



# 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

MGIM 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

\$212.2M

#### MANAGEMENT FEE

1.32% per annum, inclusive of GST/ITC.

#### PERFORMANCE FEES

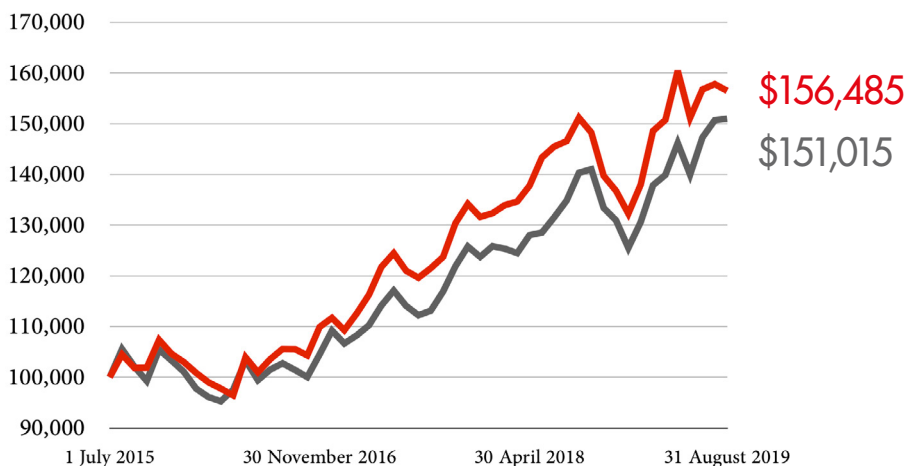
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### APPLICATION & REDEMPTION PRICES

[montinvest.com/mgf](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 August 2019, 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%	-0.85%	<b>-0.85%</b>	0.21%	-1.06%
3 months	12.13%	-8.61%	<b>3.52%</b>	7.90%	-4.38%
6 months	12.34%	-7.02%	<b>5.32%</b>	9.53%	-4.21%
12 months	12.13%	-8.62%	<b>3.51%</b>	7.62%	-4.11%
2 years (p.a)	10.05%	3.43%	<b>13.48%</b>	15.54%	-2.06%
3 years (p.a)	10.06%	3.95%	<b>14.01%</b>	13.69%	0.32%
Since inception <sup>2</sup>	35.18%	21.31%	<b>56.49%</b>	51.02%	5.47%
Compound annual return (since inception) <sup>2</sup>	7.50%	3.84%	<b>11.34%</b>	10.40%	0.94%

1) In Australian dollars 2) Inception: 1 July 2015



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## FUND COMMENTARY

In the month of August, the Montgomery Global Fund (the Fund) declined by 0.85 per cent, net of fees. By comparison, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) increased by 0.21 per cent. Since inception, the Fund has increased by 56.49 per cent, net of fees, despite holding an average of 18 per cent of the Fund in cash. Over the same period, the Benchmark – which naturally carries zero cash – increased by 51.02 per cent.

Global equity conditions continued to challenge in August. President Trump's frequent up-and-down tweeting on the subject of US/China trade continued to move markets. Meanwhile, any resolution to Brexit continues to elude UK lawmakers, all but ensuring another election over the coming weeks. And perhaps most significantly of all, the Hong Kong protests continue to gather steam and present a genuine tail risk to the Chinese – and therefore global – economy.

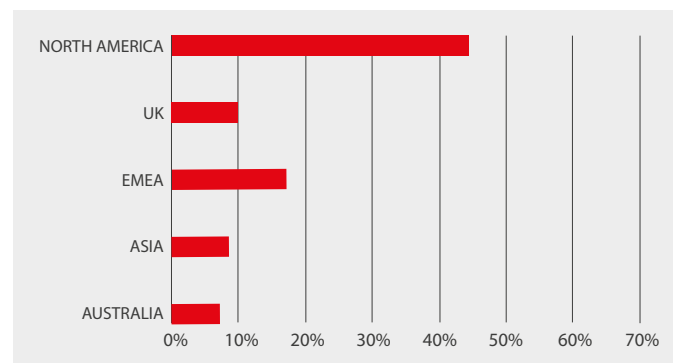
Our strategy continues to be one of owning high-quality global businesses that should continue to compound over the long term – irrespective of the noise that gyrates markets over the near-term. We remain convinced this strategy will deliver attractive net returns for our investors over time. This month, however, we had two stocks that contributed to the Fund's underperformance to the Benchmark: Prudential (LSE: PRU) and Tapestry (NYSE: TPR). The former, we believe is becoming one of the great investment opportunities of our time and we retain very high conviction in the name. For the latter, however, we have lost conviction in the quality of the business and exited the name on that basis.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 August 2019, out of 17 holdings)

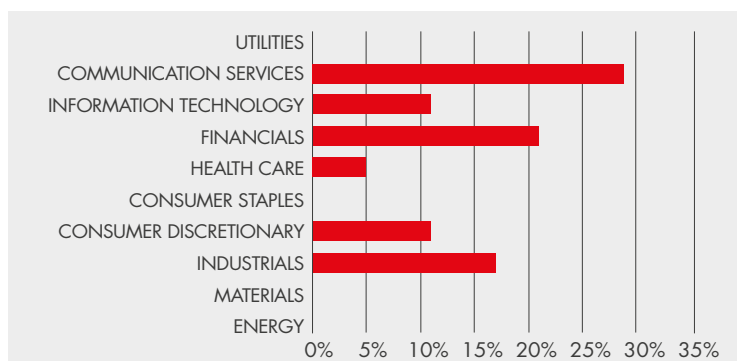
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	34,087	7.5
Insperty	US	4,080	6.8
Alphabet	US	824,611	6.4
Microsoft	US	1,052,618	5.6
Prudential	GB	43,256	5.5
Floor & Decor	US	4,903	5.5
Facebook	US	529,707	5.4
Alibaba	CN	455,703	5.3
Airbus	FR	107,149	5.2
Apple	US	943,334	5.1
<b>PORTFOLIO MEDIAN</b>		<b>64,085</b>	<b>5.2</b>
<b>Total equity weighting</b>			<b>87.8</b>
<b>Total cash weighting</b>			<b>12.2</b>

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

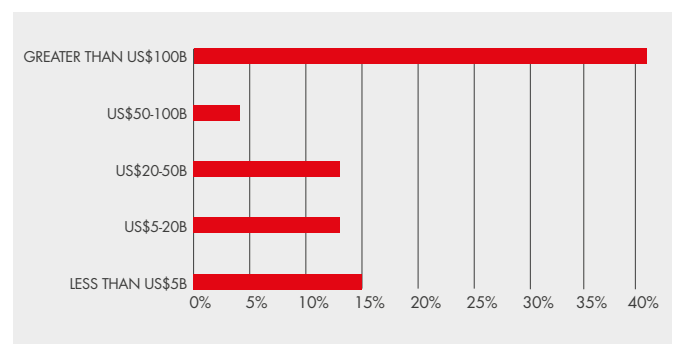
## GEOGRAPHIC - COUNTRY OF DOMICILE



## GICS SECTOR INDUSTRY EXPOSURE



## MARKET CAPITALISATION EXPOSURE



**PLATFORMS WE ARE ON:** Netwealth IDPS ⇌ Netwealth Super ⇌ BT Panorama ⇌ BT Wrap ⇌ Powerwrap ⇌ Macquarie Wrap ⇌ HUB24 ⇌ Asgard  
Colonial FirstWrap ⇌ Ausmaq ⇌ uXchange

#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 MGIM Pty Ltd, (ACN 604 878 533) (CAR) #001 007 050 (Montgomery) the investment manager of the Montgomery Global Fund (ARSN: 604 883 418). 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. Available here: <https://fundhost.com.au/fund/montgomery-global-fund/>. 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.

