



# 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

FHT0036AU

#### RECOMMENDED INVESTMENT TIMEFRAME

5 years

#### MINIMUM INITIAL INVESTMENT

\$25,000

#### INCEPTION DATE

1 JULY 2015

#### FUND SIZE

\$191.8M

#### MANAGEMENT FEE

1.32% per annum, inclusive of GST/ITC.

#### PERFORMANCE FEES

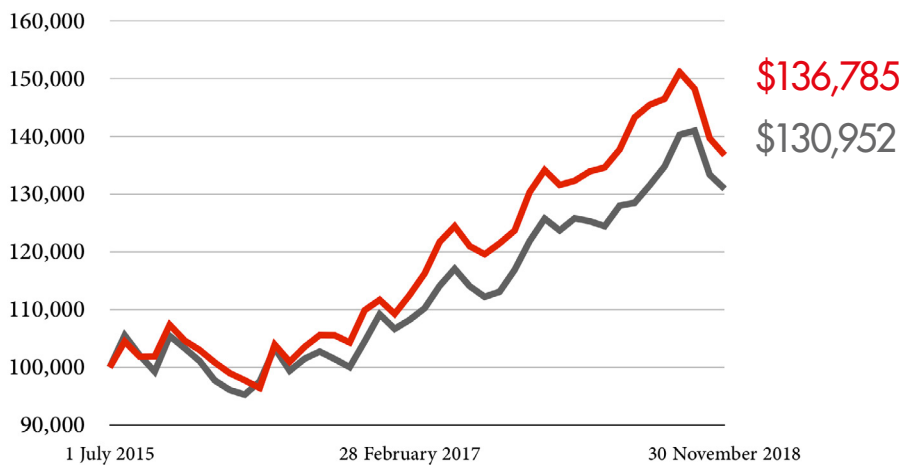
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### APPLICATION & REDEMPTION PRICES

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

### PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



### CONTACT DETAILS

#### INVESTORS

Dean Curnow  
 † 02 8046 5019  
 e [dcurnow@montinvest.com](mailto:dcurnow@montinvest.com)

#### ADVISERS, RESEARCHERS AND PLATFORMS

Scott Phillips  
 (NSW, ACT & QLD)  
 † 02 8046 5005  
 e [sphillips@montinvest.com](mailto:sphillips@montinvest.com)

David Denby  
 (VIC, TAS, SA & WA)  
 † 0455 086 484  
 e [ddenby@montinvest.com](mailto:ddenby@montinvest.com)

### PORTFOLIO PERFORMANCE

(to 30 November 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%	-2.11%	<b>-2.11%</b>	-1.84%	-0.27%
3 months	0.00%	-9.52%	<b>-9.52%</b>	-6.68%	-2.84%
6 months	5.83%	-10.40%	<b>-4.57%</b>	1.88%	-6.45%
12 months	6.23%	-4.29%	<b>1.94%</b>	4.10%	-2.16%
2 years (p.a)	8.56%	3.00%	<b>11.56%</b>	11.93%	-0.37%
3 years (p.a)	5.90%	3.44%	<b>9.34%</b>	8.22%	1.12%
Since inception <sup>2</sup>	19.62%	17.17%	<b>36.79%</b>	30.95%	5.84%
Compound annual return (since inception) <sup>2</sup>	5.38%	4.22%	<b>9.60%</b>	8.21%	1.39%

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



## FUND COMMENTARY

In the month of November, the Montgomery Global Fund (the Fund) declined by 2.11 per cent, net of fees. This decline was substantially driven by a sharp appreciation in the value of the Australian dollar relative to other major currencies. Over the same period, the MSCI World Net Total Return Index in Australian dollar terms (the Benchmark) declined by 1.84 per cent. Since inception, the Fund has returned 36.79 per cent, net of fees. Over the same period, the Benchmark has returned 30.95 per cent.

The volatility continued in November with the Benchmark swinging by more than five percentage points intra-month. We took the opportunity to add to a number of our portfolio holdings on this price weakness. For example, Insperty (NYSE: NSP) experienced an 18 per cent intra-month stock price decline. Given the company's most recent stellar result and the strong US economic environment in which it operates, we viewed the price decline as

nothing more than a great buying opportunity.

We also added to our position again in Facebook (NASDAQ: FB) in November as it continued to decline. We believe the stock price is being weighed down by negative headlines associated with management issues and the threat of increased regulation. While we agree these issues are important, we disagree with the market that these issues are worth more than US\$150 billion in value terms – the amount by which the business has declined over the last four months.

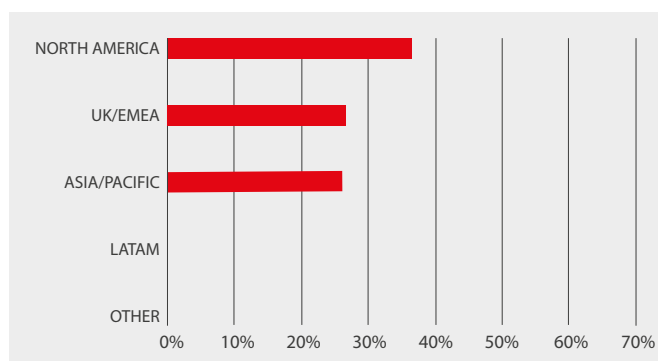
Finally, we have temporarily reduced our position in St James's Place (LSE: STJ). While we continue to believe this is an extraordinary business which is materially undervalued, we believed it was prudent to reduce our position size in the face of near-term Brexit uncertainty.

## TOP COMPLETED HOLDINGS\* (TCH) (at 30 November 2018, out of 20 holdings)

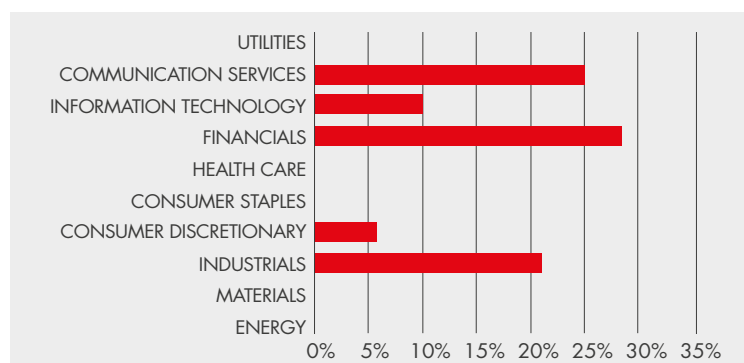
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Insperty	US	4,183	6.1
Vivendi	FR	32,518	5.9
Facebook	US	404,676	5.6
Microsoft	US	857,059	5.5
REA Group	AU	7,326	5.4
Swedbank	SE	26,295	5.4
Prudential	GB	50,910	5.3
51job	CN	4,206	5.2
Alphabet	US	766,046	5.0
Wells Fargo	US	255,509	5.0
<b>PORTFOLIO MEDIAN</b>		<b>67,028</b>	<b>4.7</b>
<b>Total equity weighting</b>			<b>89.2</b>
<b>Total cash weighting</b>			<b>10.8</b>

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

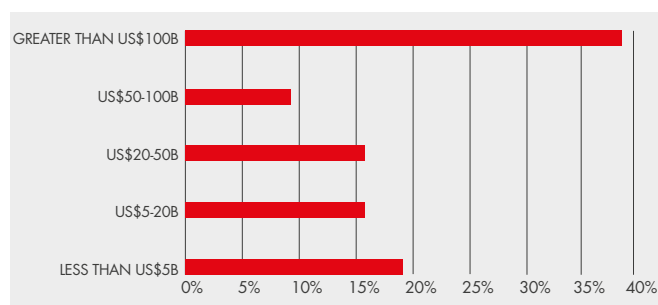
## GEOGRAPHIC - COUNTRY OF DOMICILE



## 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. 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.

