

## 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.

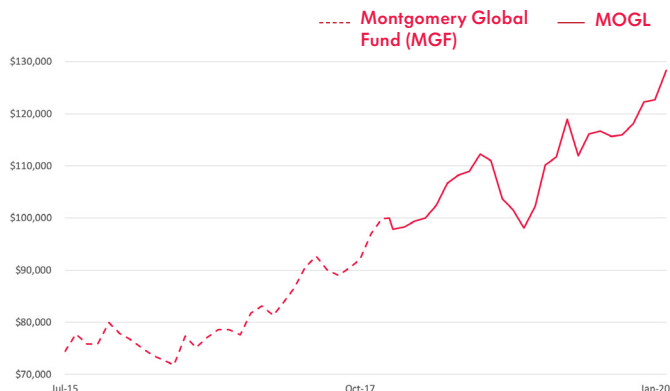
#### PERFORMANCE FEES

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



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

### CONTACT DETAILS

#### INVESTORS

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### PORTFOLIO PERFORMANCE (to 31 January 2020, after all fees)

|                                     | INCOME | CAPITAL GROWTH | FUND RETURN | MSCI WORLD NET TOTAL RETURN INDEX <sup>1</sup> | OUT/UNDER PERFORMANCE |
|-------------------------------------|--------|----------------|-------------|------------------------------------------------|-----------------------|
| 1 month                             | 0.00%  | 4.62%          | 4.62%       | 4.36%                                          | 0.26%                 |
| 3 months                            | 2.33%  | 6.33%          | 8.66%       | 8.28%                                          | 0.38%                 |
| 6 months                            | 2.36%  | 7.62%          | 9.98%       | 11.13%                                         | -1.15%                |
| 12 months                           | 7.75%  | 17.70%         | 25.45%      | 28.23%                                         | -2.78%                |
| 2 years (p.a.)                      | 6.06%  | 8.23%          | 14.29%      | 15.36%                                         | -1.07%                |
| MOGL (since inception) <sup>2</sup> | 12.27% | 16.06%         | 28.33%      | 32.87%                                         | -4.54%                |
| MGF (since inception) <sup>3</sup>  | 35.18% | 38.03%         | 73.21%      | 67.48%                                         | 5.73%                 |

<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.

# Montgomery Global Equities Fund (MANAGED FUND)

## FUND COMMENTARY

In the month of January, the Montgomery Global Equities Fund (the Fund) increased by 4.62 per cent, net of fees. This compared favourably to the MSCI World Total Return Index in Australian dollar terms (the Benchmark) which increased by 4.36 per cent. Since inception, the Fund has increased by 28.33 per cent, net of fees. This net return was delivered with an average cash holding in the Fund of 14.6 per cent. By comparison, the Benchmark – which naturally carries zero cash – returned 32.87 per cent over the same period.

After an unpredictable 2019, the new calendar year is off to an equally unpredictable start. The Trump Administration risked a war with Iran and signed a Phase One trade deal with China by the second week of the month. By the end of the month, the UK had officially exited the EU. And in China, a contagious virus commenced its rapid spread, sparking an unprecedented shut-down of Wuhan – a city of more than 11 million.

At the time of writing, a significant share of China's productive capacity remained shut-down. On January 24, we commenced reducing the Asian exposure in our portfolio and building cash. In our simple minds, the possible outcomes relating to this virus ranged from moderately bad, to very bad. As we gain more clarity on the virus being contained, we will look to redeploy this cash back into high-quality Asian businesses that remain undervalued.

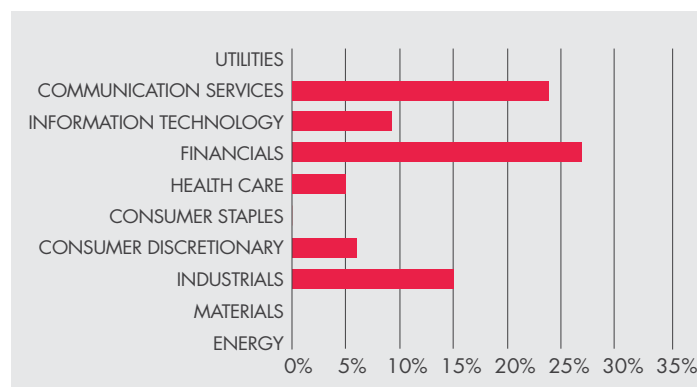
This month also marked the commencement of the fourth calendar quarter earnings period for many of our portfolio holdings. At the time of writing, we are very happy with the performances that have been delivered by our businesses.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 January 2020, out of 21 holdings)

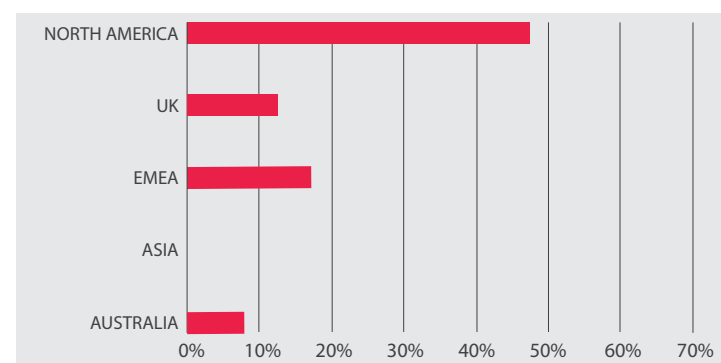
| COMPANY NAME                  | COUNTRY OF DOMICILE | MARKET CAP (\$USDM) | WEIGHT (%)  |
|-------------------------------|---------------------|---------------------|-------------|
| St James's Place              | GB                  | 8,080               | 7.0         |
| Vivendi                       | FR                  | 32,535              | 6.8         |
| Microsoft                     | US                  | 1,294,777           | 5.9         |
| Facebook                      | US                  | 575,534             | 5.9         |
| Airbus                        | FR                  | 115,752             | 5.7         |
| Alphabet                      | US                  | 988,702             | 5.6         |
| Floor & Decor                 | US                  | 4,983               | 5.5         |
| REA Group                     | AU                  | 10,052              | 4.8         |
| Unitedhealth                  | US                  | 258,123             | 4.6         |
| Rheinmetall                   | DE                  | 4,673               | 4.2         |
| <b>PORTFOLIO MEDIAN</b>       |                     | <b>26,994</b>       | <b>3.7</b>  |
| <b>Total equity weighting</b> |                     |                     | <b>85.3</b> |
| <b>Total cash weighting</b>   |                     |                     | <b>14.7</b> |

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

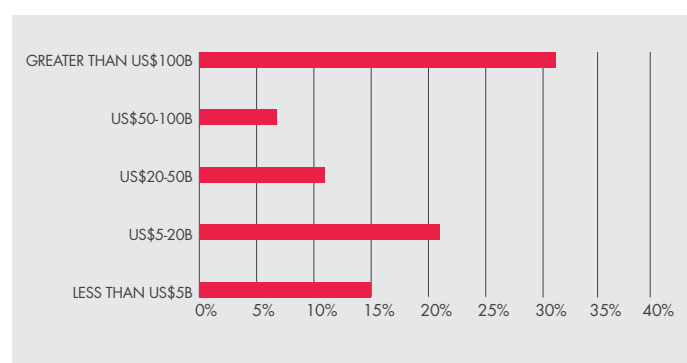
## GICS SECTOR INDUSTRY EXPOSURE



## 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) AFSL 516 942 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.