

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.

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RECOMMENDED INVESTMENT TIMEFRAME

5 years

MINIMUM INITIAL INVESTMENT

\$25,000

INCEPTION DATE

1 JULY 2015

FUND SIZE

\$222.3M

MANAGEMENT FEE

1.28% per annum, inclusive of GST/ITC.

PERFORMANCE FEES

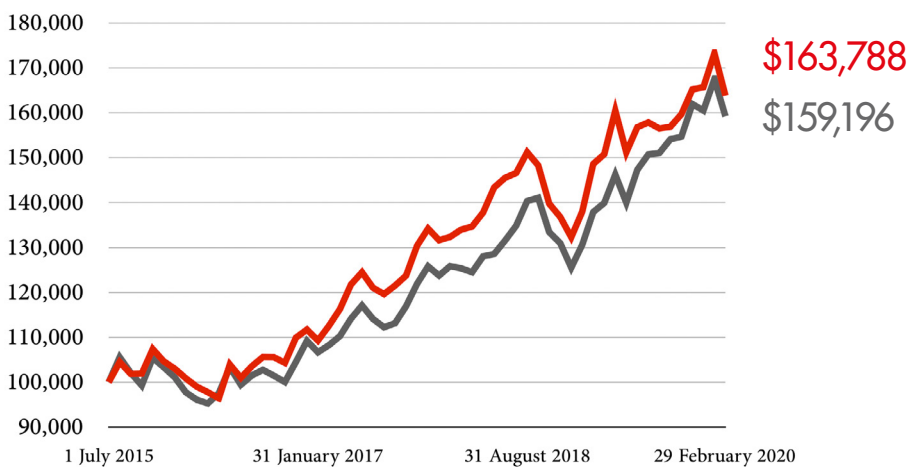
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up. We currently estimate performance fees to be 0.57%.

APPLICATION & REDEMPTION PRICES

montinvest.com/mgf

PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



CONTACT DETAILS

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PORTFOLIO PERFORMANCE

(to 29 February 2020, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	-5.44%	-5.44%	-4.95%	-0.49%
3 months	0.00%	-0.83%	-0.83%	-1.68%	0.85%
6 months	0.00%	4.67%	4.67%	5.42%	-0.75%
12 months	12.34%	-2.11%	10.23%	15.46%	-5.23%
3 years (p.a)	9.49%	3.83%	13.32%	13.72%	-0.40%
Since inception ²	35.18%	28.61%	63.79%	59.20%	4.59%
Compound annual return (since inception) ²	6.67%	4.49%	11.16%	10.48%	0.68%

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

FUND COMMENTARY

In the month of February, the Montgomery Global Fund (the Fund) declined by 5.44 per cent net of fees. Over the same period, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) declined by 4.95 per cent. Since inception, the Fund has returned 63.79 per cent net of fees, delivered with an average cash holding of 17 per cent. Over the same period, the Benchmark – which naturally carries zero cash – returned 59.20 per cent.

February was a volatile month which included a 15 per cent decline in the S&P 500 in just six trading days. Fears of a much larger global outbreak of COVID-19, and the associated disruption to supply chains and economic growth, likely sparked the selloff. And the sharpness of the decline was likely exacerbated by algorithmic-traders which all moved to de-risk portfolios at the same time.

On the final day of February, we conducted significant additional buying of existing portfolio names at what we believe to be discount prices. We accept there will be disruption on both the supply and demand sides of global economies. That said, we understand that the intrinsic value of a business is determined by its future earnings power into perpetuity. And short-term disruptions to an earnings stream detract from said intrinsic value in a relatively small way.

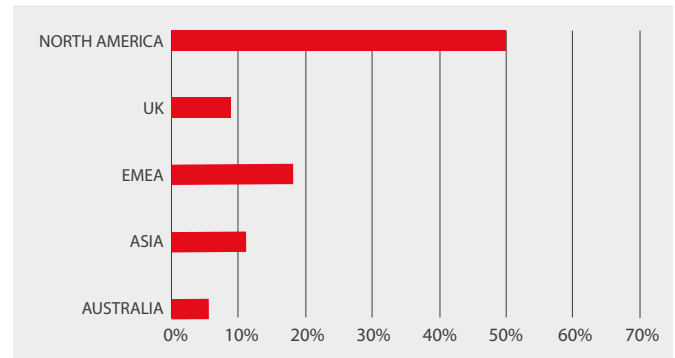
So today, we find ourselves in a situation in which: (i) equities are cheaper than they were some weeks ago; (ii) interest rates are lower than some weeks ago; and (iii) new fiscal stimulus measures are being announced around the world by the day. We believe this is an attractive set up for the businesses we own, as perverse as that might sound.

TOP COMPLETED HOLDINGS* (TCH) (at 29 February 2020, out of 24 holdings)

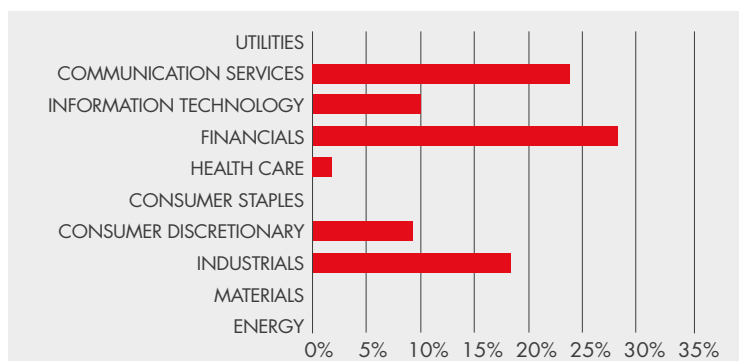
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Floor & Decor	US	5,186	6.4
Facebook	US	548,626	6.3
Microsoft	US	1,232,256	6.3
Airbus	FR	93,352	6.1
Alphabet	US	920,477	5.9
Rheinmetall	DE	3,954	5.8
Vivendi	FR	30,075	5.8
S&P Global	US	64,829	5.3
St James's Place	GB	6,964	5.1
Ping An	CN	203,223	5.1
PORTFOLIO MEDIAN		36,162	3.9
Total equity weighting			94.8
Total cash weighting			5.2

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

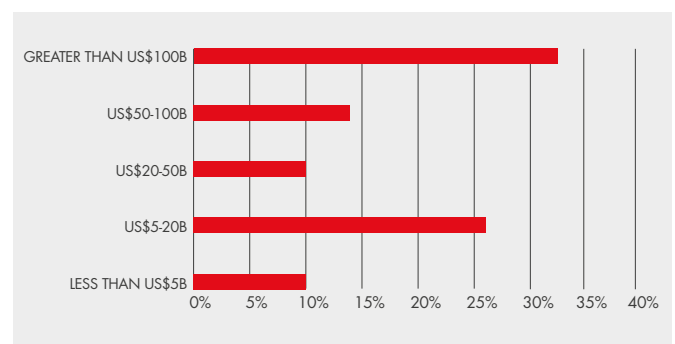
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GICS SECTOR INDUSTRY EXPOSURE



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.