2%
EV/EBITDA 20F	21.1
EBIT Margin 20F	23.5%
Net Debt/Equity 20F	-4.9%

Source: Factset consensus estimates

Sector Allocation



Country Allocation (Top 10)



Monthly Commentary

Easing political tensions provided support to equity markets in October. As President Trump celebrated a “Phase One Trade Deal” with China, the UK stepped back from the apparent precipice of a “no deal” Brexit. Meanwhile, Central Banks reiterated their dovish stances as Mario Draghi, the architect of Europe’s “whatever it takes” stimulus strategy, stepped aside for Christine Lagarde. Within this context, the focus on sustainability challenges continued to grow. Climate change protests became truly global, encompassing stakeholder frustration at a perceived lack of action from governments and businesses. Pressure increased on investors to align investments with companies providing solutions to such problems.

In this context, the NAV of the sterling share class declined by 1.7% in October, an outperformance of 0.6% versus the MSCI World SMidCap Index. Absolute returns were impacted by the strength of sterling during the month.

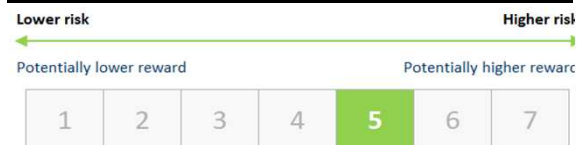
The strongest contribution in October came from **IDP Education**, the leading English qualification testing business, which recovered after a period of under-performance. **Qualys**, the leading provider of cloud-based cybersecurity software, reported strong growth in Q3. **Polypipe**, the supplier of sustainable water and climate management solutions that are replacing cement alternatives, rose as fears of a “no deal” Brexit receded.

The weakest contribution came from **Chr Hansen**, the supplier of bioscience based natural ingredients, which declined after the company lowered 2019/20 guidance beyond their long-term targets. **Waters Corp**, the US analytical testing company, suffered due to concerns about weaker economic growth in China. **Veeva**, the US healthcare software provider, reported slight weaker margins in its quarterly set of results.

As Martin Wolf noted in the FT, “climate policy is dangling between the cynicism of Donald Trump and the radicalism of Greta Thunberg”. Investors need to respond to both, recognising the urgent need for action and the political void left by the world’s largest superpower. The US has now officially pulled out of the Paris climate agreement, a significant blow to the global pact that aims to limit global warming to below 2C.

Clouds are also hovering over the investment landscape. Geopolitical risks remain and growth is slowing across the world. While the monetary backdrop remains supportive, Central Banks do not have much left in the toolkit. In our opinion, we remain in a period in which investors will continue to favour companies with strong balances sheets and healthy cash flows, such as those within our Fund.

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).

Important Information

This report is issued monthly by Montanaro Asset Management Limited (MAM), the fund manager, who is Authorised and Regulated in the UK by the Financial Conduct Authority (FCA). It may not be copied or distributed or otherwise made available to any recipient without the express written consent of MAM.

This material constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 (the “Act”). The material included in this report has been prepared by MAM and is provided for information purposes only and does not constitute an invitation or offer to subscribe for or purchase shares in the Fund. Such investments can only be made by completing the application forms that accompany the Fund’s Prospectus. MAM is not authorised to market directly to retail investors. Retail investors should seek independent financial advice before making any investment decisions.

Information and opinions presented in this material have been obtained or derived from sources believed by MAM to be reliable. MAM makes no representation as to their accuracy or completeness.

It is the responsibility of all users of this information to be informed and observe all applicable laws and regulations of any relevant jurisdictions where they reside.

