

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

MGIM 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 (AUD)

\$87.9M

MANAGEMENT COST

1.32% per annum, inclusive of GST/RITC.

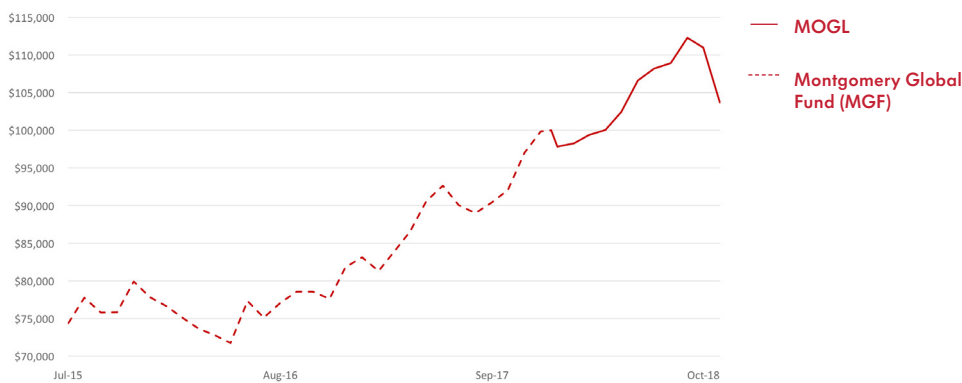
PERFORMANCE FEES

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

PERFORMANCE GRAPH



Performance Graph Monthly Index: \$100,000 = MOGL inception date²

CONTACT DETAILS

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PORTFOLIO PERFORMANCE (to 31 October 2018, after all fees)

	INCOME	CAPITAL GROWTH	FUND RETURN	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	-5.84%	-5.84%	-5.41%	-0.43%
3 months	0.00%	-4.83%	-4.83%	-1.06%	-3.77%
6 months	2.51%	-1.29%	1.22%	4.20%	-2.98%
MOGL (since inception) ²	2.57%	1.10%	3.67%	5.84%	-2.17%
MGF (since inception) ³	19.62%	20.11%	39.73%	33.41%	6.32%

¹ In Australian dollars ² Inception: 20 December 2017 ³ Inception: 1 July 2015

Past performance is not an indicator of future performance. Returns are not guaranteed and so the value of an investment may rise or fall.



FUND COMMENTARY

In the month of October, the Montgomery Global Equities Fund (Managed Fund) (the Fund) declined by 5.84 per cent, net of fees. Over the same period, the MSCI World Net Total Return Index in Australian dollar terms (the Benchmark) also declined, by 5.41 per cent. Since inception, the Fund has increased by 3.67 per cent, net of fees. Over the same period, the Benchmark increased by 5.84 per cent.

October marked a challenging month for global equity investors. The period was characterised by significant declines in equity markets all around the world. Interestingly, however, not all sectors declined to the same extent. In the S&P 500, for example, Utilities and Telecommunications were the highest performing sectors averaging a flat return for the month. Compare this to, say, Technology and Industrials which both declined by more than nine per cent in USD terms.

On a relative basis, this inter-sector dispersion hurt the Fund in October. We do not own any Utilities or Telecommunications, for example. In large part, stocks in these sectors, acting as bond-substitutes in a low-interest-rate world, have been bid up to levels of substantial overvaluation. While they may have acted as the designated “defensive safe-haven” in the month of October, we believe they will ultimately underperform in future periods.

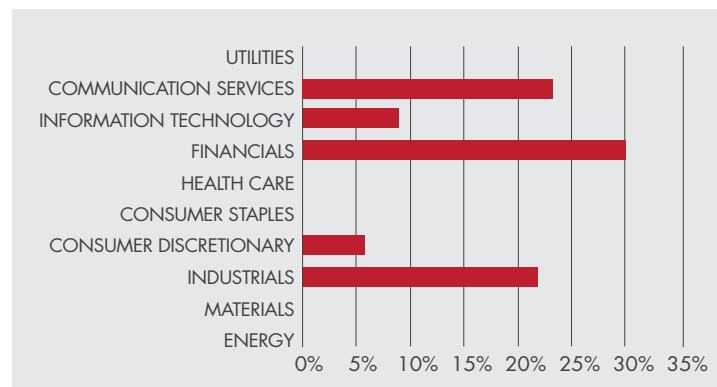
Many of the high-quality businesses owned by the Fund became materially cheaper in the month of October. As such, we took the opportunity to deploy a substantial portion of the Fund’s cash holdings into these opportunities. We expect them to materially outperform in future periods.

TOP COMPLETED HOLDINGS* (TCH) (at 31 October 2018, out of 20 holdings)

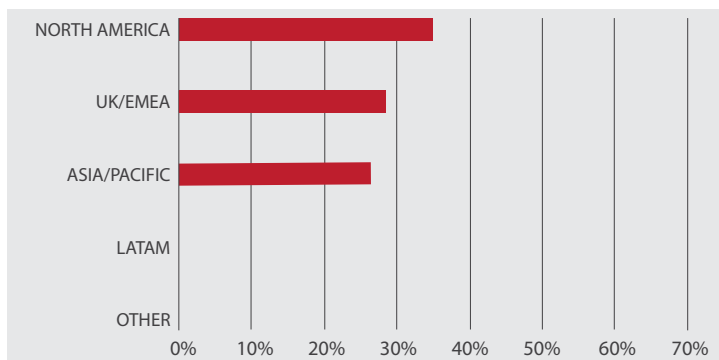
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
51job	CN	3,791	6.1
Insperty	US	4,605	5.8
Vivendi	FR	31,540	5.8
St James's Place	GB	6,848	5.6
Swedbank	SE	25,455	5.6
Facebook	US	436,852	5.5
Prudential	GB	51,960	5.4
REA Group	AU	6,672	5.0
Wells Fargo	US	250,798	5.0
Microsoft	US	825,525	4.6
PORTFOLIO MEDIAN		68,859	4.6
Total equity weighting			88.7
Total cash weighting			11.3

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

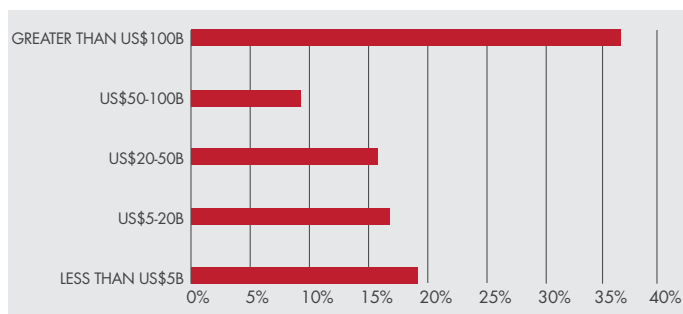
GICS SECTOR INDUSTRY EXPOSURE



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 MGIM 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. 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.