

## INVESTMENT REPORT & FACT SHEET

### FUND OVERVIEW

The Montgomery Global Equities Fund (Managed Fund) (the Fund) employs a highly disciplined, bottom-up, value style and typically invests in 15 to 30 high conviction stocks listed on major global stock exchanges. The focus of the Fund is on investing in what Montgomery Global regards as high quality businesses with attractive prospects trading at a discount to their estimated intrinsic value.

The Fund has the flexibility to retain a reasonable level of cash, with a "soft" 30 per cent limit. The Fund will generally be currency

unhedged but we can put in place strategies aimed at protecting investor capital against currency fluctuations if we predict material upside to the Australian dollar.

The Fund aims to deliver superior positive returns when suitable investment opportunities are abundant, and to preserve capital through cash allocations when an insufficient number of company names are appealing. The Fund also aims to target a minimum 4.5% annual distribution yield, paid semi-annually.

### FUND FACTS

#### INVESTMENT MANAGER

Montgomery Global Investment Management Pty Ltd

#### OBJECTIVE

The Montgomery Global Equities Fund (Managed Fund) aims to outperform the index over a rolling 5-year period.

#### BENCHMARK

MSCI World Net Total Return Index, in Australian dollars.

#### ASRN

621941508

#### RECOMMENDED INVESTMENT TIMEFRAME

5 years

#### INCEPTION DATE

20 DECEMBER 2017

#### FUND SIZE

\$79.0 M

#### MANAGEMENT COST

1.32% per annum, inclusive of GST/RITC.

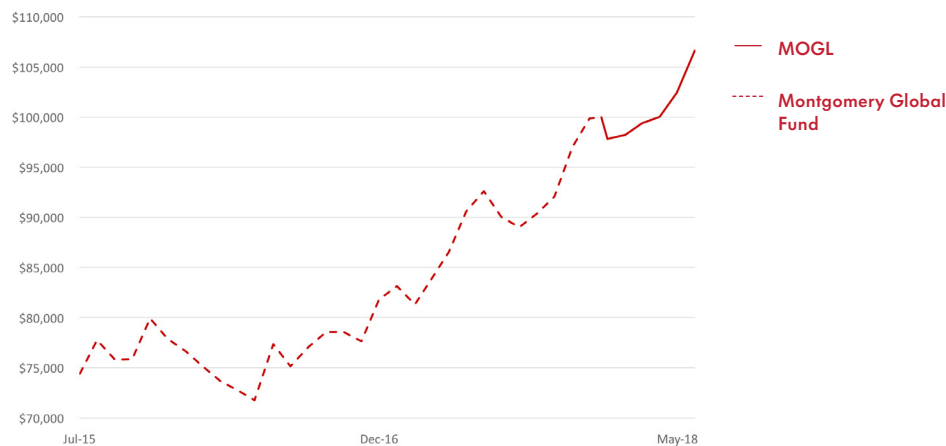
#### PERFORMANCE FEES

15.38% of the total return of the Fund that is in excess of its Benchmark. No performance fee is payable until any previous periods of underperformance has been made up.

#### APPLICATION & REDEMPTION PRICES

[montinvest.com/mogl](http://montinvest.com/mogl)

### PERFORMANCE GRAPH



Performance Graph Monthly Index: \$100,000 = MOGL inception date<sup>2</sup>

### CONTACT DETAILS

#### INVESTORS

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### PORTFOLIO PERFORMANCE (to 31 May 2018, after all fees)

	INCOME	CAPITAL GROWTH	FUND RETURN	MSCI WORLD NET TOTAL RETURN INDEX <sup>1</sup>	OUT/UNDER PERFORMANCE
1 month	0.00%	4.10%	<b>4.10%</b>	0.39%	3.71%
3 months	0.00%	7.29%	<b>7.29%</b>	2.54%	4.75%
MOGL (since inception) <sup>2</sup>	0.00%	6.63%	<b>6.63%</b>	1.97%	4.66%
MGF (since inception) <sup>3</sup>	12.10%	31.24%	<b>43.34%</b>	28.53%	14.81%

<sup>1</sup> In Australian dollars <sup>2</sup> Inception: 20 December 2017 <sup>3</sup> Inception: 1 July 2015

**FUND COMMENTARY**

In the month of May, the Montgomery Global Equities Fund (Managed Fund) (the Fund) delivered 4.10 per cent, net of fees. Over the same period, the MSCI World Total Return Index in Australian dollar terms (the Benchmark) increased by 0.39 per cent. Since inception of the underlying strategy, the Montgomery Global Fund (MGF) has returned 43.34 per cent, net of fees; versus the Benchmark which returned 28.53 per cent, over the same period.

The month of May was characterised by particularly strong absolute and relative performance by the Fund. One might naturally suspect that we had one or two names that shot the lights out. This was not the case, however. While our holding in 51job (NASDAQ: JOBS) continues to perform well and was our largest contributor; strong outperformance was broad-based and shared across substantially all businesses owned in the Fund’s portfolio.

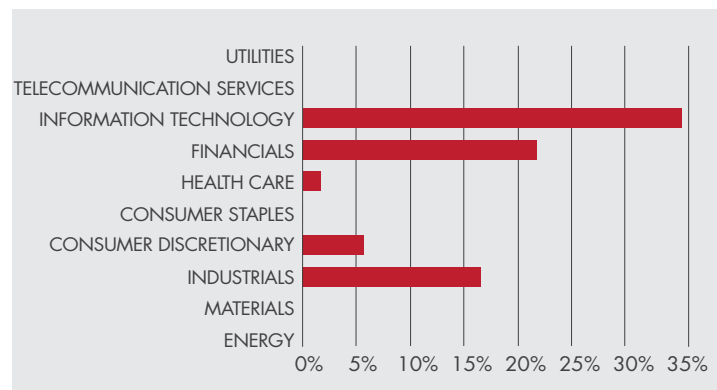
The Fund entered the month of June with cash holdings of 18.3 per cent of the portfolio. While we remain highly optimistic for the future performance of the businesses that we own, we continue to advance with a degree of caution relating to the risks associated with the normalisation of monetary policies in the US and elsewhere; combined with the ongoing rockiness in the US-China relationship.

**TOP COMPLETED HOLDINGS\*** (TCH) (at 31 May 2018, out of 19 holdings)

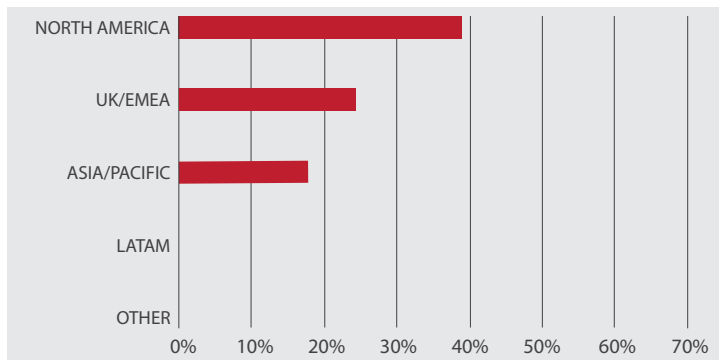
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Insperty	US	3,865	6.4
51job	CN	6,629	6.2
Facebook	US	555,340	5.8
St James's Place	GB	8,386	5.7
Alibaba	CN	507,134	5.5
Wells Fargo	US	263,086	5.0
Apple	US	918,492	4.9
Travelers Companies	US	34,734	4.8
Union Pacific	US	109,960	4.4
REA Group	AU	8,553	4.1
<b>PORTFOLIO MEDIAN</b>		<b>32,713</b>	<b>4.1</b>
<b>Total equity weighting</b>			<b>81.7</b>
<b>Total cash weighting</b>			<b>18.3</b>

\*Top Completed Holdings are businesses we own but are not actively buying or selling at the time of writing.

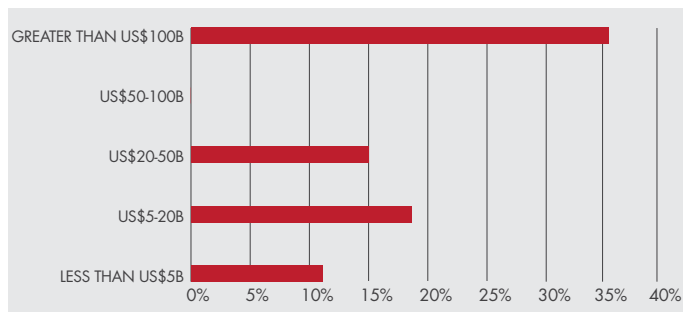
**GICS SECTOR INDUSTRY EXPOSURE**



**GEOGRAPHIC - COUNTRY OF DOMICILE**



**MARKET CAPITALISATION EXPOSURE**



#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. This report was prepared by Montgomery Global Investment Management Pty Ltd, (ACN 604 878 533) (CAR) #001 007 050 (Montgomery) the investment manager of the Montgomery Global Equities Fund (Managed Fund). The issuer of units in Montgomery Global Equities Fund (Managed Fund) is the Fund's responsible entity Perpetual Trust Services Limited ACN 000 142 049 (AFSL 236648). Copies of the PDS are available from Montgomery Global Investment Management (02) 8046 5000 or online at [www.montinvest.com/mogl](http://www.montinvest.com/mogl) Before making any decision to make or hold any investment in the Fund you should consider the PDS in full. The information provided is general information only and does not take into account your investment objectives, financial situation or particular needs. You should consider your own investment objectives, financial situation and particular needs before acting upon any information provided and consider seeking advice from a financial advisor or stockbroker if necessary. You should not base an investment decision simply on past performance. Past performance is not an indicator of future performance. Returns are not guaranteed and so the value of an investment may rise or fall.