

Polen Capital Global Small and Mid Cap Fund

Investment Report & Fact Sheet

July 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

Greg McIntire
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

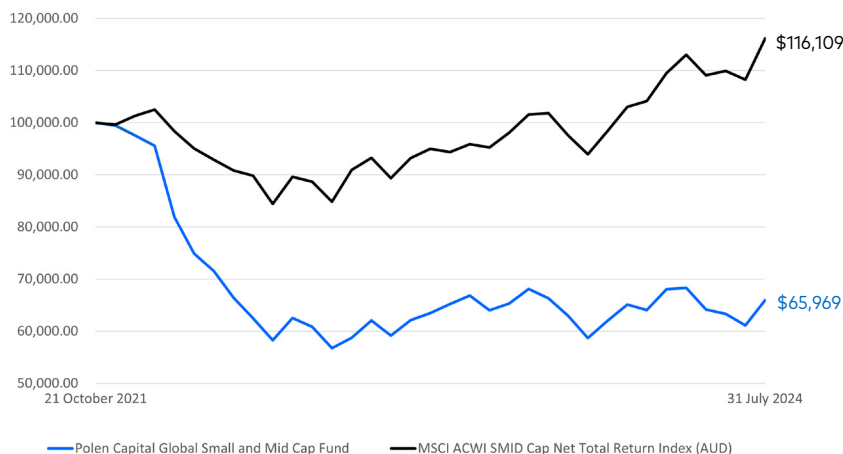
Performance Fees

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/

Polen Capital Global Small and Mid Cap Fund Performance



Contact Details

Investors

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Portfolio Performance (to 31 July 2024, 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	7.90%	2.84%	2.97%	-3.17%	-34.03%	-13.92%
MSCI ACWI SMID (AUD)	7.27%	6.42%	11.50%	14.33%	16.11%	5.53%
Out/Underperformance	0.63%	-3.58%	-8.53%	-17.50%	-50.14%	-19.45%

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

While broader global equity markets showed signs of slowing in July, particularly in the mega-cap space, small and mid caps delivered robust returns. This could potentially reflect a rotation in investor sentiment boosted in part by prospects of falling interest rates following weak U.S. labor market data. At a country level, the U.S., Japan, and the U.K. drove the markets higher. Conversely, Taiwan and China were the notable laggards. All MSCI ACWI SMID Index sectors were positive except Information Technology, with the notable standouts being Financials and Real Estate.

U.S. Government bonds rallied, with the U.S. 10-Year Treasury yield falling 37 basis points in July, to close at 4.03 per cent. Major central banks have generally started lowering rates, with the Bank of England and the Bank of Canada cutting interest rates by 25 basis points, with the latter's reduction being the second in two months. Elsewhere, oil prices declined, falling 4.5 per cent to settle at \$77.91 a barrel, seemingly hampered by decelerating world demand following expectations of weaker economies. Overall, value fared better than growth, and small caps materially outperformed large caps over the month.

In July, the Polen Capital Global Small and Mid Cap Fund (the Fund) increased by 7.90 per cent in Australian dollars, while the Fund's benchmark, the MSCI SMID Cap Index, rose by 7.27 per cent in Australian dollars.

The Portfolio outperformed the Index for the period primarily due to security selection, while negative sector allocation marginally detracted from relative gains. Positive security selection in Financials and Information Technology outweighed negative selection in Consumer Staples and Health Care. At a country level, stock selection was strongest in the U.S., Taiwan, and the Netherlands and weakest in the U.K., Australia, and Japan.

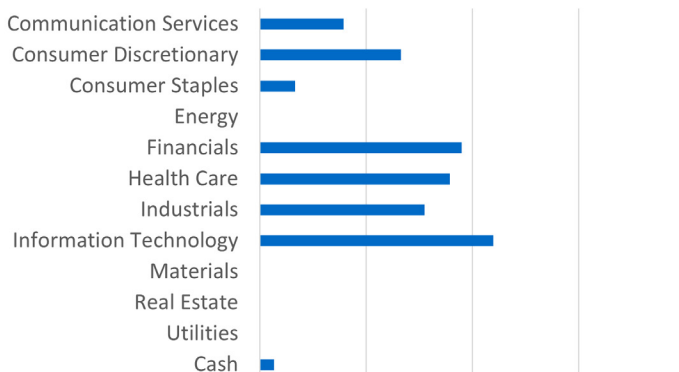
The top absolute contributors were insurance agency Goosehead Insurance, investment bank Houlihan Lokey, and Eurofins Scientific, a leader in food, environment, pharmaceutical and cosmetic product testing.

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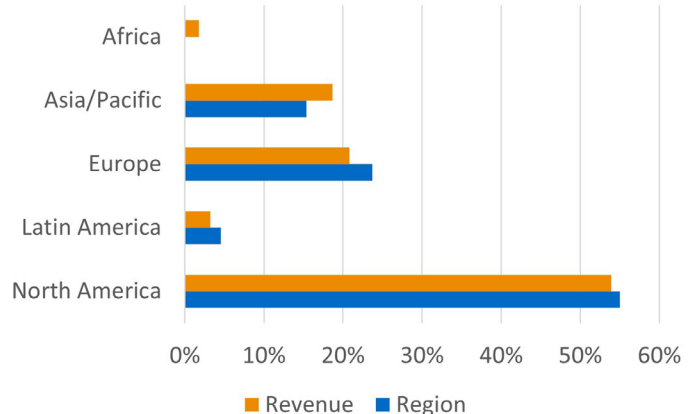
Top Completed Holdings (to 31 July 2024)

Company Name	Sector	Country of Domicile	Market Cap US\$ B	Weight (%)
Houlihan Lokey Inc	Financials	United States	10.4	5.7
Topicus.com Inc	Information Technology	Netherlands	7.3	5.2
Tencent Music Entertainment Gr	Communication Services	China	24.3	4.8
Goosehead Insurance Inc	Financials	United States	3.3	4.3
E Ink Holdings Inc	Information Technology	Taiwan	9.4	3.7
Fevertree Drinks PLC	Consumer Staples	United Kingdom	1.4	3.3
Progyny Inc	Health Care	United States	2.7	3.3
Alight Inc	Industrials	United States	4.1	3.2
Globant SA	Information Technology	Uruguay	8.4	3.2
CTS Eventim AG & Co KGaA	Communication Services	Germany	8.5	3.1

GICS Sector Exposure



Geographic Exposure



Platforms we are on: HUB24 Netwealth

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The bottom absolute detractors were an American chain of specialty discount stores, Five Below, producer of premium drink mixers Fevertree Drinks, and global clinical research organization Medpace Holdings.

During July, the Fund initiated new positions in specialty insurance company Kinsale Cap Group and TopBuild, a leading installer and specialty distributor of insulation and building material products. The Fund sold its position in power management solutions business, Monolithic Power Systems.

We remain focused on the long-term value propositions, competitive advantages, ongoing initiatives, growth opportunities, and potential earnings power of the Fund's portfolio. We believe our five-year investment horizon allows us to think and act like owners. While market uncertainties and general volatility persist, our pipeline of potential new investments remains attractive, in our view, across various industries and geographies. Looking ahead, we see significant opportunity for the asset class, particularly for our investing style.

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://investwith.montinvest.com/PolenCapitalGlobalSmallandMidCapFundTMD> 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.