

# 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

\$223.2M

#### MANAGEMENT FEE

1.32% per annum, inclusive of GST/ITC.

#### PERFORMANCE FEES

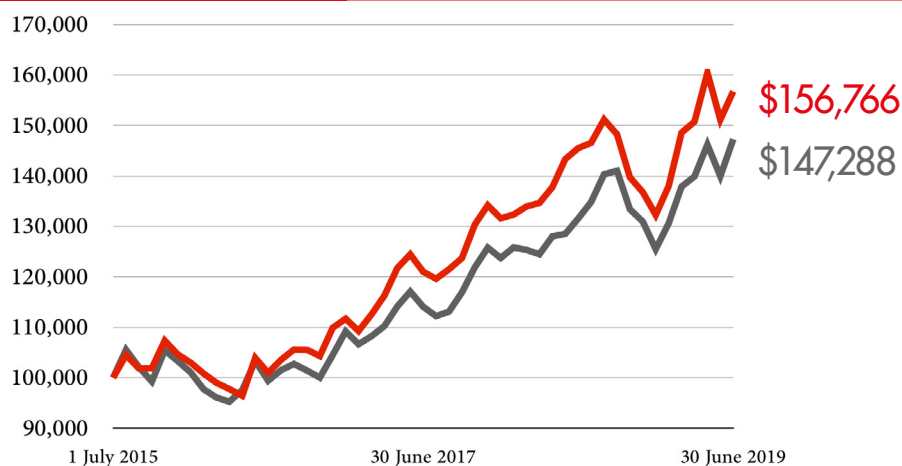
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### APPLICATION & REDEMPTION PRICES

[montinvest.com/mgf](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 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX <sup>1</sup>	OUT/UNDER PERFORMANCE
1 month	12.13%	-8.43%	<b>3.70%</b>	5.24%	-1.54%
3 months	12.17%	-8.18%	<b>3.99%</b>	5.28%	-1.29%
6 months	13.87%	4.65%	<b>18.52%</b>	17.35%	1.17%
12 months	11.88%	-4.14%	<b>7.74%</b>	11.95%	-4.21%
2 years (p.a)	9.12%	4.69%	<b>13.81%</b>	13.63%	0.18%
3 years (p.a)	10.48%	5.31%	<b>15.79%</b>	14.00%	1.79%
Since inception <sup>2</sup>	35.18%	21.59%	<b>56.77%</b>	47.29%	9.48%
Compound annual return (since inception) <sup>2</sup>	7.83%	4.07%	<b>11.90%</b>	10.17%	1.73%

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



## FUND COMMENTARY

In the month of June, the Montgomery Global Fund (the Fund) increased by 3.70 per cent net of fees. This compared to the MSCI World Total Return Index in Australian dollar terms (the Benchmark) which returned 5.24 per cent.

Since inception, the Fund has increased by 56.77 per cent, net of fees, notwithstanding an average portfolio cash holding of approximately 18.4 per cent. Over the same period, the Benchmark – which naturally carries zero cash – increased by 47.29 per cent.

June was another eventful month from the perspective of the major forces that are currently significant for global equity investors. In global fixed-income markets, bond yields collapsed, as did market-implied inflation expectations. Expectations for global monetary conditions took a sharp turn from “neutral” to “easing” in a matter of days and global equities started rallying sharply. We did not see this coming and were positioned slightly too

conservatively, with the benefit of hindsight.

By the middle of the month, we had the surprising confirmation from the ECB, the Fed and the BOJ that they are poised to deliver additional stimulus. This move to an easing bias appears to be premised more so on potential future risks than current reality. As such, the set up now exists for a highly-bullish possible scenario for equities. Should the US and China eventually reach a trade deal (which of course is not guaranteed) it will take place against a backdrop of coordinated global monetary stimulus. We deployed some of the Fund’s cash holdings into our existing portfolio names upon receipt of this new information from the major global central banks in June.

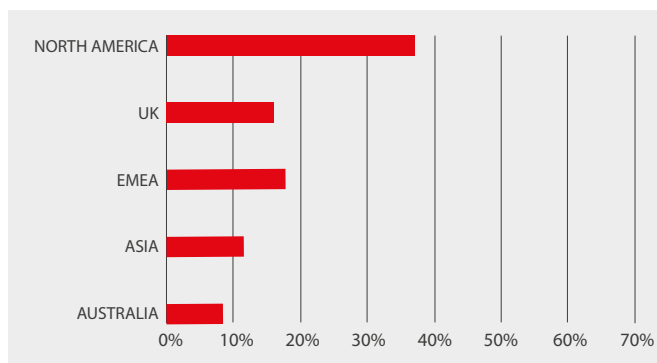
With the conclusion of the financial year the Fund will pay a distribution of 15.5592 cents per unit. As such, after ending FY19 with a unit price of \$1.3299, we commence FY20 with a unit price of \$1.1742. A more comprehensive Annual Letter will be with you shortly.

## TOP COMPLETED HOLDINGS\* (TCH) (at 30 June 2019, out of 20 holdings)

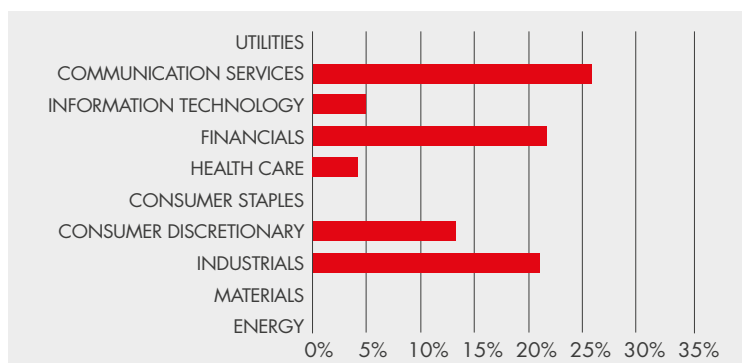
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	36,055	7.0
Prudential	GB	56,542	6.5
Insperty	US	5,039	5.7
Alphabet	US	751,025	5.5
REA Group	AU	8,865	5.4
Microsoft	US	1,026,511	5.3
St James's Place	GB	7,389	5.0
Facebook	US	550,957	5.0
Alibaba	CN	441,175	5.0
Airbus	FR	110,342	4.6
<b>PORTFOLIO MEDIAN</b>		<b>46,298</b>	<b>4.8</b>
<b>Total equity weighting</b>			<b>91.1</b>
<b>Total cash weighting</b>			<b>8.9</b>

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

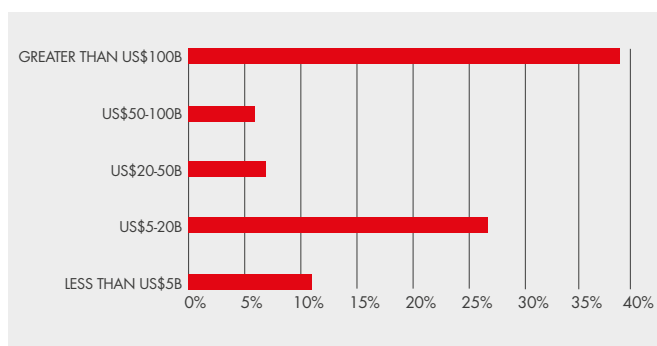
## GEOGRAPHIC - COUNTRY OF DOMICILE



## 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) (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.

