



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.

APIR

FHT0036AU

RECOMMENDED INVESTMENT TIMEFRAME

5 years

MINIMUM INITIAL INVESTMENT

\$25,000

INCEPTION DATE

1 JULY 2015

FUND SIZE

\$167.3M

MANAGEMENT FEE

1.32% per annum, inclusive of GST/ITC.

PERFORMANCE FEES

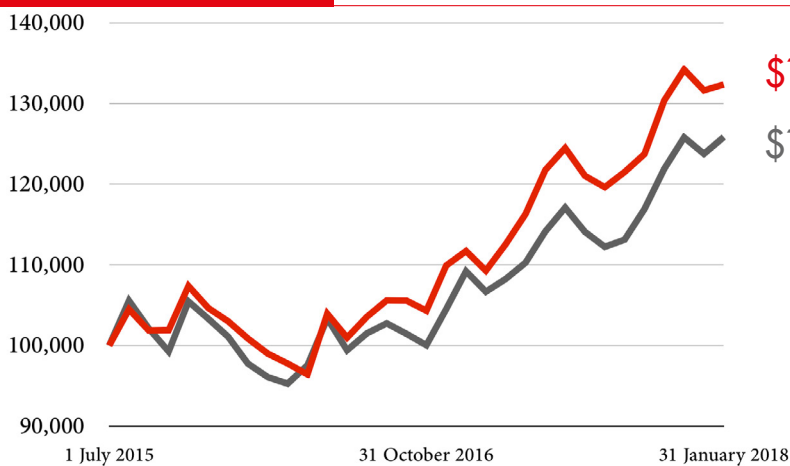
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

APPLICATION & REDEMPTION PRICES

montinvest.com/mgf

PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



CONTACT DETAILS

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PORTFOLIO PERFORMANCE

(to 31 January 2018, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	0.56%	0.56%	1.69%	-1.13%
3 months	0.00%	1.51%	1.51%	3.23%	-1.72%
6 months	0.00%	10.64%	10.64%	12.13%	-1.49%
12 months	11.07%	10.03%	21.11%	17.96%	3.15%
2 years (p.a)	5.83%	8.71%	14.54%	13.46%	1.08%
Since inception ²	12.10%	20.24%	32.34%	25.84%	6.50%
Compound annual return (since inception) ²	4.52%	6.94%	11.46%	9.30%	2.16%

1) In Australian dollars

2) Inception: 1 July 2015



FUND COMMENTARY

In the month of January, the Montgomery Global Fund increased by 0.56 per cent, net of fees. Over the same period, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) increased by 1.69 per cent. Since inception, the Fund has increased by 32.34 per cent, net of fees; while the Benchmark has returned 25.84 per cent over the same period.

January was characterised by a sharp rally in global equity prices. In US dollar terms, the MSCI World Total Return Index increased by 5.3 per cent. This is an extraordinary one-month return. If this were repeated for 12 consecutive months, the total return for the year would exceed 85 per cent! Under such conditions, the Fund's cash holdings act as a drag on returns. (Of course, these cash holdings have been helpful to the Fund's investors as equity prices declined in the early days of February).

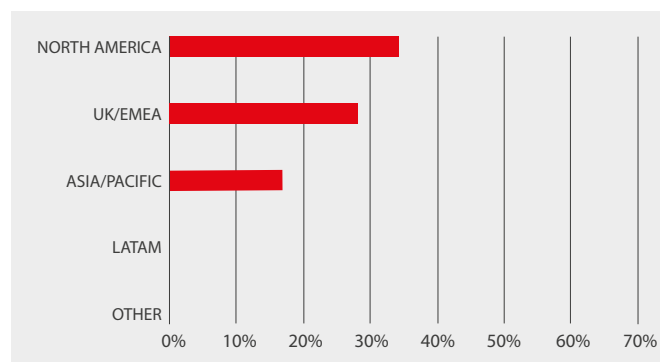
The Fund also suffered a negative contribution from the 20 per cent decline in NetEnt (NETB SS) over the month. This business surprised the market (and us) by announcing that its revenue growth in the December quarter would be *only* 5 per cent per annum. While many businesses would be happy with such an outcome, this growth was less than the growth expectations that were built into the stock's price (as well as our own). At NetEnt's new stock price level, the implied growth expectations are now less than the growth of the overall gaming market in which NetEnt competes. As such, we believe there is a high probability the business will exceed these expectations in 2018. We continue to own the stock in the Fund's portfolio.

TOP COMPLETED HOLDINGS* (TCH) (at 31 January 2018, out of 19 holdings)

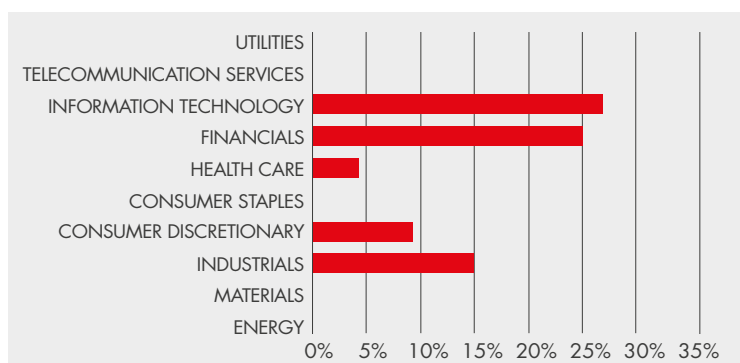
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
St James's Place	GB	8,924	5.4
Insperty	US	2,553	5.2
Union Pacific	US	105,087	5.2
Electrolux	SE	10,913	5.0
51job	CN	4,330	4.8
Wells Fargo	US	323,918	4.8
Facebook	US	545,424	4.7
Rea Group	AU	7,815	4.4
Alibaba	CN	523,218	4.3
Apple	US	851,726	4.3
PORTFOLIO MEDIAN		31,117	4.3
Total equity weighting			79.5
Total cash weighting			20.5

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

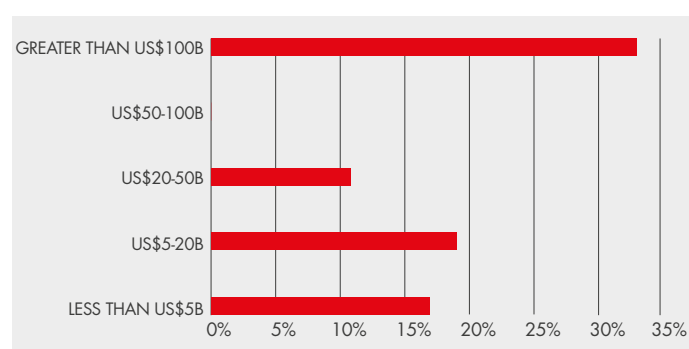
GEOGRAPHIC - COUNTRY OF DOMICILE



GICS SECTOR INDUSTRY EXPOSURE



MARKET CAPITALISATION EXPOSURE



PLATFORMS WE ARE ON: Netwealth IDPS ⇄ Netwealth Super ⇄ BT Panorama ⇄ BT Wrap ⇄ Powerwrap ⇄ Macquarie Wrap ⇄ HUB24 ⇄ Asgard

#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.

