



# 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

\$191.6M

#### MANAGEMENT FEE

1.32% per annum, inclusive of GST/RITC.

#### PERFORMANCE FEES

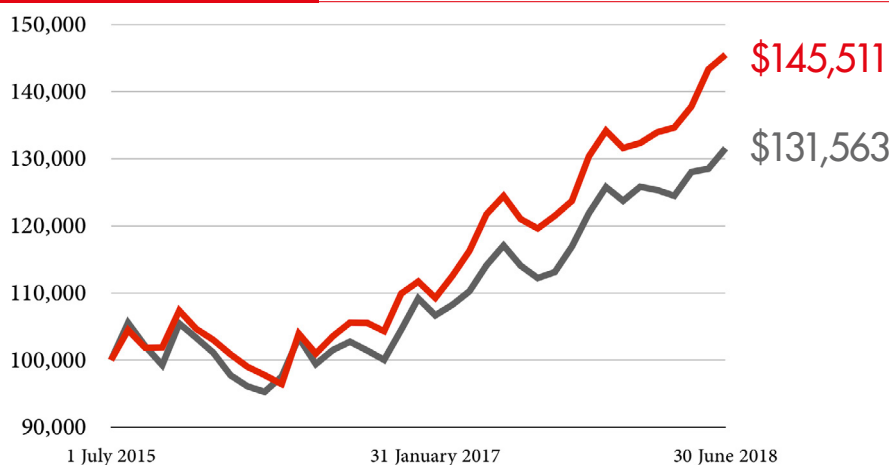
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### APPLICATION & REDEMPTION PRICES

[montinvest.com/mgf](http://montinvest.com/mgf)

### PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



### CONTACT DETAILS

#### INVESTORS

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### PORTFOLIO PERFORMANCE

(to 30 June 2018, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX <sup>1</sup>	OUT/UNDER PERFORMANCE
1 month	5.83%	-4.32%	1.51%	2.36%	-0.85%
3 months	6.21%	1.85%	8.06%	5.68%	2.38%
6 months	6.35%	4.21%	10.56%	6.32%	4.24%
12 months	6.21%	14.03%	20.24%	15.33%	4.91%
2 years (p.a)	9.28%	10.76%	20.04%	15.03%	5.01%
Since inception <sup>2</sup>	19.62%	25.89%	45.51%	31.56%	13.95%
Compound annual return (since inception) <sup>2</sup>	6.16%	7.17%	13.33%	9.58%	3.75%

1) In Australian dollars

2) Inception: 1 July 2015



## FUND COMMENTARY

The Montgomery Global Fund increased by 1.51 per cent, net of fees, in the month of June. This compared to the MSCI Total Return Index in Australian dollar terms (the Benchmark) which increased by 2.36 per cent over the same period.

Over the June quarter, the Fund returned 8.06 per cent, net of fees, versus the Benchmark which returned 5.68 per cent. Over the 2018 financial year, the Fund returned 20.24 per cent, net of fees, versus the Benchmark which returned 15.33 per cent. And since inception three years ago, the Fund has delivered 45.51 per cent, net of fees, versus the Benchmark which returned 31.56 per cent over the same period. Finally, it should be noted that the Fund has averaged around 20 per cent in cash holdings since its inception which, in our view, enhances the quality of the return profile we have achieved for our investors.

Looking to the year ahead, we would not be surprised if volatility continued to pick up somewhat. Tensions between the US and China, combined with normalising global monetary policies, create conditions for a few bumps in the road ahead. And should volatility pick up, this is nothing to worry about. The Fund enters the new financial year with 21.5 per cent of the portfolio being held in cash. This cash will help protect against any potential future downside scenarios in the global equity markets. And, importantly, this cash can be deployed very quickly into new opportunities as and when they present themselves.

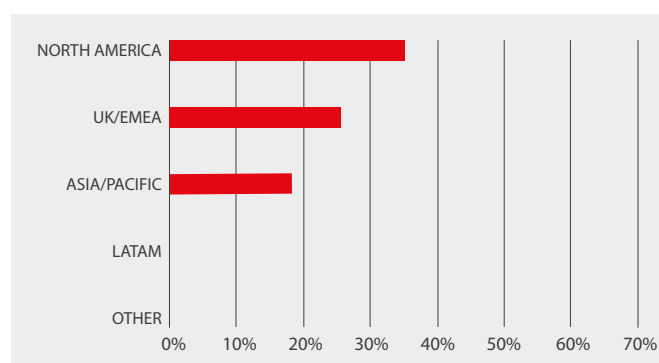
With the conclusion of the financial year the Fund will pay a distribution of 7.5200 cents per unit. As such, after ending FY18 with a unit price of \$1.3096, we commence FY19 with a unit price of \$1.2344. A more comprehensive Annual Letter will be with you shortly.

## TOP COMPLETED HOLDINGS\* (TCH) (at 30 June 2018, out of 19 holdings)

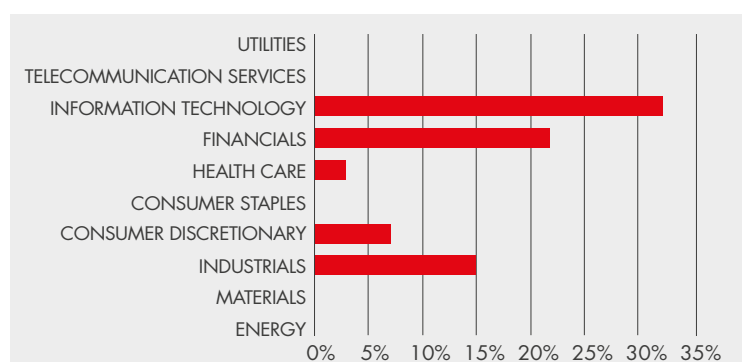
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Insperty	US	4,001	5.8
51job	CN	6,083	5.7
St James's Place	GB	8,021	5.5
Alibaba	CN	475,171	5.3
Facebook	US	562,695	5.2
Wells Fargo	US	270,152	5.2
Travelers Companies	US	33,064	4.6
Vivendi	FR	31,919	4.3
Rea Group	AU	8,864	4.3
Alphabet	US	779,235	4.2
<b>PORTFOLIO MEDIAN</b>		<b>31,919</b>	<b>4.2</b>
<b>Total equity weighting</b>			<b>78.5</b>
<b>Total cash weighting</b>			<b>21.5</b>

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

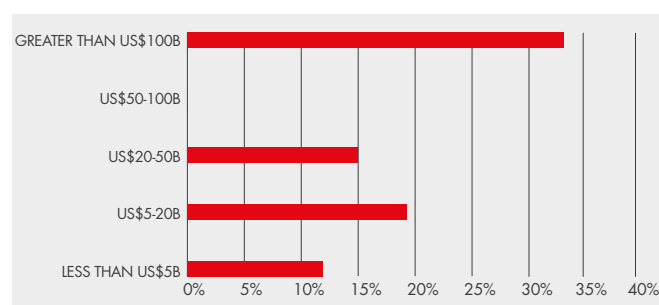
## GEOGRAPHIC - COUNTRY OF DOMICILE



## GICS SECTOR INDUSTRY EXPOSURE



## MARKET CAPITALISATION EXPOSURE



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

#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.



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