

## 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)

\$102.4M

#### MANAGEMENT COST

1.32% per annum, inclusive of GST/RITC.

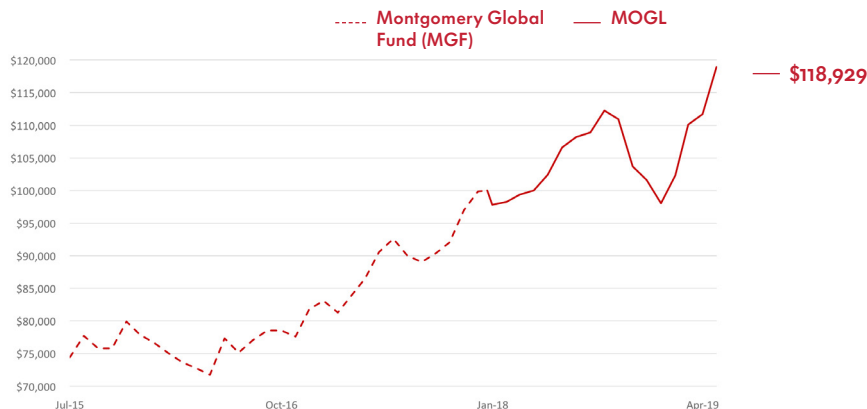
#### PERFORMANCE FEES

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



### CONTACT DETAILS

#### INVESTORS

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### PORTFOLIO PERFORMANCE (to 30 April 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%	6.48%	6.48%	4.50%	1.98%
3 months	0.00%	16.26%	16.26%	11.94%	4.32%
6 months	2.10%	12.62%	14.72%	9.59%	5.13%
12 months	4.59%	11.53%	16.12%	14.19%	1.93%
MOGL (since inception) <sup>2</sup>	4.70%	14.23%	18.93%	15.99%	2.94%
MGF (since inception) <sup>3</sup>	19.62%	40.84%	60.46%	46.21%	14.25%

<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 April, the Montgomery Global Equities Fund (Managed Fund) (the Fund) returned 6.48 per cent, net of fees. Over the same period, the MSCI World Net Total Return Index in Australian dollar terms (the Benchmark) returned 4.50 per cent. Since inception, the Fund has returned 18.93 per cent, net of fees, despite holding 17 per cent of the Fund in cash, on average. By comparison, the Benchmark – which carries zero cash – has returned 15.99 per cent over the same period.

The filing of financial results for the first calendar quarter of 2019 commenced in the month of April. At the time of writing, we are satisfied with how the Fund's portfolio businesses are performing.

Stand-out performers continue to be US-based human resources platform, Insperity (NYSE: NSP); Microsoft (NASDAQ: MSFT), which is rapidly becoming the cloud-based technology platform for the global enterprise; and US rail operator, Union Pacific (NYSE: UNP).

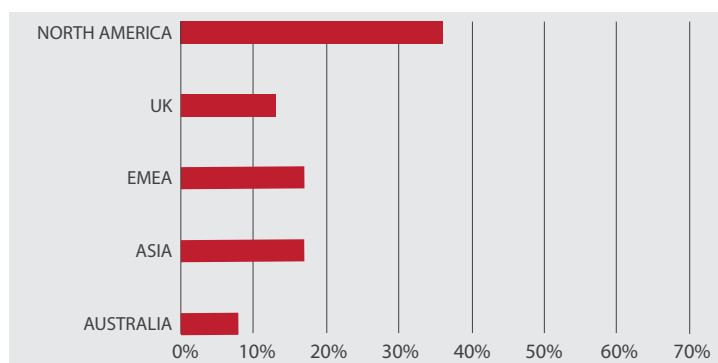
Facebook (NASDAQ: FB), one of the Fund's larger holdings, also continued to deliver very strong financial results. Despite valid concerns around privacy and security, it is clear that Facebook's properties remain the most attractive for digital advertisers in terms of return-on-ad-spend metrics. It is quite remarkable that a stock this valuable and widely-followed is up by approximately 50 per cent in just the last four months. In our view, this reflects how mispriced the business was in late 2018.

## TOP COMPLETED HOLDINGS\* (TCH) (at 30 April 2019, out of 22 holdings)

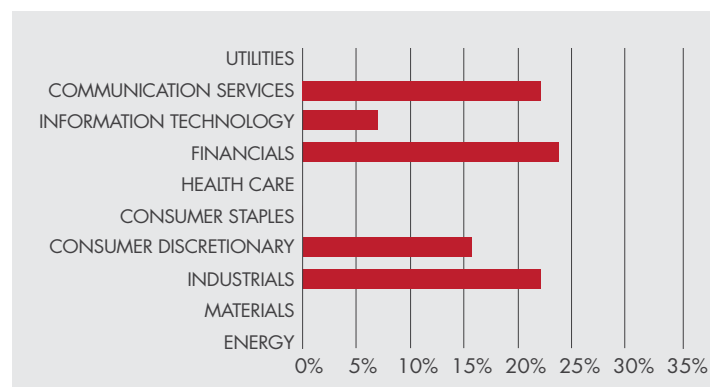
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
Prudential	GB	58,783	6.5
Vivendi	FR	37,986	6.4
Challenger	AU	3,544	5.6
Lear	US	8,903	4.9
Insperity	US	4,932	4.8
Ping An	CN	228,175	4.7
Alphabet	US	828,477	4.6
Facebook	US	552,099	4.5
Tencent	CN	470,894	4.2
St James's Place	GB	7,755	4.2
<b>PORTFOLIO MEDIAN</b>		<b>28,182</b>	<b>4.1</b>
<b>Total equity weighting</b>			<b>91.1</b>
<b>Total cash weighting</b>			<b>8.9</b>

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

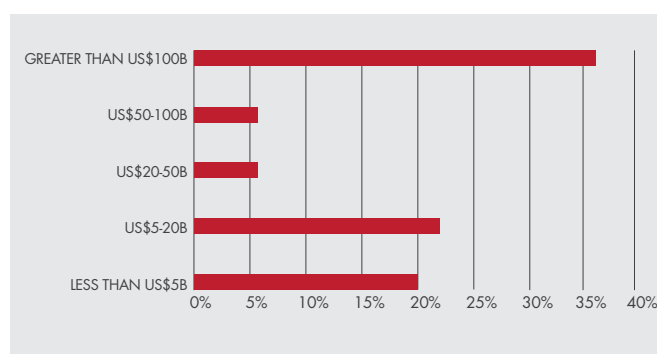
## GEOGRAPHIC - COUNTRY OF DOMICILE



## GICS SECTOR INDUSTRY EXPOSURE



## 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.