

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

June 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

\$20.6M

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/polencapital-global-small-and-mid-capfund/

Polen Capital Global Small and Mid Cap Fund Performance



Contact Details

Investors

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Portfolio Performance (to 30 June 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	2.01%	0.18%	10.39%	12.09%	-34.68%	-22.29%
MSCI ACWI SMID (AUD)	3.00%	3.98%	9.78%	16.21%	-1.91%	-1.14%
Out/Underperformance	-0.99%	-3.80%	0.61%	-4.12%	-32.77%	-21.15%

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 posted a positive return in June, with the economy proving more resilient amid a much-anticipated rise in unemployment, which has yet to materialize. U.S. inflation has also moderated, boosting the chances of a more supportive monetary policy.

Returns can largely be attributed to a rise in valuations, reflecting improving sentiment. Against this backdrop, all sectors posted a positive return, with Energy and Consumer Discretionary leading the market. The Global SMID Cap Index marginally outperformed the Large Cap Index, as did Growth over Value.

For the month ended June 2023, the Polen Capital Global Small and Mid Cap Fund (the Fund) increased by 2.01 per cent in AUD, compared to the benchmark the MSCI ACWI SMID Cap Index which rose 3.00 per cent in AUD. The Fund underperformed its performance benchmark for the period primarily due to security selection.

For the 12 months to 30 June 2023, the Fund rose 12.09 per cent in AUD, while the benchmark increased by 16.21 per cent.

The security selection effect for the month of June was negative, with positive selection in Health Care being outweighed by weaker selection in Communication Services and Consumer Staples. The sector allocation impact was also negative, as the benefit of having zero weight in Utilities was outweighed by the negative impact of being overweight to the Health Care sector and underweight to Industrials.

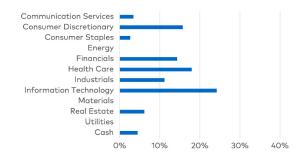
The top three relative contributors to performance were Align Technology, Dechra Pharmaceuticals and Five Below. Align Technology, the company best known for its "Invisalign" clear aligners used in orthodontics to adjust teeth, rose ahead of its upcoming quarterly results in July.

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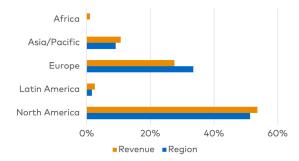
Top Completed Holdings (to 30 June 2023)

Company Name Sector Five Below Inc Consumer Discretionary		Country of Domicile	Market Cap US\$ B	Weight (%) 4.6
		United States	10.9	
Tyler Technologies Inc	Information Technology	United States	17.5	4.4
Floor & Decor Holdings Inc	Consumer Discretionary	United States	11.0	4.4
Eurofins Scientific SE	Health Care	Luxembourg	12.2	4.3
Goosehead Insurance Inc	Financials	United States	2.4	4.2
Alight Inc	Industrials	United States	4.6	4.1
Euronext NV	Financials	Netherlands	7.3	4.0
Align Technology Inc	Health Care	United States	27.1	3.7
Paycom Software Inc	Industrials	United States	19.4	3.7
TMX Group Ltd	Financials	Canada	6.3	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 low, 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 was confirmed that the company would be taken private by Private Equity group EQT at £38.75 or a market capitalisation of £4.5 billion. The Polen Capital team added to their holding in the December 2022 Quarter near the lows, delivering an average price of around £29. Five Below reported sales growth of 14 per cent in the first quarter, boosted by ecommerce sales while continuing to expand its store base. Five Below has over 1,367 stores (in 42 U.S. States with an average size of 740 square metres), up from 650 stores in five year and Joel Anderson, President and CEO is determined to grow store numbers to 3,500 by 2030, an average annual growth rate of 13 per cent. Analysis over the past five year indicates EPS growth and total Revenue growth have been closely correlated.

The bottom three relative detractors from performance were CTS Eventim, Eurofins Scientific and CompuGroup Medical. CTS Eventim, the German domiciled, European leader in ticketing and live entertainment event management, sank after a popular satirist criticized its fees on German TV. While Eurofins Scientific, a leading European testing, inspection and certification company has been weak on no notable news flow, the company is anticipating a decline in COVID related revenues.

We believe Eurofins Scientific is a high-quality compounder and the risk/reward profile is attractive. CompuGroup Medical, a European health care software solutions business, declined after a period of strong performance, with some investors likely taking profits. The Fund added to its position in Benefit One, a Japanese company specialising in offering employee benefit packages and loyalty programs, and trimmed its position in Kinaxis, a supply chain and operations management software company, during the month.

Polen Capital continue to stay focused on the long-term value propositions, competitive advantages, ongoing initiatives, growth opportunities, and potential earnings power of the Fund's portfolio. As a reminder, the Fund's 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 with strong balance sheets can weather the uncertainty and come out of the other side stronger. Polen Capital continue to take advantage of unique opportunities in the market and their pipeline of new potential investments remains attractive.

The Polen Capital Global Small and Mip Cap Fund will not be paying a distribution for the year to 30 June 2023.