

# 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

\$179.6M

#### MANAGEMENT FEE

1.28% per annum, inclusive of GST/RTIC.

#### PERFORMANCE FEES

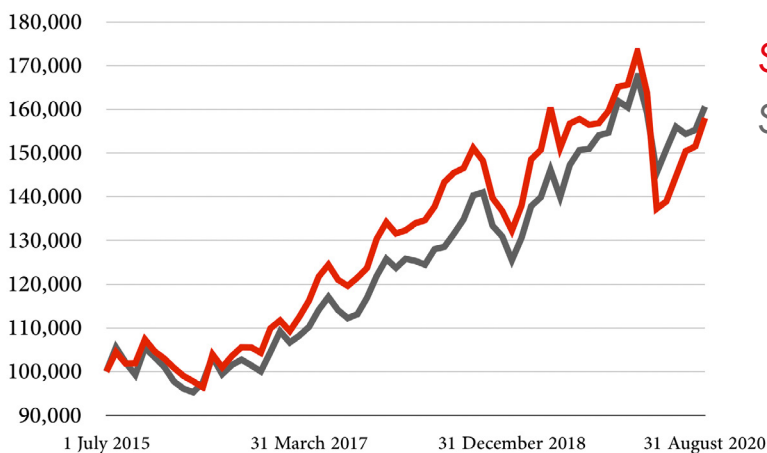
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### 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 2020, 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%	4.29%	<b>4.29%</b>	3.45%	0.84%
3 months	2.14%	7.08%	<b>9.22%</b>	2.99%	6.23%
6 months	1.89%	-5.40%	<b>-3.51%</b>	0.93%	-4.44%
12 months	1.98%	-0.98%	<b>1.00%</b>	6.40%	-5.40%
3 years (p.a)	7.21%	1.95%	<b>9.16%</b>	12.41%	-3.25%
5 years (p.a)	6.47%	2.71%	<b>9.18%</b>	9.49%	-0.31%
Since inception <sup>2</sup>	37.50%	20.54%	<b>58.04%</b>	60.67%	-2.63%
Compound annual return (since inception) <sup>2</sup>	6.35%	2.91%	<b>9.26%</b>	9.61%	-0.35%

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

## FUND COMMENTARY

In the month of August, the Montgomery Global Fund (the Fund) increased by 4.29 per cent, net of fees. Over the same period, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) increased by 3.45 per cent. Since inception, the Fund has increased by 58.04 per cent, net of fees, delivered with an average cash holding of 17.9 per cent. Over the same period, the Benchmark has increased by 60.67 per cent.

We continue to collect further evidence that the digital transformation of the enterprise is a structural trend that has sharply accelerated post COVID-19. During the month, one of our relatively new portfolio holdings, Salesforce.com (NYSE: CRM) delivered a very strong Q2 result – citing a new urgency by enterprise customers to accelerate their build out of mission-critical digital infrastructure.

It was truly extraordinary that, in the midst of a 10 per cent decline in US GDP, Salesforce experienced an uptick in seven-figure deals by more than 60 per cent! As Chief Revenue Officer, Gavin Patterson, explained: “We saw companies begin to realise that their digital transformation was an imperative which they couldn’t afford to put off any longer.”

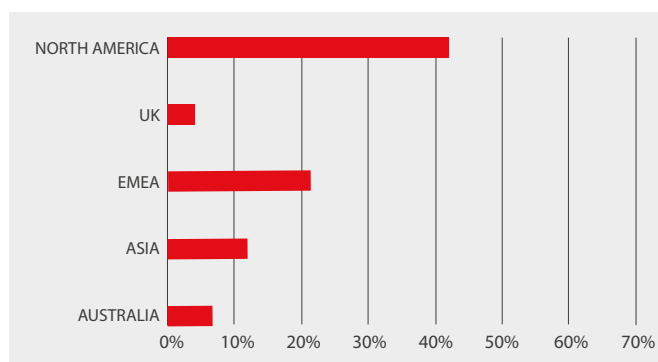
The month also included an important speech by Fed Chair Jerome Powell at the annual Jackson Hole Economic Symposium. Powell announced the Fed would move from “inflation targeting” to “average inflation targeting” – meaning the Fed would keep rates lower (and continue its asset purchases) for a period extending beyond its 2 per cent inflation target was met. This announcement confirmed something we have believed since last year: that we will be living in a zero interest rate world for the foreseeable future.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 August 2020, out of 23 holdings)

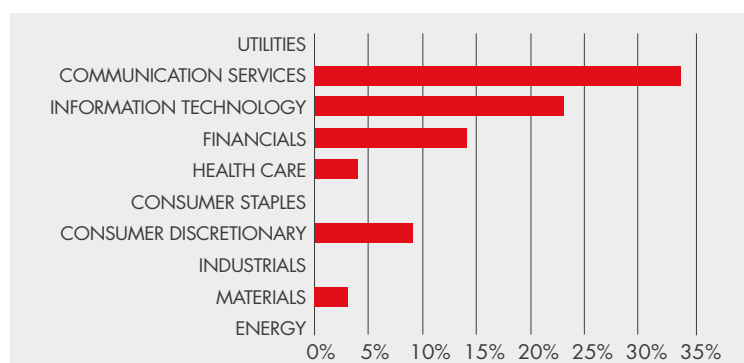
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	33,614	7.6
Facebook	US	835,273	7.5
Spotify	SE	52,418	7.5
Microsoft	US	1,706,733	5.9
Alibaba Group	CN	789,806	5.8
Salesforce.com	US	248,112	4.6
Alphabet	US	1,110,006	4.5
ServiceNow	US	92,451	4.4
Berkshire Hathaway	US	521,055	4.3
REA Group	AU	11,084	4.3
<b>PORTFOLIO MEDIAN</b>		<b>248,112</b>	<b>3.9</b>
<b>Total equity weighting</b>			<b>85.7</b>
<b>Total cash weighting</b>			<b>14.3</b>

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

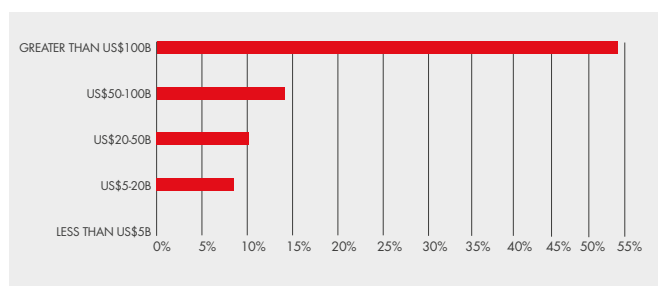
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## GICS SECTOR INDUSTRY EXPOSURE



## MARKET CAPITALISATION EXPOSURE



**PLATFORMS WE ARE ON:** Netwealth IDPS ⇌ 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) AFSL 516 942 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.