

Polen Capital Global Small and Mid Cap Fund

Investment Report & Fact Sheet

September 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

\$20.5M

Management Fees and Costs

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

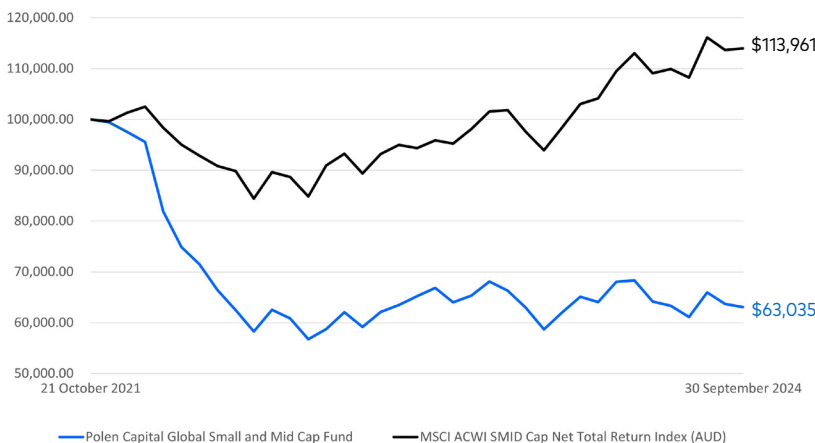
Performance Fees

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 30 September 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	-1.00%	3.10%	-7.71%	0.14%	-36.97%	-14.51%
MSCI ACWI SMID (AUD)	0.28%	5.29%	0.85%	16.80%	13.96%	4.54%
Out/Underperformance	-1.28%	-2.19%	-8.56%	-16.66%	-50.93%	-19.05%

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 equities started September with weakness but approached all-time highs as China unveiled new stimulus measures, and major central banks continued to cut policy rates. Investor confidence continues to be resilient despite economic and geopolitical uncertainties across the globe. From a sector perspective, Materials and Consumer Discretionary were the top performers, with only the Energy sector in negative territory, given the continued decline in oil prices. At a country level, the U.S., China, and Australia drove the market higher, while Taiwan, Denmark, and Turkey were the weakest. Overall, value fared better than growth, and small and mid caps outperformed large caps over the month.

In September, the Polen Capital Global Small and Mid Cap Fund (the Fund) declined by 1.00 per cent in Australian dollars, while the Fund's benchmark, the MSCI SMID Cap Index, returned 0.28 per cent in Australian dollars.

The Fund underperformed its benchmark for the period due to stock selection and sector allocation. Stock selection was strongest in Communication Services and Consumer sectors but was outweighed by weaker selection in Consumer Staples and Information Technology.

The sector allocation effect was also negative, primarily due to the Fund's zero weight to the Materials sector. At a country level, stock selection was strongest in Australia and Japan but was outweighed by weaker selection in the U.K. and U.S. At the stock level, top contributors to relative performance were Yum China, Tencent Music Entertainment, and Pro Medicus, while the bottom relative detractors were Progyny, Elf Beauty, and Endava.

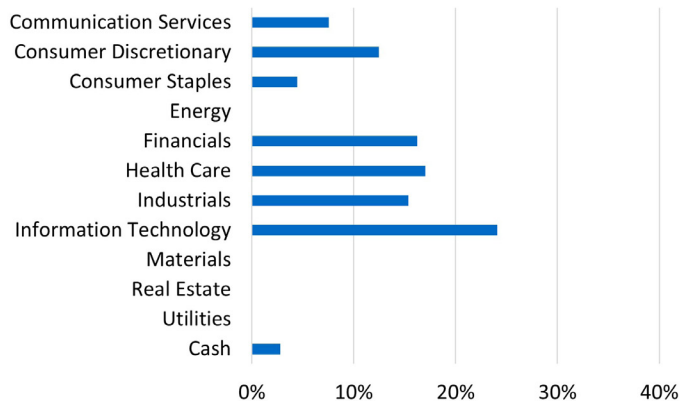
As we mentioned last month, Maneesh Singhal, CFA, was recently appointed the Portfolio Manager of the Polen Capital Global Small and Mid Cap Growth strategy. Prior to joining Polen Capital, Maneesh gained experience at Lord, Abeth & Co, American Century Investments and more recently at CastleArk Management, where he was Co-Portfolio Manager and Senior Analyst. Maneesh has a B.A. in Biology and Economics from the University of Pennsylvania and is a CFA charterholder.

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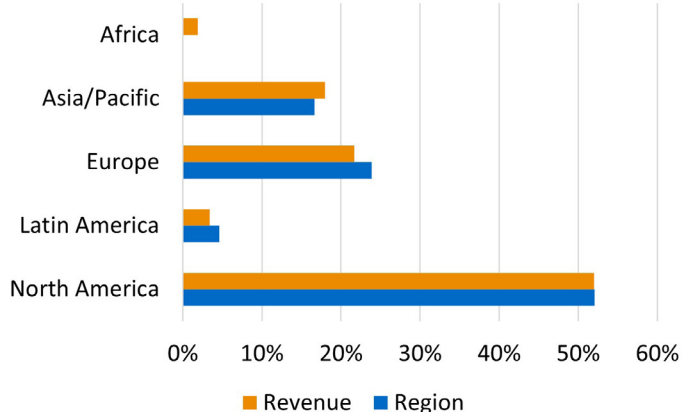
Top Completed Holdings (to 30 September 2024)

Company Name	Sector	Country of Domicile	Market Cap US\$ B	Weight (%)
Topicus.com Inc	Information Technology	Netherlands	7.8	5.5
E Ink Holdings Inc	Information Technology	Taiwan	10.6	4.1
Houlihan Lokey Inc	Financials	United States	11.0	4.0
Tencent Music Entertainment Gr	Communication Services	China	20.7	4.0
CTS Eventim AG & Co KGaA	Communication Services	Germany	10.0	3.5
Clearwater Analytics Holdings	Information Technology	United States	6.6	3.3
Globant SA	Information Technology	Uruguay	8.6	3.2
Revolve Group Inc	Consumer Discretionary	United States	1.8	3.2
Fevertree Drinks PLC	Consumer Staples	United Kingdom	1.3	3.0
Goosehead Insurance Inc	Financials	United States	3.3	2.9

GICS Sector Exposure



Geographic Exposure



Platforms we are on: HUB24 Netwealth

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Youngju Ko also has just commenced as an analyst, and both new hires will enhance the team with the Polen Capital Global SMID Growth team returning to a traditional Polen Capital portfolio manager structure. Youngju has 20 years' experience in the U.S., China and South Korea at Fidelity, Blue Pool Capital, Citadel and UBS. She earned a Bachelor of Science from Seoul National University in 2005, and an MBA from Columbia Business School in 2013.

In the very recent weeks, Maneesh has transformed the Polen Capital Small and Mid Cap Fund by:

- Introducing 31 new holdings, maintaining 20 existing holdings and overseeing 35 per cent turnover of the portfolio.
- Dramatically increasing the weighting of the portfolio to Sweden (11 per cent), Japan (10 per cent) and Canada (9 per cent) whilst maintaining the weighting in the U.S. (over 50 per cent).
- Marginally increasing the weighted average market capitalisation of the 51 stock portfolio to A\$14.8 billion (placing the weighted average holding in the top 30, above Sonic Healthcare, if listed on the ASX).

Looking ahead, Polen Capital see significant opportunity for the asset class, particularly for their investing style. They view high-quality SMID cap companies as having more significant latent growth potential than mature businesses. Polen Capital 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. Since so few companies meet this high hurdle, Polen Capital hold a concentrated portfolio of companies that offer potential for growth and high returns, as well as 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.