



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

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RECOMMENDED INVESTMENT TIMEFRAME

5 years

MINIMUM INITIAL INVESTMENT

\$25,000

INCEPTION DATE

1 JULY 2015

FUND SIZE

\$215.2M

MANAGEMENT FEE

1.32% per annum, inclusive of GST/ITC.

PERFORMANCE FEES

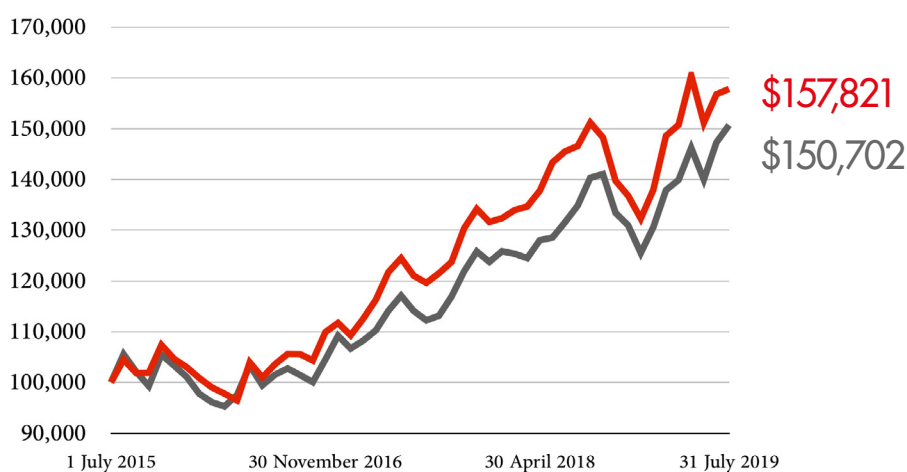
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

APPLICATION & REDEMPTION PRICES

montinvest.com/mgf

PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



CONTACT DETAILS

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PORTFOLIO PERFORMANCE

(to 31 July 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	0.67%	0.67%	2.32%	-1.65%
3 months	11.43%	-13.07%	-1.64%	3.07%	-4.71%
6 months	13.29%	1.08%	14.37%	15.39%	-1.02%
12 months	12.51%	-4.83%	7.68%	11.76%	-4.08%
2 years (p.a)	10.20%	4.66%	14.86%	15.88%	-1.02%
3 years (p.a)	10.24%	4.83%	15.07%	14.07%	1.00%
Since inception ²	35.18%	22.64%	57.82%	50.70%	7.12%
Compound annual return (since inception) ²	7.66%	4.17%	11.83%	10.57%	1.26%

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



FUND COMMENTARY

In the month of July, the Montgomery Global Fund (the Fund) increased by 0.67 per cent, net of fees. By comparison, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) returned 2.32 per cent. Since inception, the Fund has increased by 57.82 per cent, net of fees. This return was delivered with an average portfolio cash holding of 18 per cent. By comparison, the Benchmark – which naturally carries zero cash – has returned 50.70 per cent over the same period.

As investors know well, the Fund is global in scope and carries meaningful exposure in all major regions of the world – including significant Asian exposure (on a look-through earnings basis). Over the long term, we believe growth in Asia will deliver attractive investment returns for our investors. Over the last three months, however, Asian equities have underperformed US equities by approximately 10 per cent, of which four per cent underperformance occurred in July alone. This has created some headwinds

for the Fund's relative performance when it is compared to the Benchmark.

The month of July also marked the commencement of the second calendar quarter earnings period. So far, most of our portfolio holdings have performed extremely well, including Vivendi (Euronext: VIV), Alphabet (NASDAQ: GOOGL), Microsoft (NASDAQ: MSFT), Rheinmetall (Deutsche: RHM) and Floor & Décor (NYSE: FND).

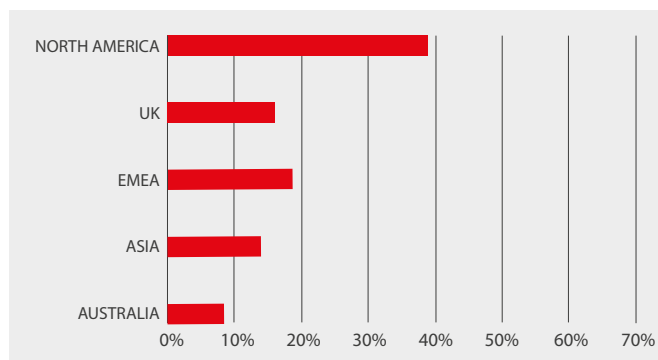
We had one stock that significantly detracted performance this period: Insperty (NYSE: NSP). The company underperformed earnings expectations due to an unusual uptick in healthcare claims. The stock fell 25 per cent on the news (though it should be noted the stock had rallied 25 per cent in the weeks leading up to the result). From an actuarial perspective, these healthcare claims will normalise over the year and full year earnings guidance was maintained. We took the opportunity to significantly add to our position.

TOP COMPLETED HOLDINGS* (TCH) (at 31 July 2019, out of 18 holdings)

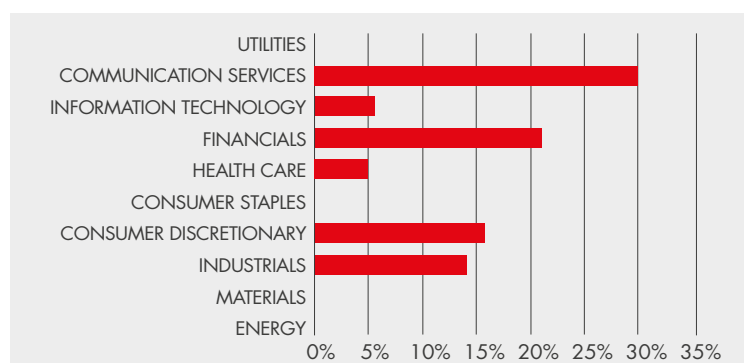
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	34,027	7.6
Alphabet	US	844,135	6.7
Prudential	GB	53,671	6.4
REA Group	AU	8,855	5.7
Insperty	US	4,380	5.7
Microsoft	US	1,041,512	5.7
Alibaba	CN	450,704	5.4
Facebook	US	554,129	5.3
Floor & Decor	US	3,846	5.3
UnitedHealth	US	236,645	5.1
PORTFOLIO MEDIAN		43,849	5.2
Total equity weighting			91.6
Total cash weighting			8.4

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

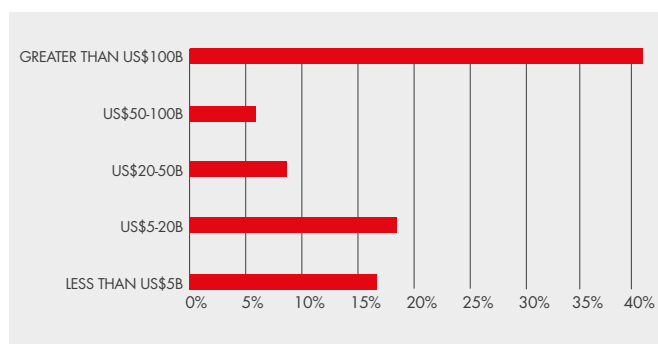
GEOGRAPHIC - COUNTRY OF DOMICILE



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.

