

Montgomery Global Fund

INVESTMENT REPORT & FACT SHEET



FUND OVERVIEW

The Montgomery Global Fund (the 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 percent 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
(AFSL: 516942)

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

\$171.5M

MANAGEMENT FEE

1.28% per annum, inclusive of GST/ITC.

PERFORMANCE FEES

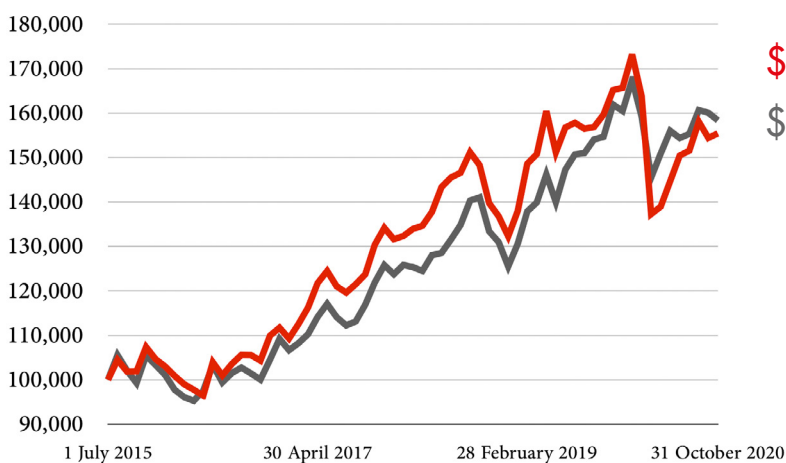
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

APPLICATION & REDEMPTION PRICES

montinvest.com/mgf

PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



CONTACT DETAILS

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PORTFOLIO PERFORMANCE

(to 31 October 2020, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	0.66%	0.66%	-1.07%	1.73%
3 months	0.00%	2.57%	2.57%	1.96%	0.61%
6 months	2.23%	9.63%	11.86%	4.95%	6.91%
12 months	1.94%	-4.58%	-2.64%	2.39%	-5.03%
3 years (p.a)	6.75%	-0.71%	6.04%	9.11%	-3.07%
5 years (p.a)	6.17%	1.51%	7.68%	8.47%	-0.79%
Since inception ²	37.50%	17.94%	55.43%	58.36%	-2.92%
Compound annual return (since inception) ²	6.15%	2.47%	8.62%	9.00%	-0.38%

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

FUND COMMENTARY

In the month of October, the Montgomery Global Fund (the Fund) increased by 0.66 percent, net of fees. Over the same period, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) declined by 1.07 percent. Since inception, the Fund has increased by 55.43 percent, net of fees, delivered with an average cash holding of 17.57 percent. Over the same period, the Benchmark has increased by 58.36 percent.

Since our last investment report, many of our portfolio holdings have reported their financial results for the September quarter. Overall, we are happy with results we are seeing and the investment decisions that are being made. Standout performers during the quarter included ServiceNow, Microsoft and Alphabet.

For some of our portfolio holdings which are benefiting from

a sharp acceleration in the digital transformation journeys of customers, bigger investment opportunities have presented themselves and more rapidly. It is sensible for these opportunities to be pursued aggressively even at the expense of short-term profitability metrics.

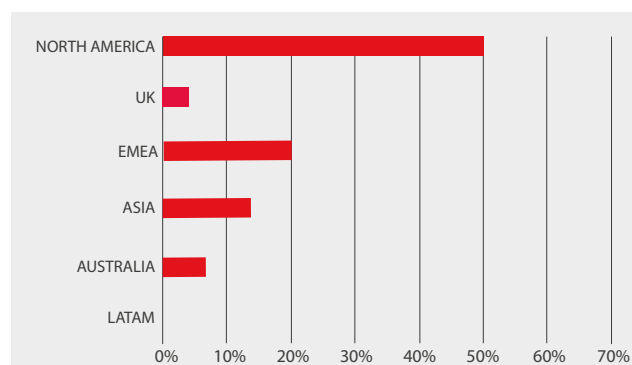
Facebook is one example of this dynamic. It now finds itself investing heavily to chase an enormous e-commerce opportunity; an opportunity to steal market share from TikTok and Snapchat with its Reels offering; and bring to life its Augmented Reality/Virtual Reality (AR/VR) platforms in a meaningful way with its new Smart Glasses to be released next year. These are all lucrative opportunities that require significant investment that will come at the expense of next year's profit margin.

TOP TEN HOLDINGS

(at 31 October 2020, out of 26 holdings)

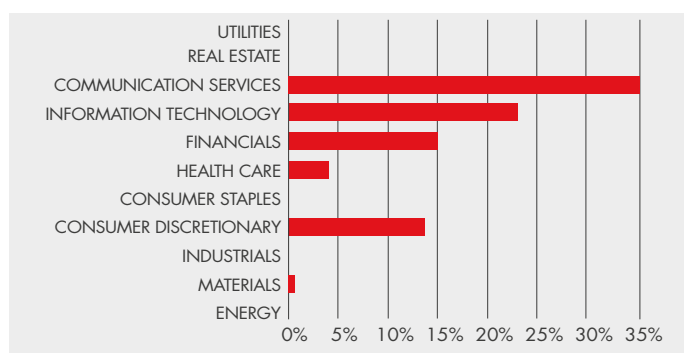
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	34,237	7.5
Facebook	US	749,414	7.4
Spotify	SE	45,480	7.0
Microsoft	US	1,530,774	6.8
Alibaba	CN	818,650	6.6
Alphabet	US	1,094,908	4.9
ServiceNow	US	97,076	4.7
REA Group	AU	10,949	4.6
Salesforce.com	US	211,366	4.6
Berkshire Hathaway	US	481,950	4.3
PORTFOLIO MEDIAN		166,671	3.9
Total equity weighting			92.8
Total cash weighting			7.2

GEOGRAPHIC EXPOSURE*



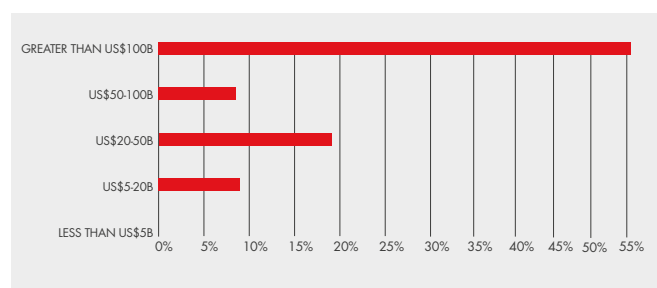
*Country of Domicile

INDUSTRY EXPOSURE*



*GICS Sector

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) AFSL 516 942 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.