

FUNDHOST LTD

ABN 69 092 517 087 | Australian Financial Services Licence (AFSL) No. 233045

MONTGOMERY

ABN 73 139 161 701 | Montgomery Investment Management Pty Ltd AFSL No. 354564



Information Booklet

Dated 18 September 2024

The information in this document forms part of the product disclosure statement dated 18 September 2024 and issued by Fundhost Limited as responsible entity of

THE MONTGOMERY FUND

ARSN 159 364 155 | APIR FHT0030AU

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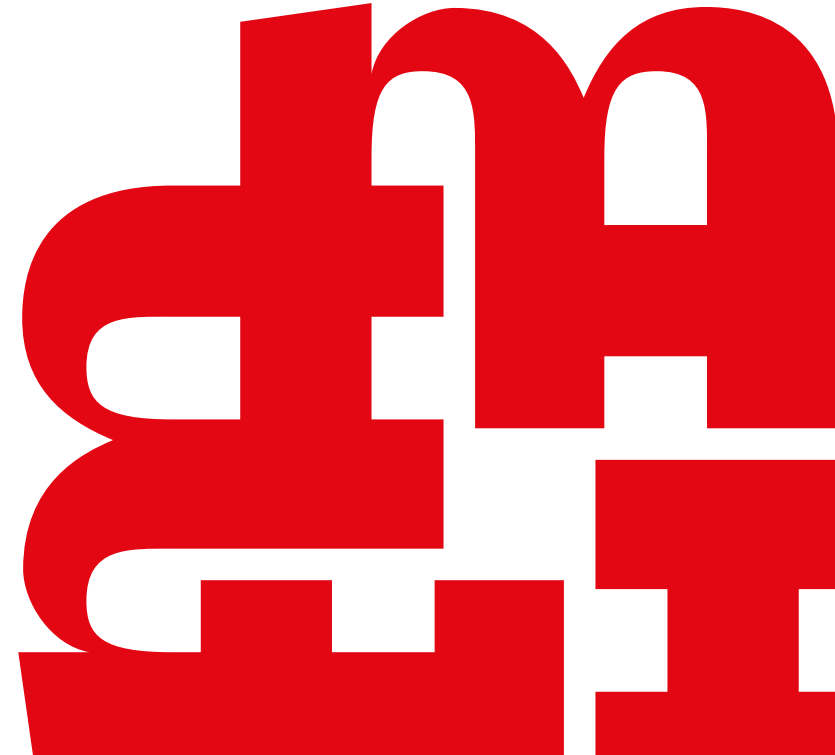
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About this Information Booklet

The information in this Information Booklet forms part of the Product Disclosure Statement (PDS) issued by Fundhost Ltd (Fundhost, we or us) as responsible entity of The Montgomery Fund, ARSN 159 364 155 (The Fund) and dated 18 September 2024.

Defined terms used in the PDS have the same meaning in this Information Booklet unless stated otherwise.

We recommend that you keep a copy of the PDS for The Fund and this Information Booklet handy for future reference.

The Information contained in the PDS and this Information Booklet is general information only and has been prepared without taking into account your personal objectives, financial situation or needs. You should read this Information Booklet together with the PDS (in their entirety) before making a decision to invest in The Fund. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances before proceeding to acquire or dispose of units in The Fund.

You can access the PDS and this Information Booklet on our website at www.fundhost.com.au or at www.montinvest.com. Fundhost will provide you, free of charge, a paper copy of the PDS and this Information Booklet upon request when you contact us.

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PART A

HOW THE FUND WORKS

Investing and withdrawing

Investing

Additional investments can be made at any time in writing and will generally be processed daily.

Distributions

The ex-distribution mid-price is calculated by taking the value of the investments of The Fund and taking away the value of the liabilities as defined in The Fund's constitution including the provision for distribution. We make no adjustment for costs of buying or realising investments (called a buy-sell spread). We divide the result of this by the number of units we have on issue. These steps give us a per unit price used in connection with reinvestment of distributions.

Withdrawing

Units in The Fund are not listed on any stock exchange like the ASX, so you cannot sell your units through a stockbroker.

If you want to withdraw your money, simply contact us in writing and tell us how much you need to withdraw. This is called a redemption request.

We accept scanned or faxed redemption requests on the following conditions:

- o all instructions must be legible
- o instructions must bear your investor number and signature and
- o redemption proceeds will only be transferred to the financial institution account previously nominated on the application form.

You will need to accept full responsibility (to the extent permitted by law) for loss arising from us acting upon faxed or scanned instructions which comply with these security processes and you also agree to release and indemnify us in respect of any liabilities arising from us acting on faxed or scanned instructions (including future instructions), even if those instructions are not genuine. Also you agree that neither you nor any other person has any claim against us in relation to a payment made or action taken under the facsimile or scanned instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any other requirements for giving redemption instructions.

The amount of money you receive is determined by the unit price we calculate at the time of your redemption request. We can withhold from amounts we pay you any amount you owe us or we owe someone else relating to you (for example, the tax office).

We generally pay all redemption proceeds in cash, but we are permitted under the constitution for The Fund to pay proceeds in kind (i.e. in specie share transfer).

Delays

In certain circumstances we may need to delay withdrawal of your money. We can delay withdrawal of your money for 180 days or such period as considered appropriate in our view in all the circumstances if:

- o there are not enough investments which we can easily turn into cash (the law dictates this). We don't anticipate The Fund would ever become illiquid but if it did, the law says we can (if we wish) make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to exit or
- o we receive a quantity of withdrawal requests representing more than 20% of the value of the investments of The Fund. In this case we can stagger withdrawal payments.

In certain circumstances we can also delay withdrawal of your money for so long as the relevant event continues. The constitution sets out the full range of circumstances in which we can delay withdrawal of your money and these include (among others) if

- o something outside our control affects our ability to properly or fairly calculate the unit price (for example, if the investments are subject to restrictions or if there is material market uncertainty like a stock market crash) or
- o a portion of The Fund's assets comprise illiquid assets (that is, assets not readily converted to cash). In this case Fundhost can redeem such number of units that correspond to the portion of The Fund's liquid assets (that is, assets readily converted to cash). For example, if an investor requests redemption of all of their units and The Fund's assets comprise 10% of illiquid assets, Fundhost may determine to redeem only 90% of the investor's units. Fundhost may redeem the remaining units at such future time, or at times over such period, as it determines or
- o an emergency or similar state of affairs occurs which, in our reasonable opinion, makes it impractical to redeem units or which might be prejudicial to the remaining investors or
- o there is a closure or material restriction on trading on the ASX or realisation of the assets cannot be effected at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market or
- o we otherwise consider it is in the best interests of the investors to delay withdrawal of units.

We can give you back your invested money without you asking

In certain circumstances we can, or may be required to, also redeem some or all of your units without you asking. These circumstances include:

- o if your account falls below the minimum investment amount
- o if you breach your obligations to us (for example, you provide misleading information in your unit application form)
- o to satisfy any amount of money due to us (as responsible entity or in any other capacity relevant to The Fund) by you
- o to satisfy any amount of money we (as responsible entity or in any other capacity relevant to The Fund) owe someone else relating to you (for example, to the tax office)
- o where we suspect that law prohibits you from legally being an investor or
- o such other circumstance as we determine in our absolute discretion (but we must always act in the best interests of investors as a whole when deciding to do this).

How we calculate unit prices

We calculate unit prices in three steps:

1. we calculate the value of the investments of The Fund and take away the value of the liabilities as defined in The Fund's constitution
2. we divide this result by the number of units we have on issue to obtain the unit mid-price
3. we then make an adjustment (up for the entry price, to take account of the costs of buying investments or down for the exit price to take account of the costs of realising investments) called a buy-sell spread. The buy-sell spread does not represent a fee to Fundhost, Montgomery or Australian Eagle and is discussed in more detail in "Additional explanation of fees and costs" in the PDS.

These steps give us a price per unit.

PART B

BENEFITS OF INVESTING IN THE FUND

Benefits and features

Experience

Montgomery is a boutique investment manager owned by its founder and staff. Roger Montgomery is Founder and Chairman and has over 30 years' experience in funds management and related activities, including equities analysis, equity and derivatives strategy, trading and stockbroking. Roger held the position of Chief Market Strategist with Ord Minnett Jardine Fleming, which followed positions with BT (Australia) Limited and Merrill Lynch. The executive team have significant experience and many decades tenure in investing, banking and funds management.

Prior to establishing Montgomery Investment Management, Roger founded the funds management group, Clime Asset Management Ltd in 2000. In 2010, Roger published his first book, entitled Value.able: How To Value The Best Stocks and Buy Them For Less Than They're Worth, which went on to become a best seller.

Montgomery is the investment manager of The Montgomery Fund. Under a partnership arrangement, Montgomery has appointed Australian Eagle as sub-investment manager to manage The Fund's assets.

Australian Eagle focus on Australian companies and have delivered above benchmark returns for family offices and institutional investors for 19 years. The Chief Investment Officer is Sean Sequeira, who is supported by an experienced team of three fundamental portfolio managers and analysts, along with a dedicated risk manager. Sean is a founding member of Australian Eagle and was appointed Chief Investment Officer in 2016. In addition to stock selection and analysis, he is responsible for all aspects of Australian Eagle's Investment Process. Sean began his career in financial markets in 1991 with Citibank and subsequently joined Tower Asset Management in 2000 where he was an Australian equity analyst and dealer. Sean is a Chartered Financial Analyst®.

Alan Kwan is Senior Portfolio Manager and is principal analyst for many of Australian Eagle's portfolio stocks and the coverage universe, in particular medium capitalisation companies. He is a key member of the portfolio management team and implementation process. Alan joined in 2011 and is a Chartered Financial Analyst®.

Risk management

Depending on the type of investments a fund chooses to focus on, your decision to invest in one or perhaps more managed funds can be a good way to help better manage the impact of risk on your investments. Spreading risk often reduces the highs and lows of investment performance and helps reduce the impact on you of one or more types of investments performing poorly.

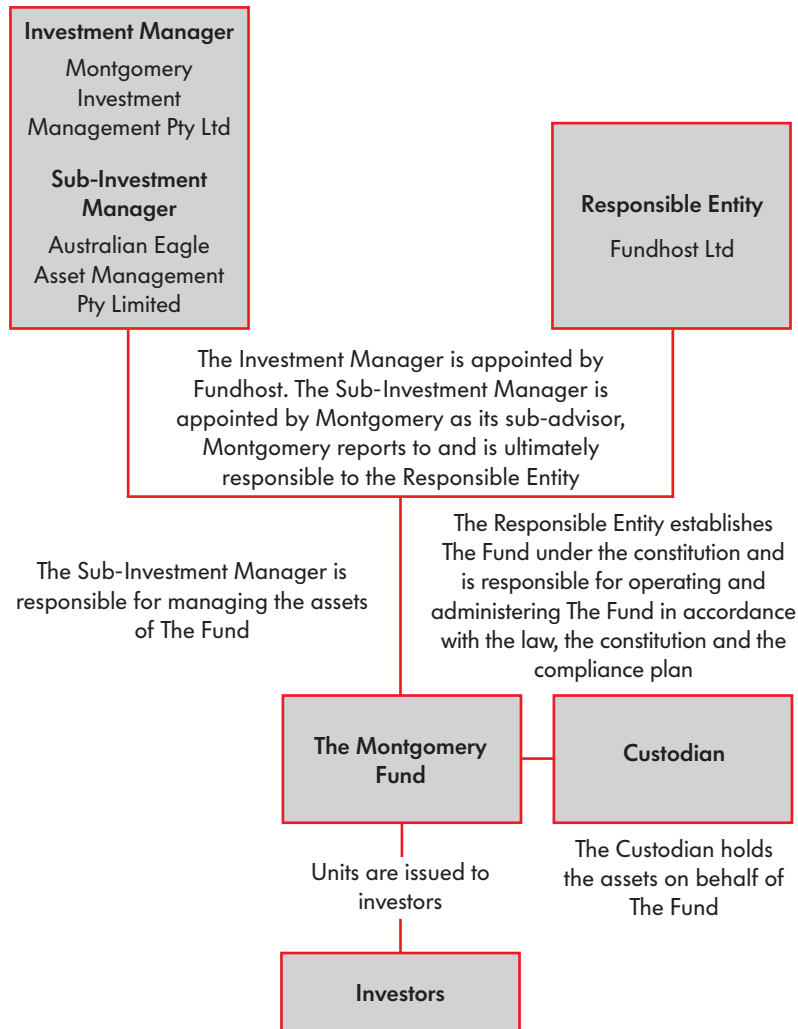
Corporate governance

Under the Australian Corporations Act and The Fund documents, investors are provided with several layers of independent oversight providing a robust and appropriate corporate governance structure. The structure provides additional investor safeguards through the separation of duties, specialisation of expertise, clear lines of responsibility and layered approval processes.

The Fund is operated and administered by a responsible entity (Fundhost) that holds an appropriate AFSL. Fundhost has appointed an independent custodian to hold the assets of The Fund. Fundhost has appointed Montgomery as the investment manager of The Fund.

Montgomery has delegated the investment management function to Australian Eagle as its sub-advisor.

The following diagram summarises the management and governance structure of The Fund.



Clear legal rights

The constitution establishes The Fund and sets out the rules. Together with the PDS and the law from time to time, it governs your relationship with Fundhost and provides you with your (and our) legal rights.

The constitution gives Fundhost rights to be paid fees and expenses and to be indemnified from The Fund. It governs (amongst other things) Fundhost's powers, (which are very broad), investor meetings and unit issue, pricing and withdrawal, as well as what happens if The Fund terminates.

The constitution limits Fundhost's need to compensate you if things go wrong. Generally, subject always to liability which the Corporations Act imposes, Fundhost is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to The Fund.

The constitution also contains a provision that it alone is the source of the relationship between you and Fundhost and not any other laws (except, of course, those laws that cannot be excluded).

Fundhost must have investor approval to make changes to the constitution that are adverse to the rights of investors.

You can obtain a free copy of The Fund's constitution by contacting Fundhost.

PART C

RISKS OF MANAGED INVESTMENT SCHEMES

Risks in general

About risk and return

All investments are subject to varying risks and the value of your investment can decrease as well as increase (i.e. you can experience investment gains or investment losses).

Investment returns are affected by many factors including market volatility, interest rates and economic cycles. Changes in value can be significant and they can happen quickly.

Different types of investments perform differently at different times and have different risk characteristics and volatility.

These are some of the reasons why you should consider investing in several different types of investments (often called diversification).

The significant risks associated with investing in this Fund are discussed in the PDS. We cannot eliminate all risks and cannot promise that the ways they are managed will always be successful. However, the Australian Eagle process is an important step in managing many of these risks.

The performance of The Fund will be influenced by many factors, some of which are outside the control of Fundhost, Montgomery and Australian Eagle.

If these risks materialise, your distributions may be lower than expected or there may be none. The value of your investment could fall and you could lose money.

Ways to manage your risk

You can help manage your own risks too. You can:

- know your investment goals and your risk tolerance
- understand risk and return and be comfortable that an investment may not give you the outcomes you hope for
- diversify your investments (that is, don't invest all your monies in The Fund)
- invest for at least the recommended timeframe
- keep track of your investment and
- speak with a financial adviser and make sure The Fund is the right investment for you.

PART D

HOW WE INVEST YOUR MONEY

The investment process

Australian Eagle employs the following staged process to determine its Investment Grades:

Stage 1 - Develop a proprietary quality rating for each company

Each S&P/ASX 100 company and select companies beyond the S&P/ASX100 are assessed with respect to Australian Eagle's qualitative rating on a regular and intensive basis.

Collectively, the team are primarily responsible for approximately 130 companies at any point in time.

The quality screen operationalises the team's philosophy with respect to quality by expanding their core factors of market opportunity, competitive advantage and superior management to the following 10 attributes:

1. Management track record and succession plan
2. Sustainable competitive advantage
3. Growth aspect of competitive advantage
4. Capital deployment opportunity and strategy implementation ability
5. Capital management (return on equity and shareholder value enhancement)
6. Financial health
7. Market size-regional/ global
8. Barriers to entry
9. Organic growth
10. Cyclicity – short, medium or long

The relevant analyst allocates a score from 1 to 5 for each of the individual factors. These factors are then summed to produce an overall quality rating from 10 to 50 points for each company.

The process involves demanding discussion of the factors as they relate to the specific company, and also, methodical and rigorous review of the key criterion relative to all other companies in the consideration set.

The stock scoring process provides for analyst latitude and creativity whilst ensuring the investment philosophy remains foundational. No matter how extensive the thought process's scope, the disciplined adherence to the qualitative score ensures the analyst has a synthesised and succinct longer-term judgment of each business relative to its immediate peers as well as to all other listed companies analysed.

Only companies achieving a quality score of 30 or higher can be considered for portfolio inclusion. This ensures only companies benchmarked above average can be included in the portfolio.

Australian Eagle does not utilise broker research to any significant extent as an input to its qualitative scoring process, or any aspect of its investment process. Australian Eagle predominantly exploits official company releases and other publicly available sources to access relevant secondary research material.

Stage 2 - Relative valuation gap assessment for identified high quality stocks

The analyst determines a sensible or reasonable valuation for the company being researched using well understood valuation metrics. The output of the valuation process is a set of valuation ranges that are compared to the relevant share price to provide an estimate of each company's 'Valuation Gap'. The Valuation Gap provides a consistent tool for estimating the upside inherent in each company's share price and is a primary metric in the segmentation and ranking of the research universe.

Stage 3 - Allocation of the stock's Investment Grade

Each company's shares are assigned an Investment Grade from one to five, with five representing the highest quality investment. The Investment Grade is a function of the company's quality score and the company share's estimated upside.

The Investment Portfolio by Allocated Investment Grade

Qualitative Rating	40	3	4	5	5	5
	35	2	3	4	5	5
	30	1	2	3	4	5
		0 - 4.9%	5 - 9.9%	10 - 24.9%	25 - 49.9%	> 50%
		Valuation Gap				

The assigned Investment Grades are the basis for selection and portfolio weighting for each portfolio holding.

Portfolio Construction

The Fund uses an index ‘agnostic’ approach to building its portfolio, aimed at ensuring the best investment ideas have the greatest exposure, without reference to its specific index weight. The portfolio will predominantly comprise listed equity securities with an Investment Grade of four or five, and more limited exposure to securities with an Investment Grade of three.

The Fund also employs a qualitative and quantitative risk overlay process, independent of the portfolio construction process, to assist in managing long-term volatility and potential drawdowns. The Fund will usually have between 25 and 35 listed equity securities in its portfolio.

PART E

FEES AND COSTS

Additional explanation of fees and costs

Can fees be different for different investors?

The law allows us to negotiate fees with “wholesale” investors or otherwise in accordance with ASIC requirements. The size of the investment and other relevant factors may be taken into account. We generally don't negotiate fees. However, Montgomery may negotiate management fees with very large wholesale clients only. The terms of these arrangements are at our discretion.

What are the costs of investing and withdrawing from The Fund?

We have a documented policy in relation to the guidelines and relevant factors taken into account when calculating unit prices. We call this our unit pricing policy. We keep records of any decisions which are outside the scope of the unit pricing policy, or inconsistent with it. A copy of the unit pricing policy and records is available free on request.

Government charges and taxation

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in the PDS, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

The fees outlined in the PDS take into account GST and any reduced input tax credits which may be available.

PART F

HOW MANAGED INVESTMENT SCHEMES ARE TAXED

Paying tax

In all likelihood you will need to pay tax in relation to your investment in this Fund. Generally you will pay income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident. So it is important that you seek professional advice before you invest or deal with your investment.

We will send you the information you need each year to help you to complete your tax return.

We will distribute income and capital gains, if any, shortly after 30 June each year. Distributions could comprise:

- o income (like dividends and interest)
- o net taxable capital gains (from the sale of The Fund's investments) and
- o tax credits (like franking credits attached to dividend income and credits for tax paid on foreign income).

Additionally, Australian residents are generally subject to capital gains tax on gains when they withdraw any money or transfer units.

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

If you choose not to provide us with your Tax File Number (TFN) or Australian business number (ABN) and don't have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how we can use these details.

Fundhost has elected to operate The Fund under the Attribution Managed Investment Trust (AMIT) regime. As an AMIT the Fund can attribute amounts of income and tax offsets to investors on a fair and reasonable basis. There is also an ability to adjust the cost base of an investor's interest in The Fund upwards or downwards.

PART G

MORE INFORMATION

Privacy

We collect and use personal information about you to administer your investment and also to conduct research.

By applying for units in The Fund you consent and agree to information about you being obtained and used by us. Fundhost will collect and use your information in accordance with our Privacy Policy, a copy of which is available free of charge.

If you fail to provide us with the required information or if you provide us with incomplete or inaccurate information Fundhost may not be able to provide you with the products or services you are seeking within the time periods contemplated in the PDS.

Your information will not be disclosed unless:

- o the law requires
- o your financial adviser needs the information
- o it is in keeping with our Privacy Policy and may be provided to external service providers including The Fund's investment manager, custodian, auditors, taxation and legal advisers and information technology consultants or
- o Fundhost needs to send you promotional material. If you don't want this, contact Fundhost anytime.

Fundhost will disclose information if required by law to do so (including under the AML CTF Act).

If you think any of the details that Fundhost holds are wrong or out of date contact Fundhost and we will correct the details. You can always access the personal information held about you by contacting Fundhost.

Anti-money laundering

In order to meet our obligations under the AML CTF Act or taxation legislation, we may require further information from you as to identity, the source of your funds and similar matters.

Fundhost is required to verify that information by sighting appropriate documentation.

Records of the information obtained will be kept and may be required by law to be disclosed. Otherwise the information will be kept confidential.

By applying for units in The Fund, you also agree that Fundhost may in its absolute discretion determine not to issue units to you, may cancel units which have been issued to you or may redeem any units issued to you if Fundhost believes such action to be necessary or desirable in light of its obligations under the AML CTF Act or related legislation and Fundhost will not be liable to you for any resulting loss.

Information for New Zealand investors

Units in The Fund offered under the PDS and this Information Booklet (which forms part of the PDS) are offered to New Zealand as well as Australian investors.

New Zealand investors' warning statement

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

The above statements are required pursuant to New Zealand's financial markets legislation. If you credit NZ dollars to Fundhost's application account you may incur an unfavourable currency conversion rate and you will also have to pay any applicable fees. You can avoid these fees by only crediting Australian dollars.

New Zealand disclosures relating to distribution reinvestment

Distributions from The Fund will be automatically reinvested resulting in additional units being issued to you, unless you tell us otherwise.

Units issued as part of a distribution will be allotted in accordance with the terms and conditions set out in the constitution of The Fund and the offer document (comprised of the PDS and this Information Booklet which forms part of the PDS).

The allotment of units as part of a distribution described in the offer document is offered to New Zealand investors on the following basis:

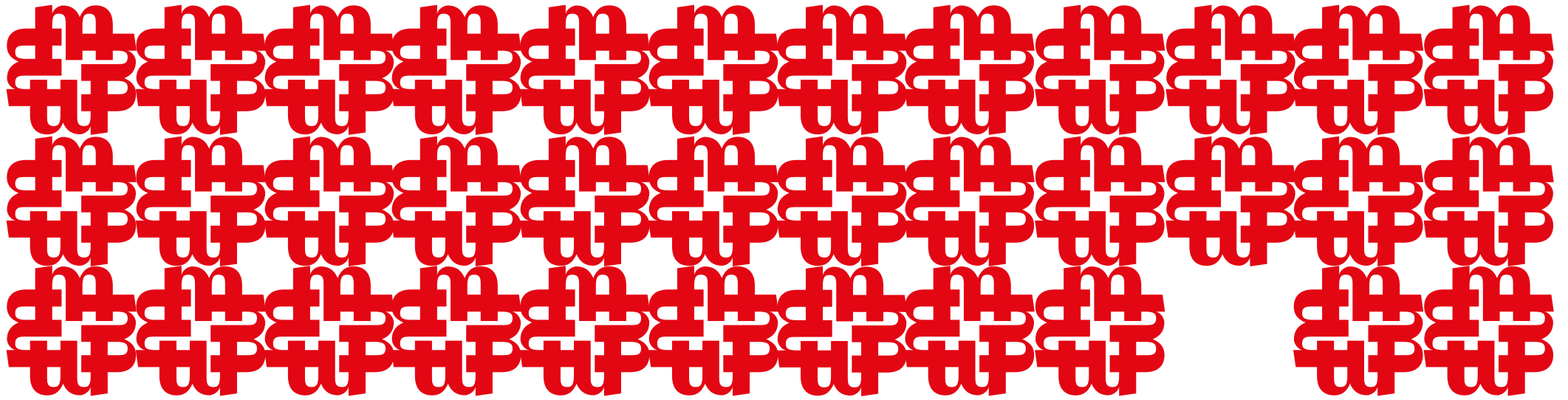
- o At the time the price of the units allotted as part of a distribution reinvestment is set, we will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- o The right to acquire, or require us to issue, units as part of a distribution reinvestment will be offered to all investors in The Fund of the same class, other than those who are resident outside New Zealand and who are excluded by us so as to avoid breaching overseas laws.
- o Every investor to whom the right is offered will be given a reasonable opportunity to accept it.
- o Units will be issued or transferred on the terms disclosed to you in the offer document, and will be subject to the same rights as units issued or transferred to all investors of the same class as you who agree to receive the units.

You have the right to receive from us, on request and free of charge, a copy of:

- o the most recent annual report of The Fund (if any)
- o the most recent financial statements of The Fund and, if those statements are not audited or reviewed by an auditor, a statement to that effect
- o a copy of the auditor's report on those statements (if any)
- o the current offer document (comprised of the PDS and this Information Booklet which forms part of the PDS)
- o the constitution of The Fund and any amendments to it.

Copies may be obtained electronically at www.fundhost.com.au or by emailing admin@fundhost.com.au.

Within 30 days of the day on which the units in The Fund are allotted to you, you will be sent a statement of the amount of the distribution and the number of units that have been allotted to you.



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