



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.

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RECOMMENDED INVESTMENT TIMEFRAME

5 years

MINIMUM INITIAL INVESTMENT

\$25,000

INCEPTION DATE

1 JULY 2015

FUND SIZE

\$ 123.7M

MANAGEMENT FEE

1.29% per annum, inclusive of GST/ITC.

PERFORMANCE FEES

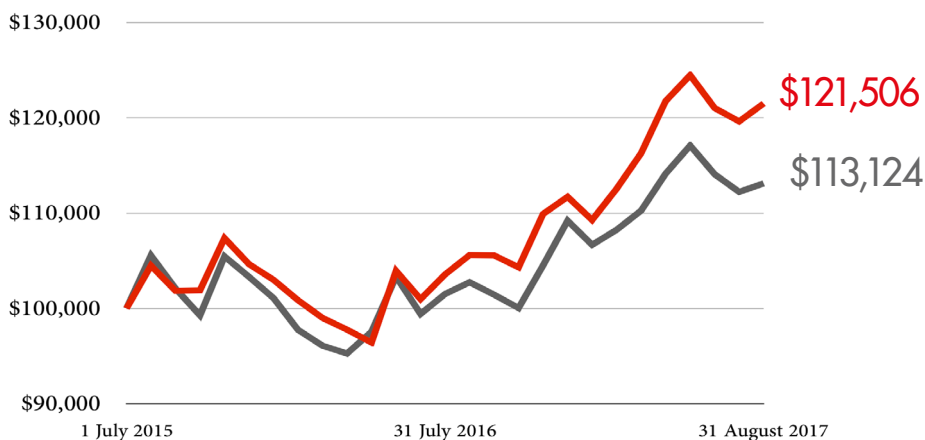
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

APPLICATION & REDEMPTION PRICES

montinvest.com/mgf

PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



CONTACT DETAILS

INVESTORS

Dean Curnow
t 02 8046 5019
e dcurnow@montinvest.com

ADVISERS, RESEARCHERS AND PLATFORMS

Scott Phillips
(NSW, ACT & QLD)
t 02 8046 5005
e sphillips@montinvest.com

David Denby
(VIC, TAS, SA & WA)
t 0455 086 484
e ddenby@montinvest.com

PORTFOLIO PERFORMANCE

(to 31 August 2017, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	1.57%	1.57%	0.80%	0.78%
3 months	9.72%	-12.10%	-2.38%	-3.39%	1.01%
6 months	10.75%	-2.80%	7.95%	4.50%	3.45%
12 months	11.46%	3.60%	15.06%	10.09%	4.97%
2 years (p.a)	5.77%	3.44%	9.22%	5.26%	3.96%
Since inception ²	12.10%	9.40%	21.51%	13.12%	8.38%
Compound annual return (since inception) ²	5.41%	3.99%	9.41%	5.86%	3.55%

1) In Australian dollars

2) Inception: 1 July 2015



FUND COMMENTARY

In the month of August, the Montgomery Global Fund increased by 1.57 per cent, net of fees. This result compared favourably to the MSCI Total Return Index in Australian dollar terms (the Benchmark) which returned 0.80 per cent over the same period. Since inception, the Fund has returned 21.51 per cent, net of fees. Over the same period, the Benchmark returned 13.12 per cent.

The month of August substantially rounded out earnings season for the second calendar quarter of 2017. Overall, this earnings season has been a success for the businesses owned by the Fund. The stand-out performer was Insperty (NYSE: NSP) which delivered better than expected profit-margin expansion and profit growth. This strong quarter, combined with unreasonably low expectations built into the stock's price, resulted in a one-day jump in the stock price of 18 per cent.

At the other end of the spectrum was Foot Locker (NYSE: FL). We had recently reinitiated a position in the stock following its May declines. We believed the new expectations built into the stock's price were unreasonably conservative. This turned out to be wrong as evidenced by the deteriorating business fundamentals reported in the August result. Fortunately, we halved our position in the days prior to the result following analysis of peers and significantly reduced our exposure to the stock's decline. We have since exited Foot Locker.

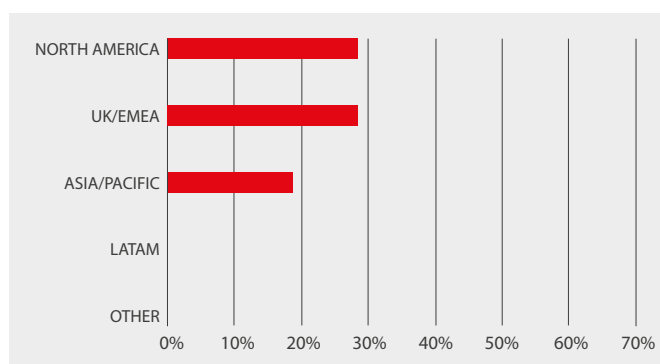
We continue to be excited by the businesses in the Fund's portfolio and believe they represent great investment opportunities. At the same time, we continue to build a healthy dose of defensiveness into the portfolio, including a 25.5 per cent cash holding. We are well prepared for a return of volatility and can move quickly to pounce on new opportunities as and when they arise.

TOP COMPLETED HOLDINGS* (TCH) (at 31 August 2017, out of 22 holdings)

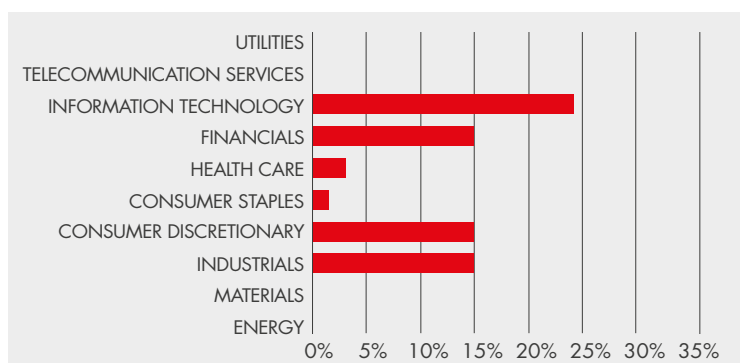
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Facebook	US	499,394	5.3
Insperty	US	1,674	4.9
St James's Place	GB	7,870	4.9
Oracle	US	208,199	4.6
REA Group	AU	6,904	4.6
Playtech	IM	3,893	4.5
Alibaba	CN	439,853	4.3
Naspers	ZA	99,167	4.2
China Life	CN	116,287	4.1
Jupiter Fund	GB	3,171	4.1
PORTFOLIO MEDIAN		71,784	3.9
Total equity weighting			74.5
Total cash weighting			25.5

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

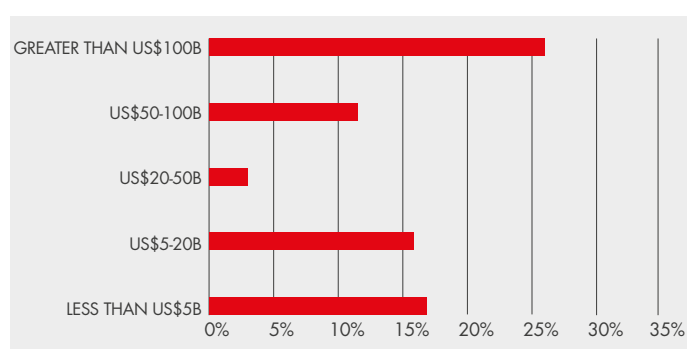
GEOGRAPHIC - COUNTRY OF DOMICILE



GICS SECTOR INDUSTRY EXPOSURE



MARKET CAPITALISATION EXPOSURE



PLATFORMS WE ARE ON: Netwealth IDPS Netwealth Super BT Panorama BT Wrap Powerwrap Macquarie Wrap

#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.

