

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

\$174.4M

MANAGEMENT FEE

1.28% per annum, inclusive of GST/RTIC.

PERFORMANCE FEES

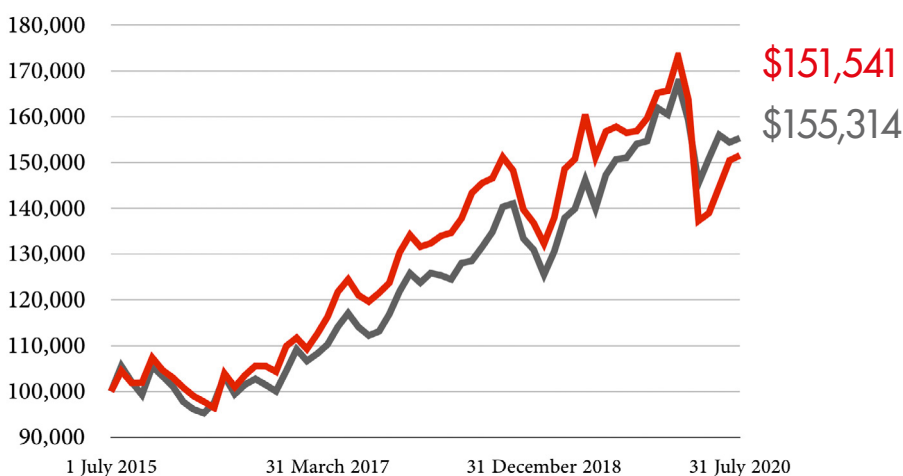
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

APPLICATION & REDEMPTION PRICES

montinvest.com/mgf

PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



CONTACT DETAILS

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PORTFOLIO PERFORMANCE

(to 31 July 2020, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	0.72%	0.72%	0.60%	0.12%
3 months	2.23%	6.83%	9.06%	2.93%	6.13%
6 months	1.79%	-14.30%	-12.51%	-7.26%	-5.25%
12 months	1.96%	-5.94%	-3.98%	3.06%	-7.04%
3 years (p.a)	7.32%	0.88%	8.20%	11.44%	-3.24%
5 years (p.a)	6.33%	1.39%	7.72%	8.03%	-0.31%
Since inception ²	37.50%	14.04%	51.54%	55.31%	-3.77%
Compound annual return (since inception) ²	6.46%	2.06%	8.52%	9.05%	-0.53%

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

FUND COMMENTARY

The Montgomery Global Fund (the Fund) increased by 0.72 per cent, net of fees, in the month of July. Over the same period, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) increased 0.60 per cent. Since inception, the Fund has increased by 51.54 per cent, net of fees. Over the same period, the Benchmark increased by 55.31 per cent. The Fund ended the month defensively positioned with a cash weighting of 25.8 per cent.

As the world continues to deal with COVID-19, attention turned to the disclosure of publicly-listed company earnings for the second calendar quarter of 2020. For the companies owned by the Fund, the results have substantially surprised us (and the market) to the upside.

Our decision to reinforce our portfolio exposures to businesses which are positively exposed to the digital transformation journeys of the enterprise and consumer has proved sensible to date. And, as we detail in our forthcoming whitepaper, these trends have recently accelerated as a direct consequence of the pandemic.

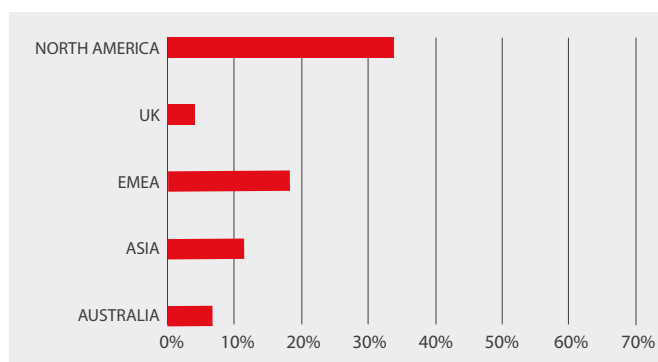
Of particular note were the results of Apple (NASDAQ: AAPL) and Facebook (NASDAQ: FB) – two very long-term holdings of the Fund. In both cases, the resiliency of these business models proved to be even stronger than we had previously appreciated. It is extraordinary that Apple, for example, delivered better revenues for the quarter than what analysts were expecting in January – prior to the pandemic! As we say internally, good things happen to great businesses. And this is why we believe in owning the long-term winners in attractive markets.

TOP COMPLETED HOLDINGS* (TCH) (at 31 July 2020, out of 18 holdings)

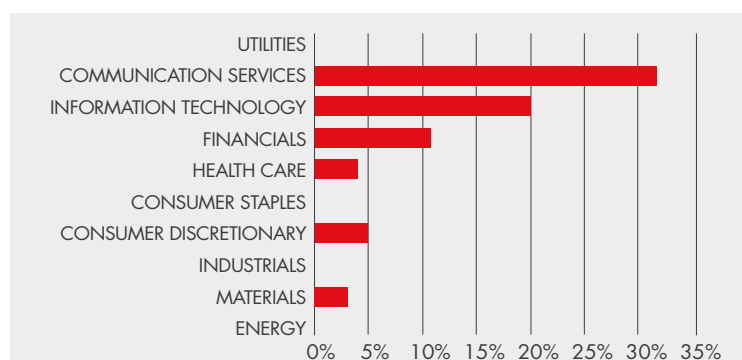
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	31,513	7.6
Spotify	SE	47,896	7.3
Facebook	US	722,659	5.9
Microsoft	US	1,551,445	5.7
Apple	US	1,817,315	5.6
Alibaba	CN	673,417	4.9
Alphabet	US	1,010,270	4.3
REA Group	AU	10,297	4.2
St James's Place	GB	6,633	4.0
Unitedhealth	US	287,150	4.0
PORTFOLIO MEDIAN		195,898	4.0
Total equity weighting			74.2
Total cash weighting			25.8

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

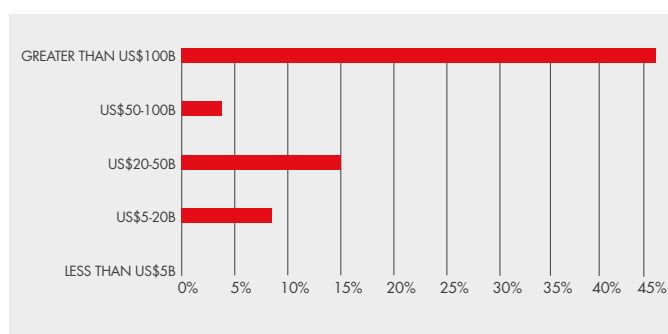
GEOGRAPHIC - COUNTRY OF DOMICILE



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.