

## 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

\$72.0 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 March 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%	0.64%	<b>0.64%</b>	-0.69%	1.33%
3 months	0.00%	2.23%	<b>2.23%</b>	0.60%	1.63%
MOGL (since inception) <sup>2</sup>	0.00%	0.01%	<b>0.01%</b>	-1.24%	1.25%
MGF (since inception) <sup>3</sup>	12.10%	22.55%	<b>34.66%</b>	24.49%	10.17%

<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 March, the Montgomery Global Equities Fund (Managed Fund) (The Fund) delivered 0.64 per cent, net of fees. This compared favourably to the MSCI World Total Return Index in Australian dollar terms (the Benchmark) which declined by 0.69 per cent over the same period. Since inception of the underlying strategy, the Montgomery Global Fund (MGF) has returned 34.66 per cent, net of fees, versus the Benchmark which returned 24.49 per cent, over the same period.

Volatility continued in the month of March with President Trump's announcement of new protectionist trade measures in the form of tariffs. These announcements were a major source of anxiety for global equity markets. Our view is that the market is right to be nervous, but not because of the tariffs that have been announced. It is, instead, the continued deterioration in the broader US-China relationship, which is roiling equity markets.

In terms of stock holdings, The Fund's standout performer during March was Prada (HKEx: 1913). MGF has owned this luxury business since mid-2017 on the basis that it remained an iconic brand, was reinventing its digital offering and was well-positioned in an accelerating global luxury space. The expectations built into the stock's price were simply too low and are now starting to re-rate upwards.

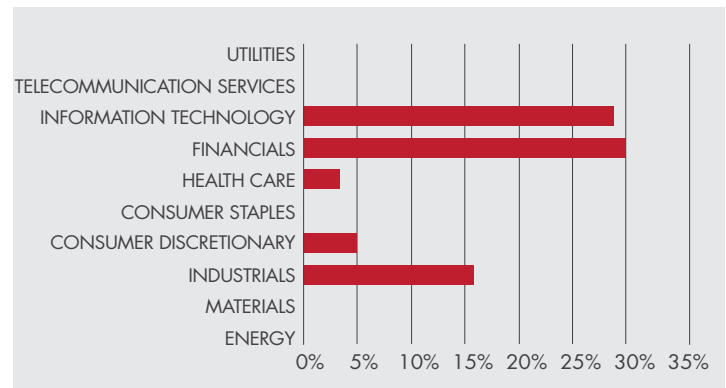
On the negative side was Facebook (NASDAQ: FB) which is dealing with a public relations nightmare over the misuse of member data by Cambridge Analytica. Our current view is that the \$100 billion reduction in company market value during the month is a gross overreaction and the business remains significantly undervalued. We added to our position in March.

## TOP COMPLETED HOLDINGS\* (TCH) (at 31 March 2018, out of 20 holdings)

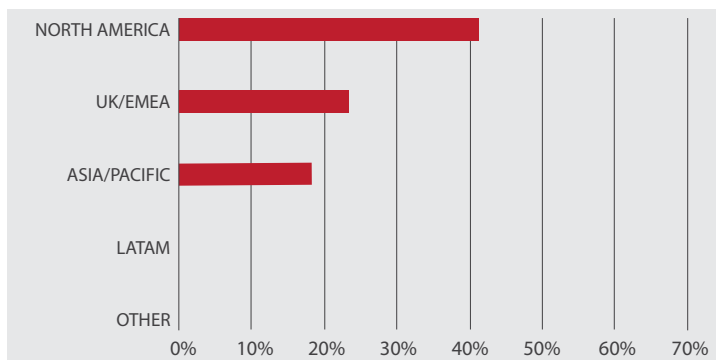
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
St James's Place	GB	8,058	5.9
Inspirety	US	2,921	5.6
51job	CN	5,322	5.4
Facebook	US	464,190	5.3
Wells Fargo	US	255,556	5.3
Union Pacific	US	104,261	5.1
Travelers Companies	US	37,690	4.8
REA Group	AU	8,019	4.7
Alibaba	CN	470,074	4.4
Apple	US	851,318	4.2
<b>PORTFOLIO MEDIAN</b>		<b>33,645</b>	<b>4.1</b>
<b>Total equity weighting</b>			<b>82.6</b>
<b>Total cash weighting</b>			<b>17.4</b>

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

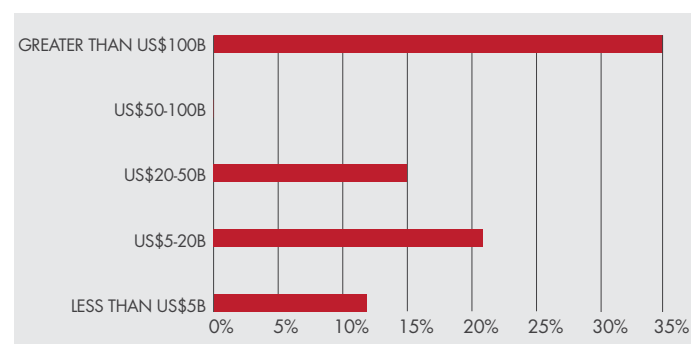
## GICS SECTOR INDUSTRY EXPOSURE



## 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.