



# 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

\$171.2M

#### MANAGEMENT FEE

1.32% per annum, inclusive of GST/ITC.

#### PERFORMANCE FEES

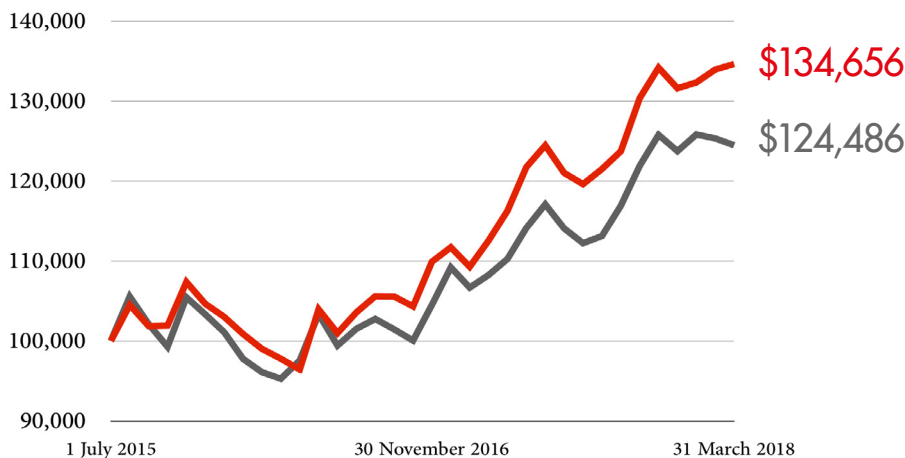
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### 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 31 March 2018, 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%	0.52%	<b>0.52%</b>	-0.69%	1.21%
3 months	0.00%	2.31%	<b>2.31%</b>	0.60%	1.71%
6 months	0.00%	8.83%	<b>8.83%</b>	6.48%	2.35%
12 months	10.41%	5.39%	<b>15.79%</b>	12.90%	2.89%
2 years (p.a)	6.01%	11.34%	<b>17.35%</b>	14.30%	3.05%
Since inception <sup>2</sup>	12.10%	22.55%	<b>34.66%</b>	24.49%	10.17%
Compound annual return (since inception) <sup>2</sup>	4.24%	7.19%	<b>11.43%</b>	8.29%	3.14%

1) In Australian dollars

2) Inception: 1 July 2015



## FUND COMMENTARY

In the month of March, the Montgomery Global Fund delivered 0.52 per cent, net of fees. This compared favourably to the MSCI World Total Return Index in Australian dollar terms (the Benchmark) which declined by 0.69 per cent over the same period. Since inception, the Fund has returned 34.66 per cent, net of fees, versus the Benchmark which returned 24.49 per cent, over the same period. And importantly, the Fund's outperformance since inception has been delivered despite an average cash holding of 20 per cent.

Volatility continued in the month of March with President Trump's announcement of new protectionist trade measures in form of tariffs. These announcements were a major source of anxiety for global equity markets. Our view is that the market is right to be nervous, but not because of the tariffs that have been announced. It is, instead, the continued deterioration in the broader US-China relationship, which is roiling equity markets.

In terms of stock holdings, our standout performer during March was Prada (HKEx: 1913). The Fund has owned this luxury business since mid-2017 on the basis that it remained an iconic brand, was reinventing its digital offering and was well-positioned in an accelerating global luxury space. The expectations built into the stock's price were simply too low and are now starting to re-rate upwards.

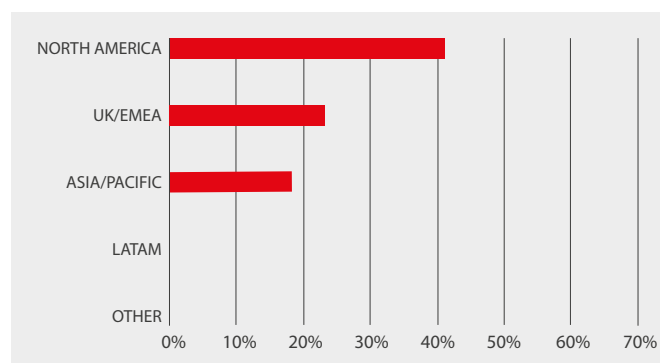
On the negative side was Facebook (NASDAQ: FB) which is dealing with a public relations nightmare over the misuse of member data by Cambridge Analytica. Our current view is that the \$100 billion reduction in company market value experienced during the month is a gross overreaction and the business remains significantly undervalued. We added to our position in March.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 March 2018, out of 20 holdings)

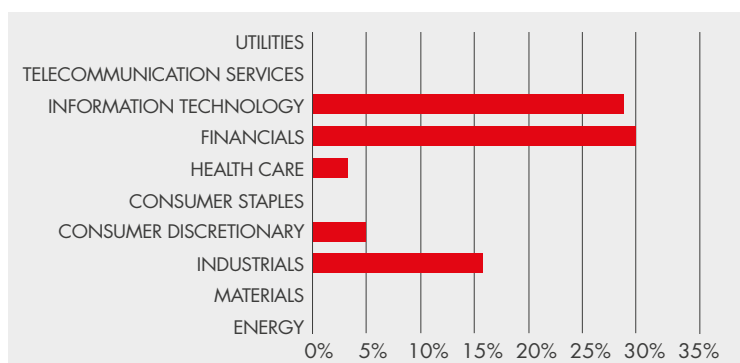
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
St James's Place	GB	8,058	5.9
Insperty	US	2,921	5.6
51job	CN	5,322	5.4
Facebook	US	464,190	5.3
Wells Fargo	US	255,556	5.2
Union Pacific	US	104,261	5.1
Travelers Companies	US	37,690	4.8
REA Group	AU	8,019	4.7
Alibaba	CN	470,074	4.4
Apple	US	851,318	4.2
<b>PORTFOLIO MEDIAN</b>		<b>33,645</b>	<b>4.1</b>
<b>Total equity weighting</b>			<b>82.5</b>
<b>Total cash weighting</b>			<b>17.5</b>

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

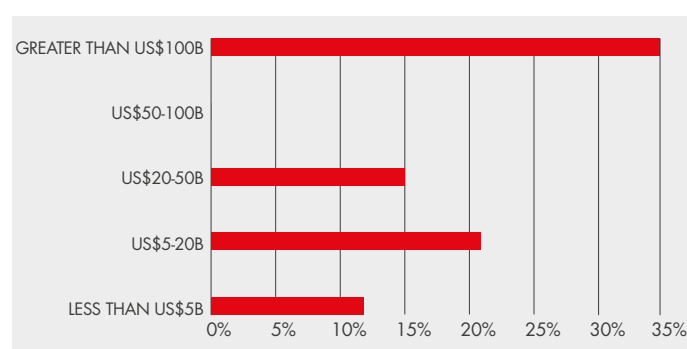
## GEOGRAPHIC - COUNTRY OF DOMICILE



## 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.

