

# 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)

\$98.3M

### MANAGEMENT COST

1.32% per annum, inclusive of GST/RITC.

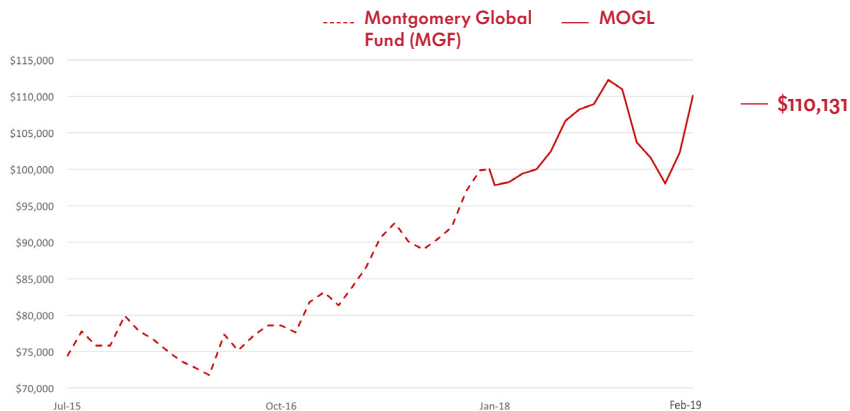
### PERFORMANCE FEES

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

DEAN CURNOW

t: 02 8046 5019

e: [dcurnow@montinvest.com](mailto:dcurnow@montinvest.com)

### ADVISERS, RESEARCHERS AND PLATFORMS

SCOTT PHILLIPS (NSW, ACT & QLD)

t: 02 8046 5005

e: [sphillips@montinvest.com](mailto:sphillips@montinvest.com)

DAVID DENBY (VIC, TAS, SA & WA)

t: 0455 086 484

e: [ddenby@montinvest.com](mailto:ddenby@montinvest.com)

## PORTFOLIO PERFORMANCE (to 28 February 2019, after all fees)

	INCOME	CAPITAL GROWTH	FUND RETURN	MSCI WORLD NET TOTAL RETURN INDEX <sup>1</sup>	OUT/UNDER PERFORMANCE
1 month	0.00%	7.66%	<b>7.66%</b>	5.57%	2.09%
3 months	2.14%	6.26%	<b>8.40%</b>	5.29%	3.11%
6 months	1.94%	-3.85%	<b>-1.91%</b>	-1.74%	-0.17%
12 months	4.73%	6.09%	<b>10.82%</b>	10.00%	0.82%
MOGL (since inception) <sup>2</sup>	4.70%	5.43%	<b>10.13%</b>	9.39%	0.74%
MGF (since inception) <sup>3</sup>	19.62%	28.97%	<b>48.59%</b>	37.88%	10.71%

<sup>1</sup> In Australian dollars <sup>2</sup> Inception: 20 December 2017 <sup>3</sup> 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 February, the Montgomery Global Equities Fund (Managed Fund) (the Fund) increased by 7.66 per cent, net of fees. This is higher than the MSCI World Total Return Index in Australian dollar terms (the Benchmark) which increased by 5.57 per cent over the month. Since inception, the Fund has returned 10.13 per cent, net of fees, despite holding an average of 17.5 per cent of the portfolio in cash. By comparison, the Benchmark – which does not hold any cash – returned 9.39 per cent over the same period.

The strong start to the calendar year in global equities continued in the month of February. Pleasingly, the Fund was able to outpace the market, despite our cash holdings. Our performance was driven by very strong financial results for periods ending 31 December by many of our businesses, including Insperty (NYSE: NSP), Airbus (Euronext: AIR) and Vivendi (Euronext: VIV), owner of Universal Music Group.

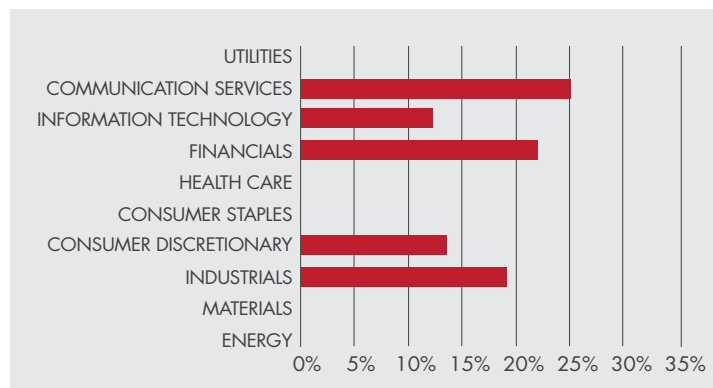
The recent stock price performance of Insperty is an interesting case study in why the stock market is not efficient all the time. Over the last five months, the market capitalisation of this business declined from US\$5 billion, to US\$3.6 billion before returning to more than US\$5 billion. Nothing at all changed in this business. Results were strong in Q3. Results were strong in Q4. The US economy remained strong throughout the period. And yet the market valued Insperty at very different levels at different times. We thought this made no sense and added to our Insperty position at the lower stock prices. Interestingly, on the company’s Q4 earnings call, management disclosed that they too could not make sense of the stock price declines, leading them to accelerate the company’s stock buy-back program.

**TOP COMPLETED HOLDINGS\* (TCH) (at 28 February 2019, out of 19 holdings)**

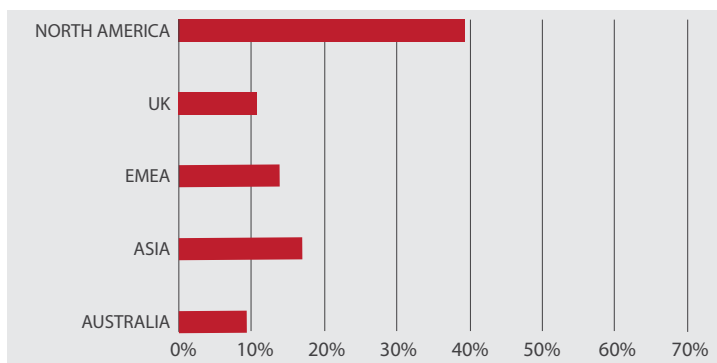
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Vivendi	FR	38,179	7.0
Prudential	GB	54,683	6.6
Microsoft	US	859,518	6.3
Challenger	AU	3,490	5.9
Alphabet	US	780,692	5.8
Apple	US	816,451	5.4
Facebook	US	460,777	5.3
Insperty	US	5,169	5.3
Ping An	CN	191,712	4.8
Lear	US	9,507	4.6
<b>PORTFOLIO MEDIAN</b>		<b>54,683</b>	<b>4.6</b>
<b>Total equity weighting</b>			<b>89.7</b>
<b>Total cash weighting</b>			<b>10.3</b>

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

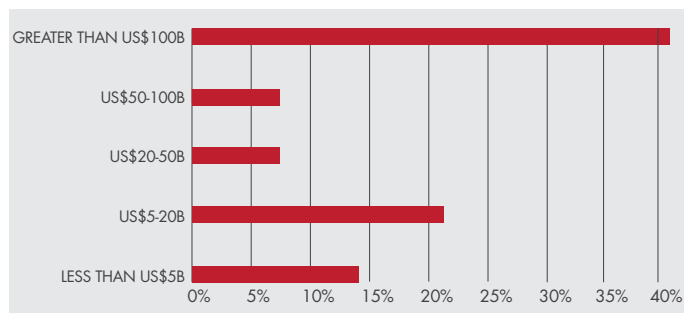
**GICS SECTOR INDUSTRY EXPOSURE**



**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 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](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.