

# Polen Capital Global Small and Mid Cap Fund

## Investment Report & Fact Sheet

December 2024

### 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 30 to 50 high-quality companies within the global small and mid-cap company universe with the potential to deliver sustained superior growth.

#### APIR

FHT8533AU

#### Portfolio Managers

Maneesh Singhal  
Rayna Lesser Hannaway

#### Recommended Investment Timeframe

At least 5 years

#### Minimum Initial Investment

A\$25,000

#### Inception Date

21 October 2021

#### Fund Size

\$22.1M

#### Management Fees and Costs

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

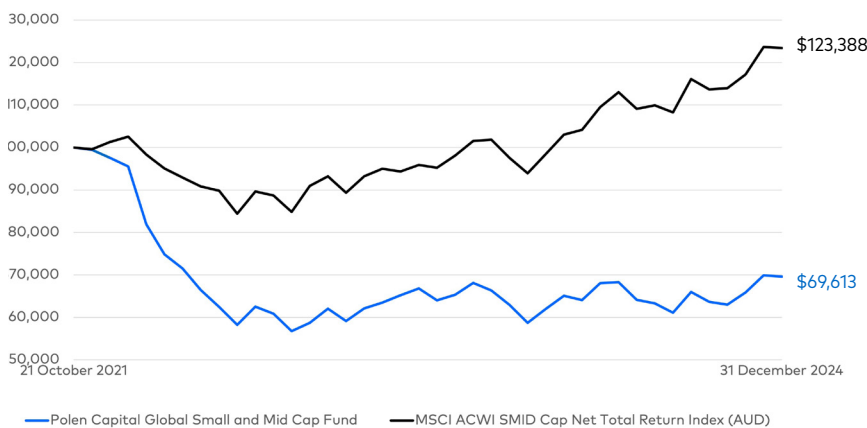
#### Performance Fees

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 31 December 2024, after all fees)

	1 month	3 months	6 months	1 year	3 years (p.a.)	Since Inception (21 Oct 2021)	Compound Annual Return Since Inception
Polen Capital Global Small and Mid Cap Fund	-0.40%	10.44%	13.86%	6.91%	-10.02%	-30.39%	-10.72%
MSCI ACWI SMID (AUD)	-0.21%	8.27%	14.00%	19.77%	6.37%	23.39%	6.80%
Out/Underperformance	-0.19%	2.17%	-0.14%	-12.86%	-16.39%	-53.78%	-17.52%

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.

Platforms we are on: HUB24 Netwealth

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### Fund Commentary

Global equity markets were mostly characterised by a more cautious tone going into 2025. Shifting interest rate expectations, heightened economic uncertainty heading into the new year, and increased volatility driven by upcoming election-related risks all weighed on markets. U.S. markets were weak following the U.S. Federal Reserve's decision to cut interest rates by 0.25 per cent, but it came along with signaling a slower pace of easing in the coming year. Europe continues to be dogged by expectations of sluggish growth. Asian markets were weighed down by a lack of enthusiasm surrounding China's monetary and fiscal policy, and thousands of South Korean protesters gathering in the capital to demand the immediate arrest of the impeached President over a failed martial law declaration.

Against this backdrop, the MSCI ACWI SMID Cap Index delivered a small negative return in Australian dollars. It is worth highlighting the depreciation of the Australian dollar exchange rate during December from US\$0.65 to US\$0.62. At a sector level, all sectors posted a negative return, with Energy and Materials the weakest. Information Technology and Consumer Discretionary were strongest. At a country level, Israel, China, and Taiwan drove the market higher, while the U.S., Australia, and Canada weighed on the market the most. Large caps outperformed SMID caps and growth outperformed value.

For December 2024, the Polen Capital Global Small and Mid Cap Fund delivered a small negative return of 0.40 per cent in Australian dollars, while its benchmark the MSCI ACWI SMID Cap Index returned negative 0.21 per cent in Australian dollars.

During the month stock selection was strongest in Industrials and Consumer Discretionary sectors and outweighed weaker selection in Information Technology and Financials. The sector allocation effect was negative, primarily due to the Fund's overweight to the Industrials sector. At a regional level, relative performance was strongest in Europe and weakest in North America.

The top three contributors to performance were Integral, Pan Pacific International, and Sanrio. The bottom three detractors were Hamilton Lane, TopBuild, and Goosehead Insurance.

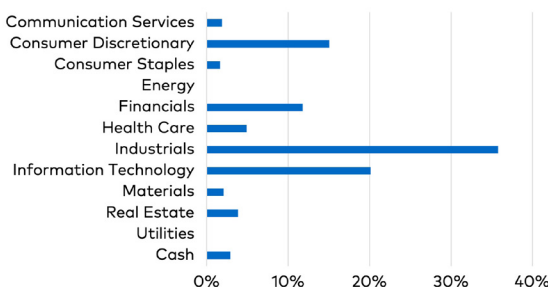
The Fund initiated new positions in digital intelligence company Cellebrite DI, Japanese consolidated systems engineering business Kinden and Sanwa Holdings, a Japanese company mainly engaged in the manufacture and sale of building and commercial facility construction materials. The Fund also added to its positions in Core & Main, Rambus and FirstService while trimming its positions in Descartes Systems, Sanrio and Dollarama. The Fund sold its positions in Japan Elevator Service and Clearwater Analytics.

Looking ahead, Polen Capital see significant opportunity for the asset class, particularly for their investing style. They believe high-quality SMID cap companies have more significant latent growth potential than mature businesses. They also believe the highest-quality SMID cap companies will take advantage of solid balance sheets and continued reinvestment to advance their competitive position, tackle adjacencies, and enjoy better potential opportunities for value-added acquisitions.

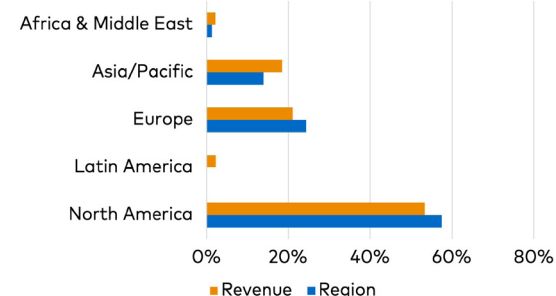
### Top Completed Holdings (to 31 December 2024)

Company Name	Sector	Country of Domicile	Market Cap US\$ B	Weight (%)
ExlService Holdings Inc	Industrials	United States	7.1	3.2
NSD Co Ltd	Information Technology	Japan	1.8	2.7
Bufab AB	Industrials	Sweden	1.5	2.5
Core & Main Inc	Industrials	United States	10.1	2.4
CCC Intelligent Solutions Hold	Information Technology	United States	7.6	2.4
AddTech AB	Industrials	Sweden	7.4	2.3
Paycom Software Inc	Industrials	United States	11.8	2.3
Pan Pacific International Hold	Consumer Discretionary	Japan	17.4	2.3
FirstService Corp	Real Estate	Canada	8.4	2.3
Diploma PLC	Industrials	United Kingdom	7.1	2.3

### GICS Sector Exposure



### Geographic Exposure



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