

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

August 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

\$19.5M

Management Fees and Costs

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

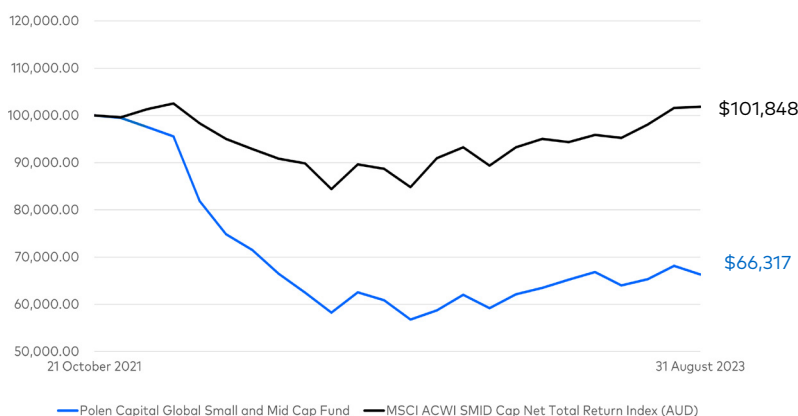
Performance Fees

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/

Polen Capital Global Small and Mid Cap Fund Performance



Contact Details

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Portfolio Performance (to 31 August 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	-2.66%	3.57%	4.44%	8.95%	-33.68%	-19.82%
MSCI ACWI SMID (AUD)	0.28%	6.95%	7.20%	14.83%	1.85%	0.99%
Out/Underperformance	-2.94%	-3.38%	-2.76%	-5.88%	-35.53%	-20.81%

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

In August 2023, concerns about inflation globally led to global equity markets posting negative total returns. The U.S. Federal Reserve warned that a strong economy could lead to even higher inflation. This caused pressure in both stocks and bond markets, with the 10-year Treasury yield reaching its highest level and exceeding 4.3 per cent, since before the Global Financial Crisis in June 2007. In addition, there were worries about China's property sector and slowing growth, which led to the People's Bank of China cutting interest rates. China was by far the weakest major equity market, posting a negative 8.45 per cent total return for August. Conversely, oil prices rose due to coordinated production cuts by the Organization of the Petroleum Exporting Countries (OPEC). Against this backdrop, Energy was the only sector to positive returns. Small and Mid Cap underperformed large cap, while there was little distinction between value and growth.

For August 2023, the Polen Capital Global Small and Mid Cap Fund declined by 2.66 per cent in Australian dollars, while the benchmark the MSCI ACWI SMID Cap Index in Australian dollars returned 0.28 per cent. The Fund underperformed the benchmark for the period primarily due to security selection.

Positive selection in Financials and Real Estate sectors outweighed weaker selection in Industrials and Health Care. The sector allocation impact was also negative, primarily due to our persistent underweight in the Energy sector.

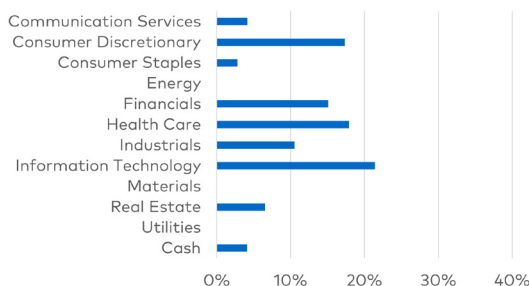
The top three absolute contributors to performance were Yeti, Altus, and Musti Group. The bottom three absolute detractors from performance Alight, Five Below, and Paycom Software. The Fund added to its positions in Alight, CTS Eventim and sold its position in Keyword Studios. The Fund also trimmed its position in Floor & Décor.

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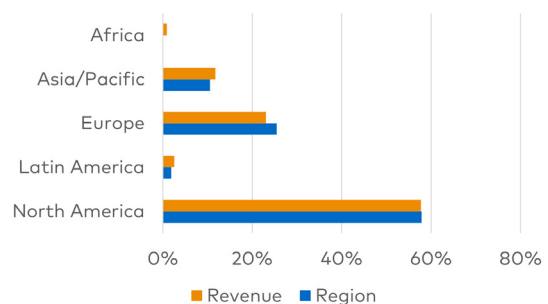
Top Completed Holdings (to 31 August 2023)

Company Name	Sector	Country of Domicile	Market Cap US\$ B	Weight (%)
Goosehead Insurance Inc	Financials	United States	2.6	4.6
Tyler Technologies Inc	Information Technology	United States	16.8	4.3
Alight Inc	Industrials	United States	4.1	4.2
CTS Eventim AG & Co KGaA	Communication Services	Germany	6.0	4.2
Eurofins Scientific SE	Health Care	Luxembourg	11.9	4.2
Five Below Inc	Consumer Discretionary	United States	9.6	4.1
Align Technology Inc	Health Care	United States	28.3	3.9
Altus Group Ltd	Real Estate	Canada	1.8	3.7
Tecan Group AG	Health Care	Switzerland	5.1	3.7
TMX Group Ltd	Financials	Canada	6.2	3.6

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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Outdoor products specialist, Yeti, delivered higher sales and margins growth than expected over the June 2023 quarter, boosted by robust demand in the coolers business and lower freight rates. Altus Group, the quantity surveying and construction cost consultants, reported better-than-expected revenue growth, allaying fears last year that the banking crisis would cause large funds to pause activity in commercial real estate. Scandinavian pet supply company, Musti Group, also reported a convincing June 2023 quarter with year-on-year earnings growth of 14 per cent, highlighting the company's continued ability to meet the changing needs of pet owners. Alight, a leading cloud-based HR technology and services provider, delivered on quarterly financial results but was weak as management revised down expectations for next year's business process as a service (BPaaS) subscription growth. Discount retailer Five Below reported a quarter that was in line with expectations but lowered its September 2023 quarter's outlook, influenced by higher-than-normal "shrink" (theft of goods). Paycom, an HR software business, was also weak based on softer forward guidance, and as management explained they were temporarily forgoing revenues by rolling out its BETI self-service platform.

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 volatility. Nearer term our turnover has been above what we'd typically expect as we take advantage of opportunities. Overall, our pipeline of potential new investments remains attractive across a variety of industries and geographies.