

# Polen Capital Global Small and Mid Cap Fund Investment Report & Fact Sheet

April 2023

## Fund Overview

The Polen Capital Global Small and Mid Cap Fund is a long only, small and mid cap global equities fund. The Fund typically invests in a concentrated portfolio of 25-35 high-quality companies within the global small and mid cap company universe.

Using the unique Polen Flywheel Framework, the Small Company Growth team analyses opportunities to uncover compelling long-term structural growth and determine if the right conditions are in place to

identify companies that are well-positioned to deliver significant value over a five-year period.

Relative to its mega cap counterparts, with the weighted average market capitalisation of around US\$8 billion the Polen Capital Global Small and Mid Cap Fund seeks to offer a concentrated portfolio of interesting fast-growing smaller companies with a huge potential global runway of growth ahead of them.

## Fund Facts

### Investment Manager

Montgomery Investment Management Pty Ltd

### Objective

The Fund aims to outperform the benchmark, over a rolling five-year period, net of fees.

### Benchmark

MSCI ACWI SMID Cap Net Total Return Index, in Australian Dollars

### Fund Construction

The Fund typically invests in a concentrated portfolio of 25 to 35 high-quality companies within the global small and mid-cap company universe with the potential to deliver sustained superior growth.

### APIR

FHT8533AU

### Portfolio Managers

Rob Forker

### Recommended Investment Timeframe

At least 5 years

### Minimum Initial Investment

A\$25,000

### Inception Date

21 October 2021

### Fund Size

\$21.0M

### Management Fees and Costs

Up to 1.15% per annum of the net asset value of The Fund

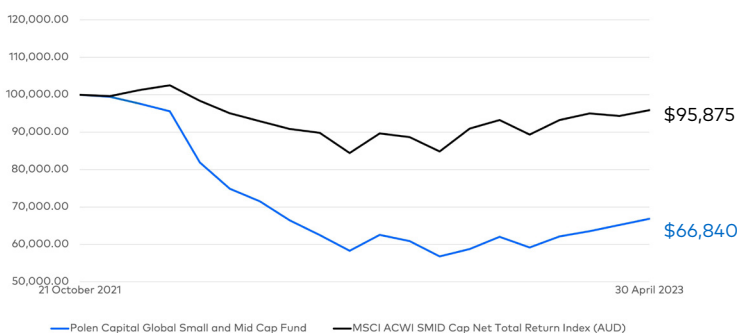
### Performance Fees

17.56% of the excess total return of The Fund (after management fees and expenses have been deducted) above the Fund's benchmark.

### Application & Redemption Prices

[montinvest.com/our-funds/polen-capital-global-small-and-mid-cap-fund/](https://montinvest.com/our-funds/polen-capital-global-small-and-mid-cap-fund/)

## Polen Capital Global Small and Mid Cap Fund Performance



## Contact Details

### Investors

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## Portfolio Performance (to 30 April 2023, after all fees)

	1 month	3 months	6 months	1 year	Since Inception (21 Oct 2021)	Compound Annual Return Since Inception
Polen Capital Global Small and Mid Cap Fund	2.52%	7.58%	13.79%	0.59%	-33.16%	-23.25%
MSCI ACWI SMID (AUD)	1.63%	2.84%	5.40%	5.55%	-4.12%	-2.73%
Out/Underperformance	0.89%	4.74%	8.39%	-4.96%	-29.04%	-20.52%

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.

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### Fund Commentary

Financial markets were relatively flat in April, helped by a slowdown in macroeconomic noise and ahead of the upcoming first quarter earnings season. Concerns remain over further disruption in the banking system, following the events of March, with traditionally defensive sectors such as Health Care and Consumer Staples outperforming the broader market. Against this backdrop, large cap underperformed SMID cap and Value outperformed Growth. The Polen Capital Global Small and Mid Cap Fund's portfolio companies' fundamentals generally remain on track or better than expected, and a rotation in market leadership year-to-date has seen higher quality companies outperform – a supportive backdrop for our approach.

For the month of April 2023, the Polen Capital Global Growth Small and Mid Cap Fund increased by 2.52 per cent net of fees, versus the benchmark the MSCI ACWI SMID Cap Index in AUD which increased by 1.63 per cent.

The security selection effect for the period was positive, with strong selection in Health Care and Financials outweighing weaker selection in Industrials and Consumer Discretionary sectors. The sector allocation impact was negative, as the benefit of being overweight to Health Care was outweighed by the negative impact of being overweight to the Information Technology sector.

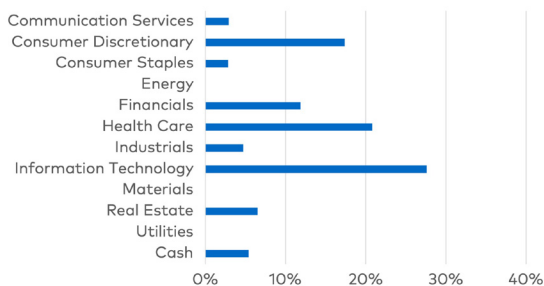
The top three contributors to performance were Dechra Pharmaceutical, Goosehead Insurance and Musti Group.

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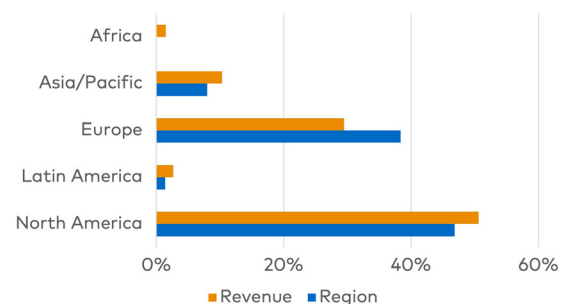
### Top Completed Holdings (to 30 April 2023)

Company Name	Sector	Country of Domicile	Market Cap US\$ B	Weight (%)
Dechra Pharmaceuticals PLC	Health Care	United Kingdom	5.3	5.8
Goosehead Insurance Inc	Financials	United States	2.2	5.5
Floor & Decor Holdings Inc	Consumer Discretionary	United States	10.6	5.4
Euronext NV	Financials	Netherlands	8.5	4.6
Five Below Inc	Consumer Discretionary	United States	11.0	4.6
Tyler Technologies Inc	Information Technology	United States	15.9	4.0
Tecan Group AG	Health Care	Switzerland	5.5	3.9
Altus Group Ltd	Real Estate	Canada	1.8	3.8
Keywords Studios PLC	Information Technology	United Kingdom	2.7	3.7
Align Technology Inc	Health Care	United States	25.0	3.4

### GICS Sector Exposure



### Geographic Exposure



This report was prepared by Montgomery Investment Management Pty Ltd, AFSL No: 354564 ('Montgomery') the investment manager of the Polen Capital Global Small and Mid Cap Fund (ARSN: 652 035 642) (Fund). The Responsible Entity of the Fund is Fundhost Limited (ABN 69 092 517 087) (AFSL No: 233 045) ('Fundhost'). This report has been prepared for the purpose of providing general information, without taking into account your particular objectives, financial circumstances or needs. You should obtain and consider a copy of the Product Disclosure Document ('PDS') relating to the Fund before making a decision to invest. The PDS and Target Market Determination ('TMD') are available here: <https://www.montinvest.com/our-funds/polen-capital-global-small-and-mid-cap-fund/> and here: <https://fundhost.com.au/> 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 report. Past performance is not indicative of future performance.

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Animal Health Care business, Dechra Pharmaceuticals, was the strongest performing name as it confirmed advanced discussions to be taken private at an approximate 50 per cent premium to the pre-announcement share price. Goosehead Insurance, a personal line property and casualty insurance brokerage primarily focused on home and auto markets, continued to deliver strong results despite weakness in the housing market. Musti Group, a leading pet care specialist in the Nordics, rose over the month and was boosted by "pet parenting" trends which has led to recent broker upgrades.

The bottom three absolute detractors from performance were Koh Young Technology, Revolve Group and Endava.

Koh Young Technology, a supplier of automated inspection equipment used across a wide variety of industries, posted quarterly results below expectations. This was primarily due to weakness in China and Korea, driven by a slowdown in investment in the semiconductor industry. Revolve Group, a next-generation online retailer, saw selling pressure ahead of upcoming quarterly results, with concerns over a slowdown in discretionary spending. Endava, an IT services consulting business, saw continued selling pressure amidst a more cautious operating environment where discretionary IT spend is being paused.

A new position to the Fund in April was Shift Inc. while the Fund sold Netcompany Group and trimmed its position in Temenos.

We continue to stay focused on the long-term value propositions, competitive advantages, ongoing initiatives, growth opportunities, and potential earnings power of the Fund's companies. As a reminder, our investment time horizon is five years. This allows us to think and act like owners. The markets continue to have a lot of uncertainty and general noise, but we believe that quality companies can weather the uncertainty and come out of the other side stronger. We continue to take advantage of unique opportunities in the market, and as we have said in prior commentary, our pipeline of new potential investments remains attractive.