



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

\$214.6M

MANAGEMENT FEE

1.32% per annum, inclusive of GST/RITC.

PERFORMANCE FEES

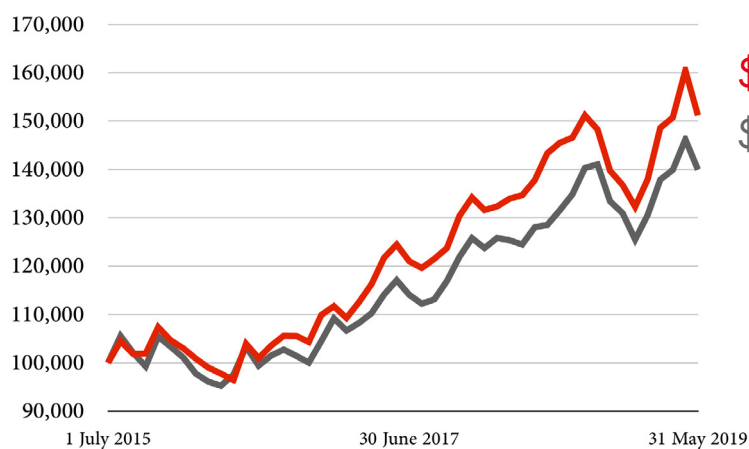
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

APPLICATION & REDEMPTION PRICES

montinvest.com/mgf

PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



CONTACT DETAILS

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PORTFOLIO PERFORMANCE

(to 31 May 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	-5.79%	-5.79%	-4.27%	-1.52%
3 months	0.00%	1.74%	1.74%	1.51%	0.23%
6 months	0.00%	10.51%	10.51%	6.88%	3.63%
12 months	5.83%	-0.37%	5.46%	8.89%	-3.43%
2 years (p.a)	7.59%	2.61%	10.20%	9.33%	0.87%
3 years (p.a)	5.93%	7.36%	13.29%	10.64%	2.65%
Since inception ²	19.62%	31.55%	51.17%	39.96%	11.21%
Compound annual return (since inception) ²	4.68%	6.45%	11.13%	8.97%	2.16%

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



FUND COMMENTARY

In the month of May, the Montgomery Global Fund (the Fund) declined by 5.79 per cent, net of fees. Over the same period, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) declined by 4.27 per cent. Since inception, the Fund has increased by 51.17 per cent, net of fees. This compares favourably to the Benchmark which increased by 39.96 per cent over the same period.

We observed another significant turning point in the global risk environment in May, specifically with respect to the ongoing US/China trade dispute. On May 3rd, it was reported that Chinese negotiators backtracked significantly on previously agreed terms and principles. This then led to President Trump increasing tariffs on US\$200 billion of Chinese imports from 10 per cent to 25 per cent. Then on May 15th, President Trump signed an Executive Order that, in effect, could restrict US

companies from transacting with Chinese telecommunications equipment provider, Huawei. Over in China, we have seen increasing press in recent days that argues that the demands being placed on them by the US infringe on China's sovereignty and its economic development.

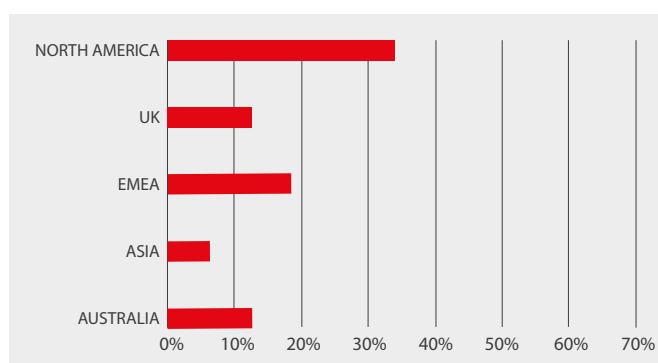
Given this new information, it is difficult to see either side backing down in the near-term; and, if anything, the situation could well escalate from here. To us, this means that the probability of more negative outcomes from this dispute has increased; and the probability of more favourable outcomes has reduced. At the same time, global stock prices – which are still up double-digits YTD – do not appear to be reflecting this deterioration in prospects. As such, we have significantly reduced our global portfolio exposures and increased portfolio cash levels.

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

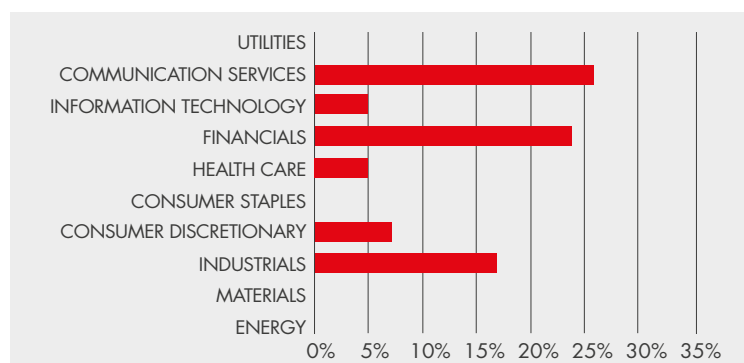
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	35,183	7.5
Challenger	AU	3,410	6.6
Prudential	GB	50,926	6.4
Insperty	US	4,699	5.9
REA Group	AU	8,098	5.5
Alphabet	US	767,114	5.3
Facebook	US	506,624	5.2
Airbus	FR	99,524	4.9
Microsoft	US	947,737	4.8
UnitedHealth	US	229,793	4.8
PORTFOLIO MEDIAN		25,658	4.8
Total equity weighting			83.3
Total cash weighting			16.7

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

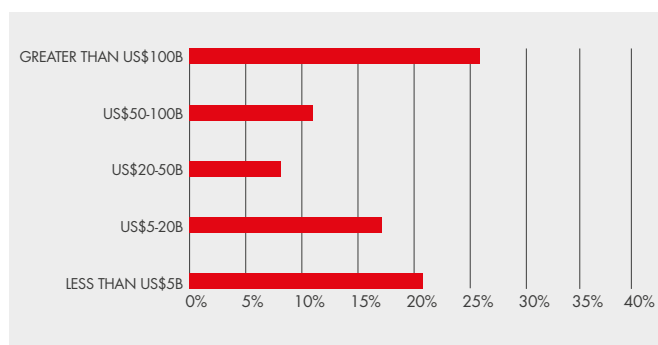
GEOGRAPHIC - COUNTRY OF DOMICILE



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. 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.

