

# Polen Capital Global Small and Mid Cap Fund

## Investment Report & Fact Sheet

December 2022

### 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

\$18.3M

#### Management Fees and Costs

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

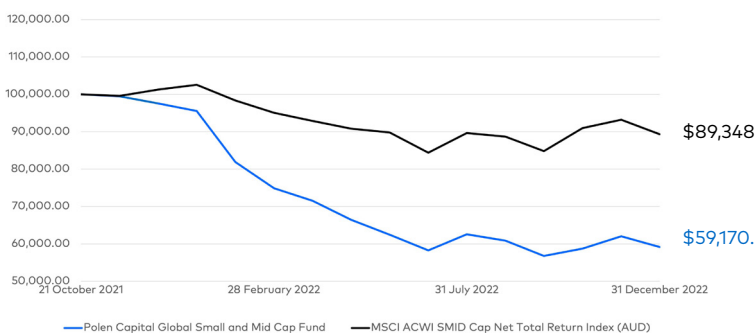
#### Performance Fees

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

#### Investors

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Account Manager  
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### Portfolio Performance (to 31 December 2022, 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	-4.63%	4.23%	1.54%	-38.07%	-40.83%	-35.57%
MSCI ACWI SMID (AUD)	-4.16%	5.34%	5.86%	-12.86%	-10.65%	-9.00%
Out/Underperformance	-0.47%	-1.11%	-4.32%	-25.21%	-30.18%	-26.57%

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

Global equity markets were down in December, ending the year with the largest annual decline since 2008. After rising through October and November, equity markets pulled back, seemingly as recession fears weigh on 2023 earnings expectations. The fundamentals of the Polen Capital Global Small and Mid Cap Fund's portfolio companies generally remain on track, however, high inflation and interest rates, hawkish central banks, and volatile commodity markets continue to weigh on investor sentiment.

For the month ended December 31, 2022, the Polen Capital Global Small and Mid Cap Fund (the Fund) declined by 4.63 per cent, versus the MSCI ACWI SMID Cap in AUD, which declined by 4.16 per cent.

The top three contributors to performance were Five Below, Tecan Group and Eurofins Scientific. Five Below, a leading high-growth value retailer, rose on the back of strong quarterly results with earnings coming in ahead of expectations.

This was a contrast to the performance of many of its retail rivals. Tecan Group, a scientific research and clinical diagnostics company, and Eurofins Scientific, a global leader in scientific testing, both outperformed despite no company specific news flow.

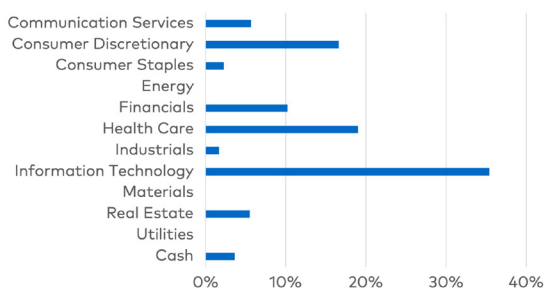
The bottom three detractors from performance were Goosehead Insurance, Revolve Group and Paycom. Goosehead Insurance, an innovative insurance broker, and Revolve Group, a data-driven fashion merchandising business, both underperformed due to broader recession concerns going into 2023. The weakness of Paycom, a HR software business, was attributable to ongoing concerns over potential softness in the US employment market, despite the data remaining resilient.

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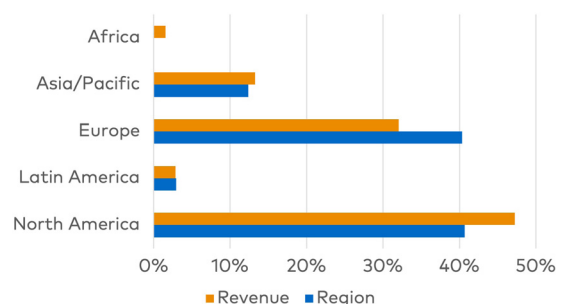
### Top Completed Holdings (to 31 December 2022)

Company Name	Sector	Country of Domicile	Market Cap US\$ B	Weight (%)
Euronext NV	Financials	Netherlands	7.9	4.7
Five Below Inc	Consumer Discretionary	United States	9.8	4.5
Tecan Group AG	Health Care	Switzerland	5.7	4.4
Floor & Decor Holdings Inc	Consumer Discretionary	United States	7.4	4.1
Keywords Studios PLC	Information Technology	United Kingdom	2.6	3.9
Paycom Software Inc	Information Technology	United States	18.6	3.9
Endava PLC	Information Technology	United Kingdom	4.4	3.8
Goosehead Insurance Inc	Financials	United States	1.3	3.6
Eurofins Scientific SE	Health Care	Luxembourg	13.8	3.6
Netcompany Group A/S	Information Technology	Denmark	2.1	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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Polen Capital remain focused on the long-term value propositions, competitive advantages, ongoing initiatives, growth opportunities, and potential earnings power of the Fund's portfolio. The severity of a possible recession, the path of inflation and interest rates, and geopolitics will, in Polen Capital's view, continue to have an influence on markets. However, Polen Capital believe high-quality businesses with robust balance sheets that can self-fund growth are poised to withstand a potential recession, maintain resilience, and gain market share while their competition retreats. Various risks remain in the market, but Polen Capital believe this is largely reflected in share prices and investors entering at these lower prices may be well compensated for these risks given that valuation is rarely this attractive in small and mid-cap stocks.