

# 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

\$237.3M

#### MANAGEMENT FEE

1.28% per annum, inclusive of GST/ITC.

#### PERFORMANCE FEES

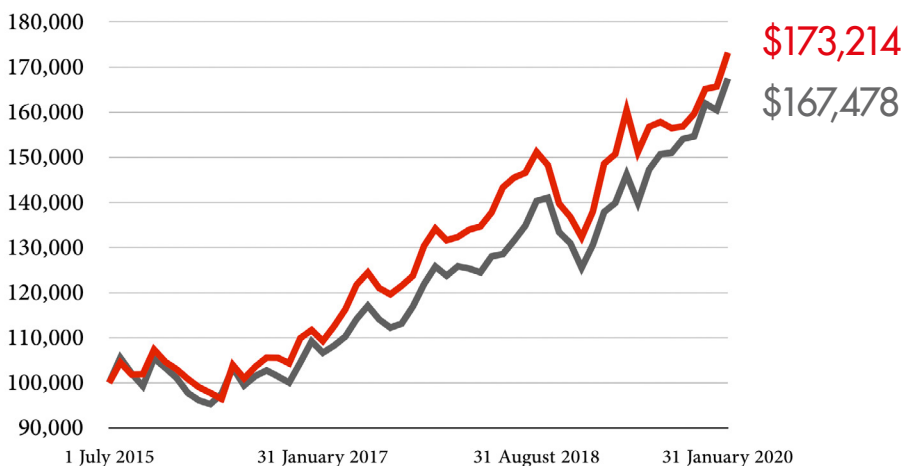
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up. We currently estimate performance fees to be 0.57%.

#### APPLICATION & REDEMPTION PRICES

[montinvest.com/mgf](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 January 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%	4.55%	<b>4.55%</b>	4.36%	0.19%
3 months	0.00%	8.50%	<b>8.50%</b>	8.28%	0.22%
6 months	0.00%	9.75%	<b>9.75%</b>	11.13%	-1.38%
12 months	13.29%	12.24%	<b>25.53%</b>	28.23%	-2.70%
3 years (p.a)	9.75%	6.85%	<b>16.60%</b>	16.22%	0.38%
Since inception <sup>2</sup>	35.18%	38.03%	<b>73.21%</b>	67.48%	5.73%
Compound annual return (since inception) <sup>2</sup>	6.79%	5.94%	<b>12.73%</b>	11.90%	0.83%

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

## FUND COMMENTARY

In the month of January, the Montgomery Global Fund (the Fund) increased by 4.55 per cent, net of fees. This compared favourably to the MSCI World Total Return Index in Australian dollar terms (the Benchmark) which increased by 4.36 per cent. Since inception, the Fund has increased by 73.21 per cent, net of fees. This net return was delivered with an average cash holding in the Fund of 17.4 per cent. By comparison, the Benchmark – which naturally carries zero cash – returned 67.48 per cent over the same period.

After an unpredictable 2019, the new calendar year is off to an equally unpredictable start. The Trump Administration risked a war with Iran and signed a Phase One trade deal with China by the second week of the month. By the end of the month, the UK had officially exited the EU. And in China, a contagious virus commenced its rapid spread, sparking an unprecedented shut-down of Wuhan – a city of more than 11 million.

At the time of writing, a significant share of China's productive capacity remained shut-down. On January 24, we commenced reducing the Asian exposure in our portfolio and building cash. In our simple minds, the possible outcomes relating to this virus ranged from moderately bad, to very bad. As we gain more clarity on the virus being contained, we will look to redeploy this cash back into high-quality Asian businesses that remain undervalued.

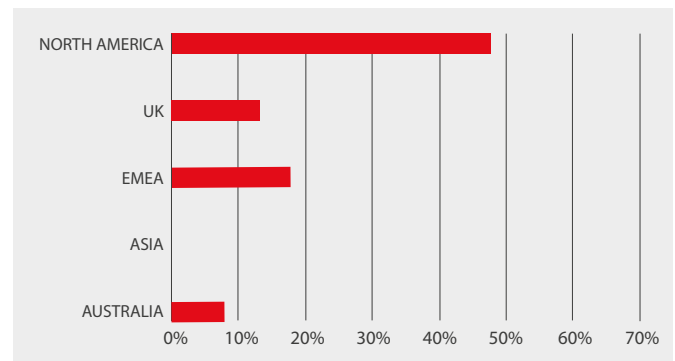
This month also marked the commencement of the fourth calendar quarter earnings period for many of our portfolio holdings. At the time of writing, we are very happy with the performances that have been delivered by our businesses.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 January 2020, out of 21 holdings)

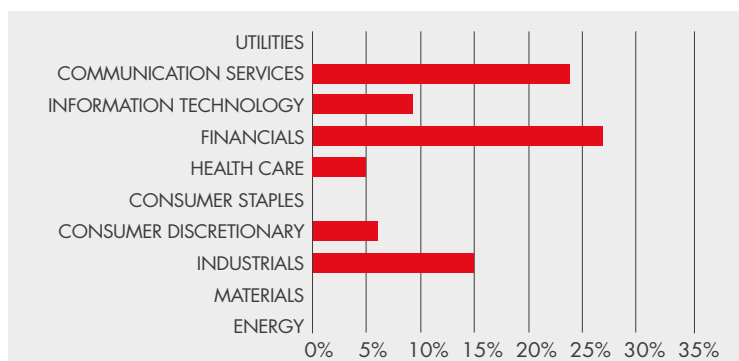
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
St James's Place	GB	8,080	7.1
Vivendi	FR	32,535	7.0
Microsoft	US	1,294,777	6.0
Facebook	US	575,534	6.0
Airbus	FR	115,752	5.8
Alphabet	US	988,702	5.7
Floor & Decor	US	4,983	5.6
REA Group	AU	10,052	4.9
Unitedhealth	US	258,123	4.7
Rheinmetall	DE	4,673	4.3
<b>PORTFOLIO MEDIAN</b>		<b>26,994</b>	<b>3.7</b>
<b>Total equity weighting</b>			<b>86.6</b>
<b>Total cash weighting</b>			<b>13.4</b>

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

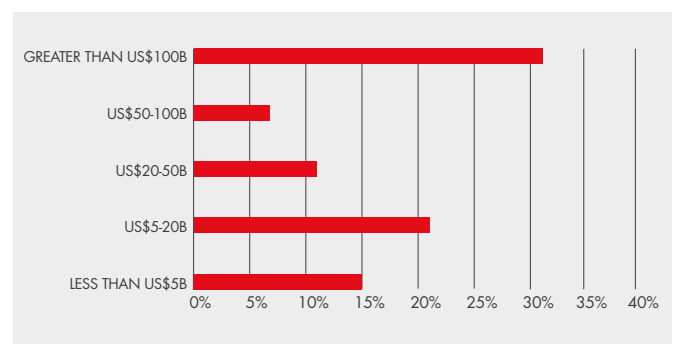
## GEOGRAPHIC - COUNTRY OF DOMICILE



## 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) 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.