



# MONTGOMERY GLOBAL FUND

## INVESTMENT REPORT & FACT SHEET

### FUND OVERVIEW

The Montgomery Global Fund employs a highly disciplined, bottom-up, value style and typically invests in 15 to 30 high conviction stocks listed on major global stock exchanges. The focus of The Fund is on investing in what Montgomery Global regards as high quality businesses with attractive prospects trading at a discount to their estimated intrinsic value.

The Fund has the flexibility to retain a reasonable level of cash, with a "soft" 30 per cent limit. The Fund will generally be currency unhedged but we can put in place strategies aimed at protecting investor capital against currency fluctuations if we predict material upside to the Australian dollar.

The Fund aims to deliver superior positive returns when suitable investment opportunities are abundant, and to preserve capital through cash allocations when an insufficient number of company names are appealing.

### FUND FACTS

#### INVESTMENT MANAGER

Montgomery Global Investment Management Pty Ltd

#### OBJECTIVE

The Montgomery Global Fund aims to outperform the index over a rolling 5-year period.

#### BENCHMARK

MSCI World Net Total Return Index, in Australian dollars.

#### FUND CONSTRUCTION

The Fund will typically invest in a portfolio of 15-30 high-conviction stocks listed on the major global stock exchanges. Cash typically ranges from 0%-30%, but can be exceeded in certain situations.

#### APIR

FHT0036AU

#### RECOMMENDED INVESTMENT TIMEFRAME

5 years

#### MINIMUM INITIAL INVESTMENT

\$25,000

#### INCEPTION DATE

1 JULY 2015

#### FUND SIZE

\$93.5M

#### MANAGEMENT FEE

The 1.29% per annum, inclusive of GST/RITC.

#### PERFORMANCE FEES

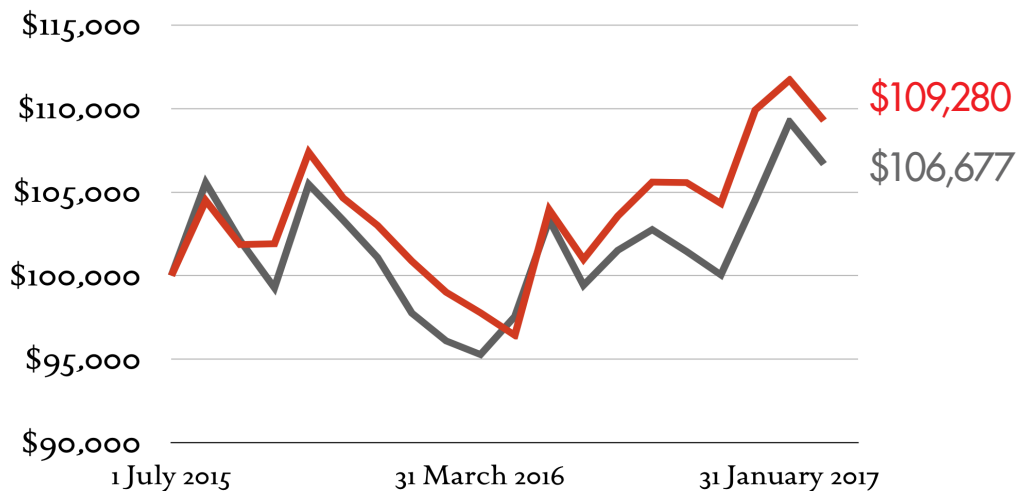
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### APPLICATION & REDEMPTION PRICES

[montinvest.com/mgf](http://montinvest.com/mgf)

### PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



### CONTACT DETAILS

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### PORTFOLIO PERFORMANCE

(to 31 January 2017, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX <sup>1</sup>	OUT/UNDER PERFORMANCE
1 month	0.00%	-2.18%	<b>-2.18%</b>	-2.31%	0.14%
3 months	0.00%	4.75%	<b>4.75%</b>	6.62%	-1.87%
6 months	0.00%	5.51%	<b>5.51%</b>	5.08%	0.43%
12 months	0.00%	8.33%	<b>8.33%</b>	9.12%	-0.79%
Since inception <sup>2</sup>	0.00%	9.28%	<b>9.28%</b>	6.68%	2.60%
Compound annual return (since inception) <sup>2</sup>	0.00%	5.76%	<b>5.76%</b>	4.17%	1.60%

1) In Australian dollars

2) Inception: 1 July 2015



## FUND COMMENTARY

In the first month of calendar 2017, the Montgomery Global Fund decreased by 2.18%, net of fees. This was slightly better than the MSCI World Total Return Index (the Benchmark) which decreased by 2.31%, in Australian dollar terms. Since inception, The Fund was up 9.28%, net of fees, versus the Benchmark which has delivered 6.68% over the same period, in Australian dollar terms.

The "Trump Rally" continued pushing the MSCI World Total Return Index up by more than 2.4% in US dollar terms. While it may not sound like much, this monthly rate annualises to about 33%. From the perspective of Australian investors, however, the strong rally in the Australian dollar relative to the US dollar led to overall declines in global equity returns for the month.

It seems President Trump will continue to dominate headlines for the foreseeable future. Daily tweets and executive orders are creating considerable uncertainty for investors. As we articulated immediately after the US elections in November: the probability distribution of potential outcomes has widened and flattened. And this makes life even more challenging for the investor.

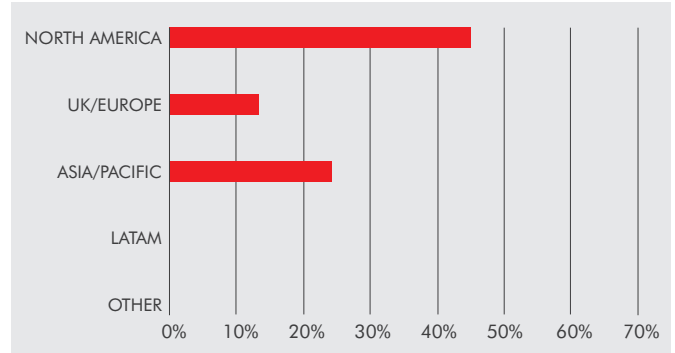
Fortunately, we invest only in very high quality businesses with fundamentals that we expect will remain solid no matter what the world throws at them. A case in point is Apple (NASDAQ: AAPL), one of our largest positions. No matter how much uncertainty President Trump creates, Apple customers around the world are going to continue to upgrade their iPhones and are going to continue to buy apps, music, movies and TV shows via the Apple ecosystem.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 January 2017, out of 22 holdings)

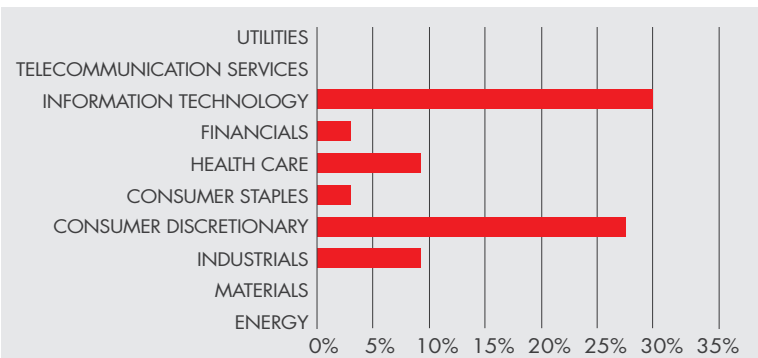
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Playtech	IM	3,270	6.4
REA Group	AU	5,228	5.5
Alibaba	CN	252,796	5.1
Apple	US	638,036	5.1
Ross Stores	US	26,055	4.9
Tencent	CN	249,651	4.5
Airbus	FR	51,914	4.2
Amazon	US	391,290	4.1
Home Depot	US	167,595	3.9
Take-Two Interactive	US	4,644	3.8
<b>PORTFOLIO MEDIAN</b>		<b>45,230</b>	<b>3.6</b>
<b>Total equity weighting</b>			<b>82.2</b>
<b>Total cash weighting</b>			<b>17.8</b>

\*Top Completed Holdings are businesses we own but are not actively buying or selling at the time of writing.

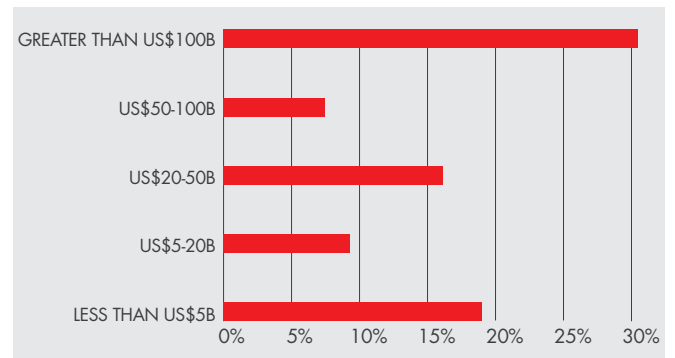
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## GICS SECTOR INDUSTRY EXPOSURE



## MARKET CAPITALISATION EXPOSURE



## PLATFORMS WE ARE ON: Netwealth IDPS

#Portfolio Performance is calculated after fees and costs, including the investment management fee and performance fee, but excludes the buy/sell spread. All returns are on a pre-tax basis. This report was prepared by Montgomery Global Investment Management Pty Ltd, (ACN 604 878 533) (CAR) #001 007 050 (Montgomery) the investment manager of the Montgomery Global Fund. The responsible entity of the Fund is Fundhost Limited (ABN 69 092 517 087) (AFSL No: 233 045) (Fundhost). This document has been prepared for the purpose of providing general information, without taking account your particular objectives, financial circumstances or needs. You should obtain and consider a copy of the Product Disclosure Statement (PDS) relating to the Fund before making a decision to invest. While the information in this document has been prepared with all reasonable care, neither Fundhost nor Montgomery makes any representation or warranty as to the accuracy or completeness of any statement in this document including any forecasts. Neither Fundhost nor Montgomery guarantees the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither Fundhost nor Montgomery, including their employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this document. Past performance is not indicative of future performance.

