

# Polen Capital Global Small and Mid Cap Fund

## Investment Report & Fact Sheet

October 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

\$21.4M

#### Management Fees and Costs

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

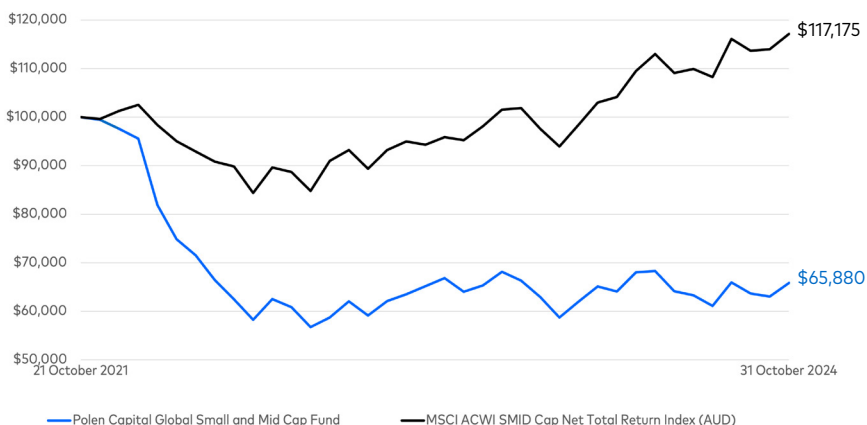
#### Performance Fees

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 October 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	4.51%	-0.13%	2.70%	12.21%	-12.83	-34.12%	-12.87%
MSCI ACWI SMID (AUD)	2.82%	0.92%	7.39%	24.71%	5.57	17.17%	5.37%
Out/Underperformance	1.69%	-1.05%	-4.69%	-12.50%	-18.40	-51.29%	-18.24%

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

October reversed some of the gains that came in the final weeks of the third quarter, with all sectors in the MSCI ACWI SMID Index posting a negative return in US dollars. Sectors that are typically more interest rate-sensitive under-performed (with Real Estate and Consumer Discretionary the weakest) as investors grappled with the prospect of interest rates likely to remain higher than expected.

In October, the weak Australian dollar saw the Polen Capital Global Small and Mid Cap Fund (the Fund) increase by 4.51 per cent, while the Fund's benchmark, the MSCI SMID Cap Index, returned 2.82 per cent, both in Australian dollars.

The Fund outperformed the Index in October due to stock selection and sector allocation. Stock selection was strongest in Financials and Real Estate sectors, outweighing weaker selection in Healthcare and Communication Services. The sector allocation effect was also positive, primarily due to the Portfolio's overweight to the Industrials sector. At a country level, stock selection was strongest in the U.S. and Japan, outweighing weaker selection in the U.K. and Germany.

The top three absolute contributors were Tencent Music Entertainment, Paycom Software, and Goosehead Insurance. The bottom three absolute detractors were Insight Enterprises, Hemnet, and TopBuild.

Late in September and early in October, Maneesh Singhal, CFA, the Portfolio Manager of the Polen Capital Global Small and Mid Cap Fund implemented numerous changes to the holdings in the Fund's portfolio, promoting greater diversification across sectors and regions. These changes are outlined below.

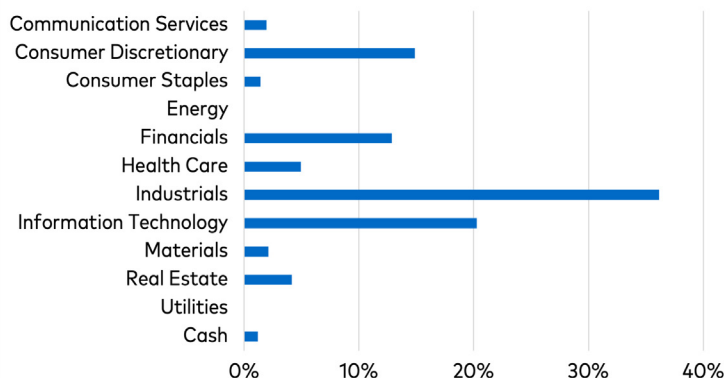
New positions: Hamilton Lane, NSD Co, Descartes Systems, Diploma, FirstService Corp, AddTech, Dollarama, Bufab, Indutrade, CCC Intelligent Solutions, Sanrio Co, Sol, Pan Pacific International, Booz Allen Hamilton, Hemnet Group, Trelleborg, Volution Group, AAON, Colliers International, Ferguson Enterprises, Ashtead Technology, IMCD, Repligen, Integral, Japan Elevator Service, DSV, Fabrinet, Moncier, Entegris, Atoss Software, and Insight Enterprises.

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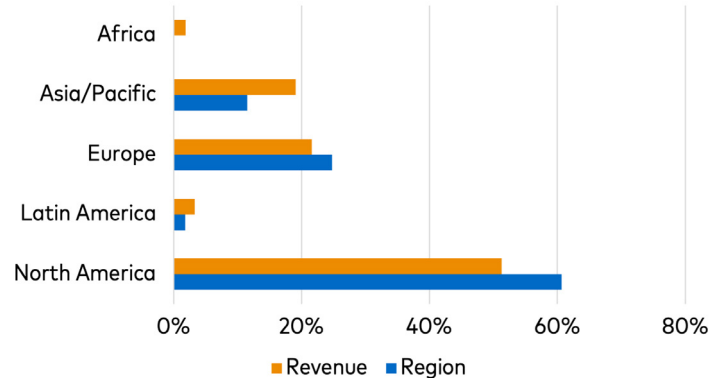
### Top Completed Holdings (to 31 October 2024)

Company Name	Sector	Country of Domicile	Market Cap US\$ B	Weight (%)
ExlService Holdings Inc	Industrials	United States	6.7	2.9
Hamilton Lane Inc	Financials	United States	10.0	2.9
NSD Co Ltd	Information Technology	Japan	1.9	2.7
Descartes Systems Group Inc/Th	Information Technology	Canada	8.9	2.5
Tetra Tech Inc	Industrials	United States	13.1	2.5
Diploma PLC	Industrials	United Kingdom	7.4	2.4
Paycom Software Inc	Industrials	United States	12.1	2.4
FirstService Corp	Real Estate	Canada	8.3	2.4
AddTech AB	Industrials	Sweden	7.2	2.3
Goosehead Insurance Inc	Financials	United States	4.0	2.3

### GICS Sector Exposure



### Geographic Exposure



Platforms we are on: HUB24 Netwealth

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Positions exited: Topicus.com, E Ink Holdings, Tencent Music Entertainment, CTS Eventim, Fevertree Drinks, Pro Medicus, Eurofins Scientific, Morningstar, Judges Scientific, Medley, Euronext, Yum China, Align Technology, Etsy, Progyny, GlobalData, Endava, dLocal Limited, Shift, Fox Factory, and Wizz Air

The Fund currently owns 51 companies and remains a high-conviction portfolio. Polen Capital continue to see significant opportunity for the asset class, particularly for their investing style. They view high-quality small and mid cap companies as having more significant latent growth potential than more mature businesses. In Polen Capital's view, the highest-quality small and mid cap companies offer solid balance sheets and continued reinvestment to advance their competitive position, tackle adjacencies, and enjoy better potential opportunities for value-added acquisitions. Relatively few companies meet this high hurdle, Polen Capital believe they hold a concentrated portfolio of companies that offer potential for growth and high returns, durability, robust financial models, the ability to self-fund growth, and what they view as superior management teams.

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.