



# 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

\$139.2M

#### MANAGEMENT FEE

1.32% per annum, inclusive of GST/ITC.

#### PERFORMANCE FEES

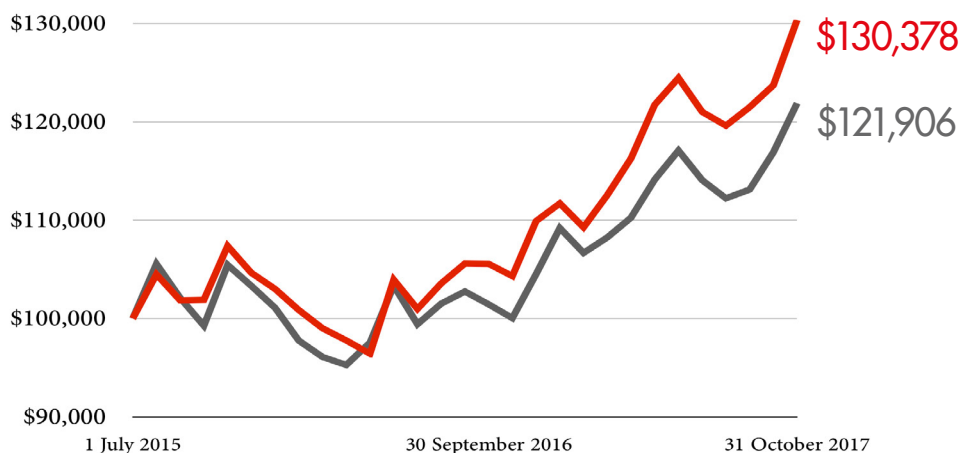
15.38% of the total return of The Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### APPLICATION & REDEMPTION PRICES

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

### PERFORMANCE GRAPH

■ Montgomery Global Fund ■ MSCI World Net Total Return Index



### CONTACT DETAILS

#### INVESTORS

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

#### ADVISERS, RESEARCHERS AND PLATFORMS

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

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

### PORTFOLIO PERFORMANCE

(to 31 October 2017, 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%	5.38%	<b>5.38%</b>	4.27%	1.11%
3 months	0.00%	8.99%	<b>8.99%</b>	8.62%	0.37%
6 months	9.94%	-2.85%	<b>7.09%</b>	6.80%	0.29%
12 months	11.60%	13.38%	<b>24.98%</b>	21.85%	3.13%
2 years (p.a)	5.48%	4.70%	<b>10.19%</b>	7.51%	2.68%
Since inception <sup>2</sup>	12.10%	18.28%	<b>30.38%</b>	21.91%	8.47%
Compound annual return (since inception) <sup>2</sup>	5.02%	7.02%	<b>12.04%</b>	8.86%	3.18%

1) In Australian dollars

2) Inception: 1 July 2015



## FUND COMMENTARY

The Montgomery Global Fund increased by 5.38 per cent, net of fees, in the month of October. This compared favourably to the MSCI World Total Return Index in Australian dollar terms (the Benchmark), which increased by 4.27 per cent over the same period. Since inception, the Fund has increased by 30.38 per cent, net of fees; while the Benchmark was up by 21.91 per cent over the same period. It is noteworthy that the Fund's cash holdings have averaged approximately 20 per cent since inception.

The Fund's solid monthly performance was driven by: (i) the disclosure of a strong set of financial performances during the third calendar quarter, relative to the market's expectations; and (ii) favourable currency movements. While we can do little to control the latter, it is the former which we strive to maximise each day.

Buying high quality businesses only when they are undervalued is the most important part of our job. We seek to ensure we are doing just this by spending considerable time "reverse engineering" what expectations are implied by each stock price level. Only then can we ascertain whether or not we have a differentiated view to that of the market. Our unique expectations framework has served our investors well to date and we expect it to continue to do so in the future.

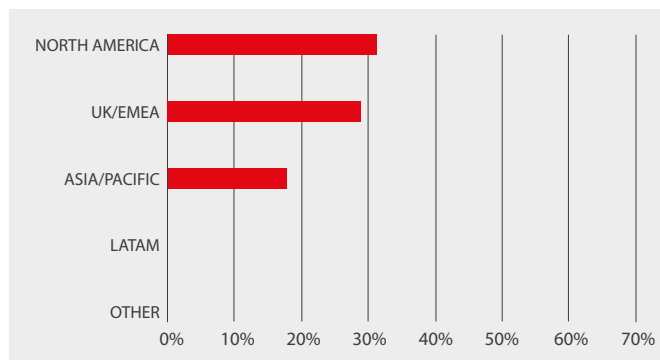
The Fund entered November with cash holdings of 21 per cent. While the businesses we own are performing well, we believe a level of defensiveness in the Fund's portfolio will serve investors well should global market volatility return.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 October 2017, out of 22 holdings)

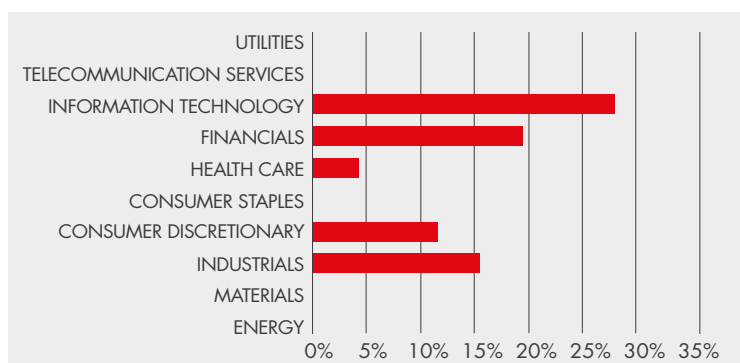
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Insperty	US	1,978	5.1
Facebook	US	522,887	4.9
St James's Place	GB	8,271	4.7
Oracle	US	212,408	4.6
REA Group	AU	7,289	4.5
Union Pacific	US	91,146	4.4
Alibaba	CN	473,532	4.2
NetEnt	SE	1,902	4.1
Electrolux	SE	10,918	4.1
China Life	CN	123,257	3.9
<b>PORTFOLIO MEDIAN</b>		<b>59,521</b>	<b>3.8%</b>
<b>Total equity weighting</b>			<b>78.7</b>
<b>Total cash weighting</b>			<b>21.3</b>

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

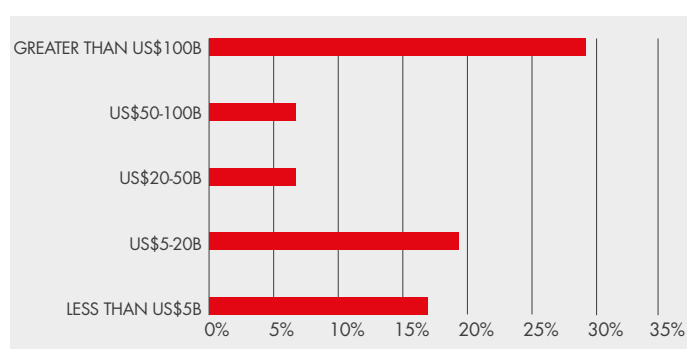
## GEOGRAPHIC - COUNTRY OF DOMICILE



## GICS SECTOR INDUSTRY EXPOSURE



## MARKET CAPITALISATION EXPOSURE



PLATFORMS WE ARE ON: Netwealth IDPS ⇌ Netwealth Super ⇌ BT Panorama ⇌ BT Wrap ⇌ Powerwrap ⇌ Macquarie Wrap ⇌ HUB24

#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.

