



# 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

\$99.6M

#### MANAGEMENT FEE

1.29% per annum, inclusive of GST/RITC.

#### PERFORMANCE FEES

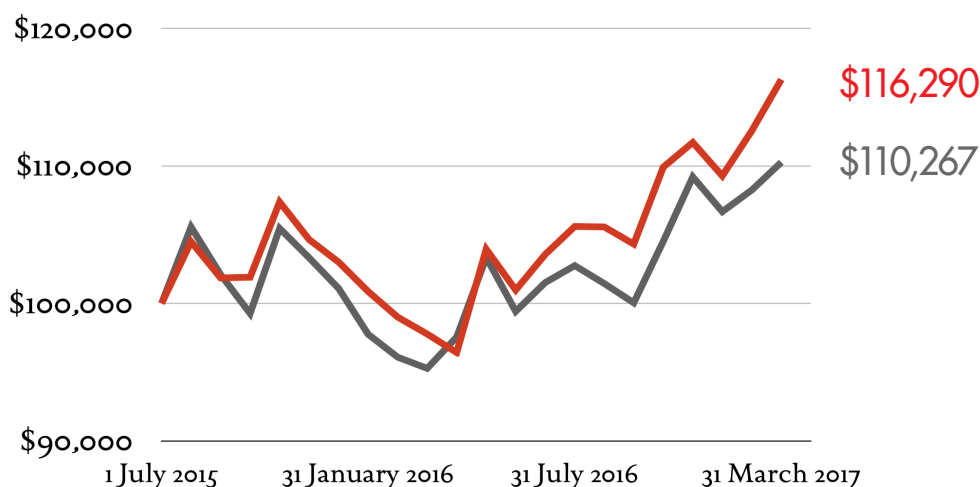
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### 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 March 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%	3.31%	<b>3.31%</b>	1.86%	1.45%
3 months	0.00%	4.10%	<b>4.10%</b>	0.97%	3.13%
6 months	0.00%	10.16%	<b>10.16%</b>	8.69%	1.47%
12 months	0.00%	18.93%	<b>18.93%</b>	15.73%	3.20%
Since inception <sup>2</sup>	0.00%	16.29%	<b>16.29%</b>	10.27%	6.02%
Compound annual return (since inception) <sup>2</sup>	0.00%	9.01%	<b>9.01%</b>	5.74%	3.27%

1) In Australian dollars

2) Inception: 1 July 2015



## FUND COMMENTARY

The Montgomery Global Fund increased by 3.31%, net of fees, in the month of March. This result was ahead of the MSCI World Total Return Index in Australian dollar terms (the Benchmark) which increased by 1.86% over the same period. Over the March quarter, the Fund increased by 4.10%, net of fees, also ahead of the Benchmark which increased by 0.97% over the same period. Since inception, the Fund has increased by 16.29%, net of fees, versus the Benchmark which increased by 10.27% over the same period.

While the global market continued to inch higher in the month of March, it is interesting to note that the S&P 500 Index – an index of the largest 500 US-listed businesses – was roughly flat. Since Trump and the Republicans dominated last November’s general election, US equities have been rallying hard on anticipation of tax cuts and other forms of stimulus.

Yet, the world observed a lack of unity within the Republican Party in the month of March. Repealing the Affordable Care Act, or “Obamacare” as it is more commonly known, was meant to be easy for a Republican-controlled Congress. Yet disagreements between the right and the ultra-right factions of the Party led to an embarrassing abandonment of the vote. This defeat now calls into question the validity of the market’s expectations for further stimulus.

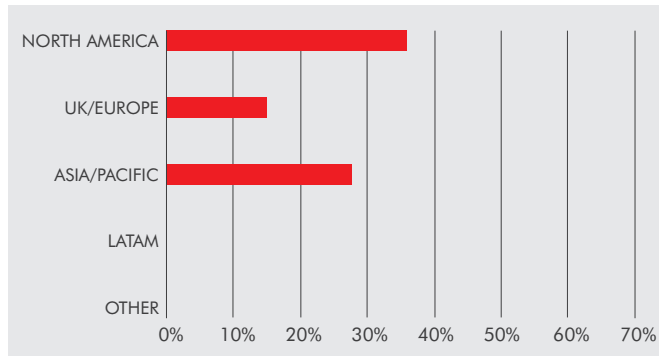
As our positions have rallied, they have been trimmed and our cash has been building – now at 21.5% of the fund. Particular standout performances in March were delivered by Tencent (HKEx: 700) which increased by 7.6%; and Oracle (NYSE: ORCL) which increased by 4.7%.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 March 2017, out of 21 holdings)

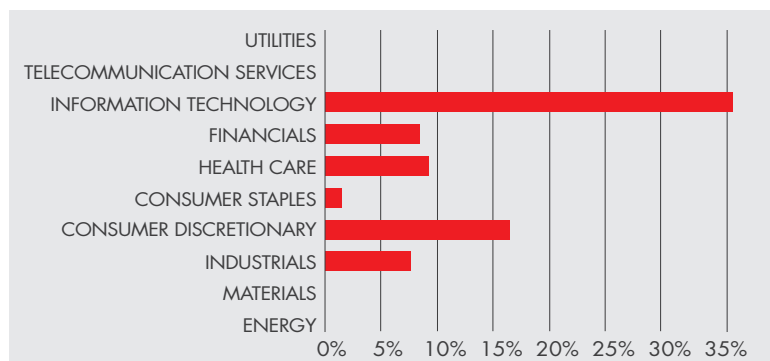
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Playtech	IM	3,708	6.0
REA Group	AU	5,962	5.2
Insperty	US	1,862	5.0
China Life	CN	99,446	4.9
Facebook	US	410,522	4.8
Oracle	US	183,556	4.6
Gentex	US	6,128	4.6
Tencent	CN	271,723	4.5
Alibaba	CN	269,066	4.5
Aetna	US	44,859	3.9
<b>PORTFOLIO MEDIAN</b>		<b>44,859</b>	<b>3.8</b>
<b>Total equity weighting</b>			<b>78.5</b>
<b>Total cash weighting</b>			<b>21.5</b>

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

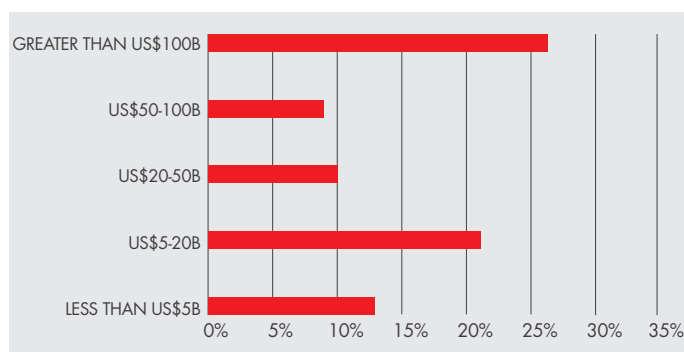
## GEOGRAPHIC - COUNTRY OF DOMICILE



## 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.

