



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

\$192.2M

MANAGEMENT FEE

1.32% per annum, inclusive of GST/ITC.

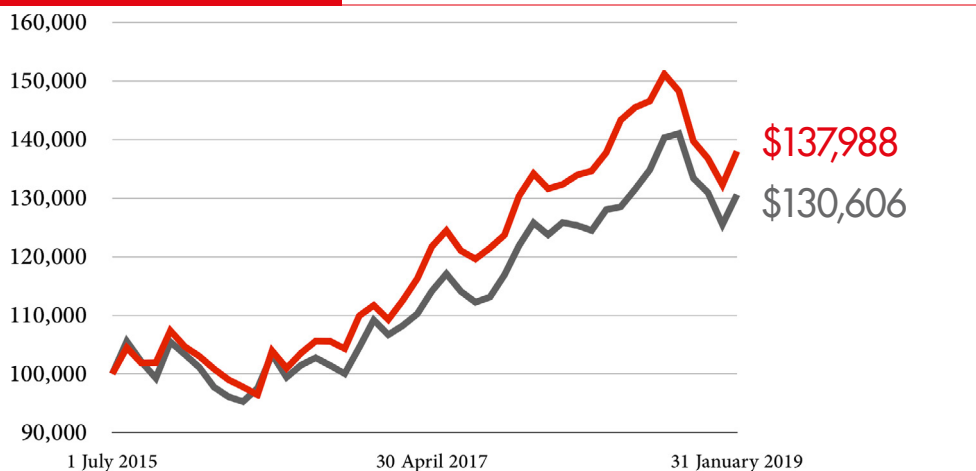
PERFORMANCE FEES

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

PERFORMANCE GRAPH



CONTACT DETAILS

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PORTFOLIO PERFORMANCE

(to 31 January 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY GLOBAL FUND	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	4.32%	4.32%	4.06%	0.26%
3 months	0.00%	-1.25%	-1.25%	-2.10%	0.85%
6 months	0.00%	-5.85%	-5.85%	-3.14%	-2.71%
12 months	6.31%	-2.04%	4.27%	3.79%	0.48%
2 years (p.a)	8.61%	3.76%	12.37%	10.65%	1.72%
3 years (p.a)	6.10%	4.91%	11.01%	10.14%	0.87%
Since inception ²	19.62%	18.37%	37.99%	30.61%	7.38%
Compound annual return (since inception) ²	5.12%	4.27%	9.39%	7.73%	1.66%

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



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FUND COMMENTARY

In the month of January, the Montgomery Global Fund returned 4.32 per cent, net of fees. This was slightly higher than the MSCI World Net Total Return Index in Australian dollar terms (the Benchmark) which returned 4.06 per cent over the same period. Since inception, the Fund has returned 37.99 per cent, net of fees, despite an average cash holding of 19.3 per cent. By comparison, the Benchmark returned 30.61 per cent (with zero cash holdings) over the same period.

Following an 11 per cent decline during a very challenging fourth calendar quarter, the Benchmark rallied by more than four per cent in the first month of 2019. Readers will recall that we were deploying the Fund's cash holdings late last year as stocks became cheaper. As scary as volatility can be for investors, it often creates opportunities. One simply needs to remember that as stock prices fall, they are typically becoming less risky, not more.

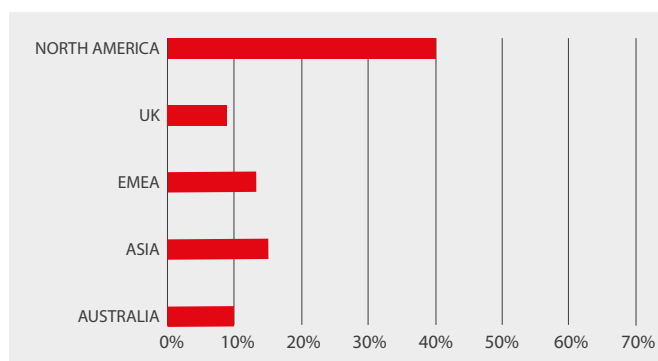
Earnings season is also underway. Many of the Fund's holdings are performing well despite the global uncertainty we have discussed in recent months. These include Facebook (NASDAQ: FB), Apple (NASDAQ: AAPL), Alibaba (NYSE: BABA), Union Pacific (NYSE: UNP) and Lear (NYSE: LEA). Offsetting some of these good performances was an earnings-downgrade by Australian insurer Challenger (ASX: CGF) which resulted in a 17 per cent decline in the stock. This was an overreaction, in our view: for a downgrade in CGF's annual earnings power of approximately \$20-30 million, the market wiped off more than \$1 billion in value. This makes no sense to us and we have acquired more shares.

TOP COMPLETED HOLDINGS* (TCH) (at 31 January 2019, out of 19 holdings)

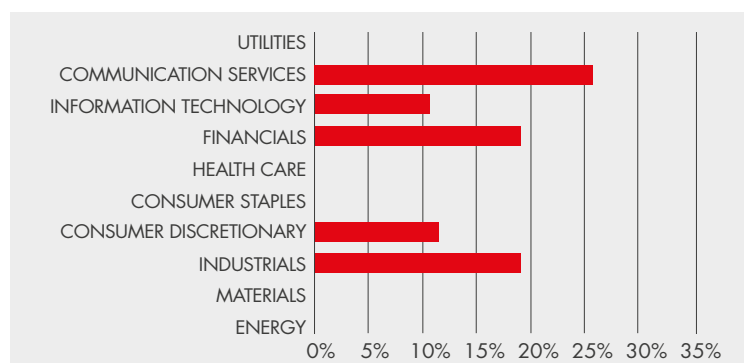
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	33,254	6.8
Insperty	US	4,460	6.2
Facebook	US	475,732	6.2
Prudential	GB	50,498	5.9
Microsoft	US	801,209	5.7
Challenger	AU	3,219	5.7
Alphabet	US	779,467	5.6
Apple	US	784,811	4.8
Lear	US	9,878	4.5
REA Group	AU	7,256	4.3
PORTFOLIO MEDIAN		50,498	4.3
Total equity weighting			87.4
Total cash weighting			12.6

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

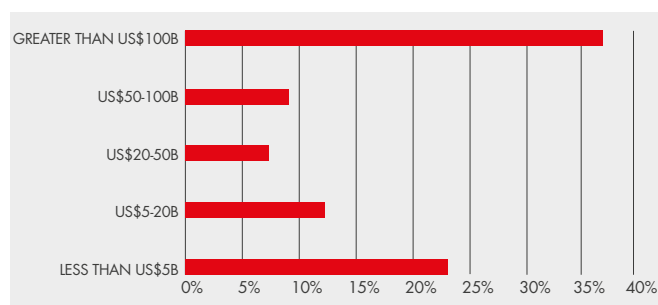
GEOGRAPHIC - COUNTRY OF DOMICILE



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.

