

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

\$85.9 M

MANAGEMENT COST

1.32% per annum, inclusive of GST/RITC.

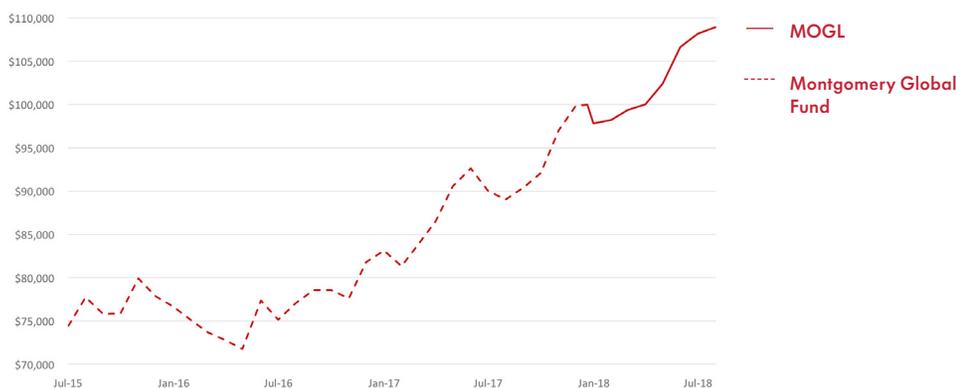
PERFORMANCE FEES

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

PERFORMANCE GRAPH



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

CONTACT DETAILS

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

	INCOME	CAPITAL GROWTH	FUND RETURN	MSCI WORLD NET TOTAL RETURN INDEX ¹	OUT/UNDER PERFORMANCE
1 month	0.00%	0.67%	0.67%	2.49%	-1.82%
3 months	2.51%	3.84%	6.35%	5.32%	1.03%
6 months	2.62%	8.26%	10.88%	7.15%	3.73%
MOGL (since inception) ²	2.57%	6.36%	8.93%	6.97%	1.96%
MGF (since inception) ³	19.62%	26.95%	46.57%	34.84%	11.73%

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



FUND COMMENTARY

In the month of July, the Montgomery Global Equities Fund (Managed Fund) (the Fund) increased by 0.67 per cent, net of fees. This was less than the MSCI World Net Total Return Index in Australian dollar terms (the Benchmark) which increased by 2.49 per cent over the month. Since inception, the Fund has increased by 8.93 per cent, net of fees, despite holding approximately 20 percent of the Fund in cash. Over the same period, the Benchmark – which does not hold cash – increased by 6.97 per cent.

July marked the commencement of earnings season for the June quarter. Thus far, the earnings reported by the Fund’s holdings relative to expectations have been mixed. On the positive side, Insperty (NYSE: NSP) and Apple (NASDAQ: AAPL) both delivered stellar results which materially exceeded the market’s expectations. Their stock prices increased by 10.7 per cent and 5.9 per cent, respectively, on the day following.

On the negative side was Facebook (NASDAQ: FB) which guided to lower profit margins over the coming years – a clear surprise to the market. Facebook’s management team have taken the decision to rapidly accelerate future investment. This was a choice made by Facebook management on the basis that it would position the business more strongly for the future. On this basis, the 19 per cent decline in the stock price the following day appears to us like an overreaction.

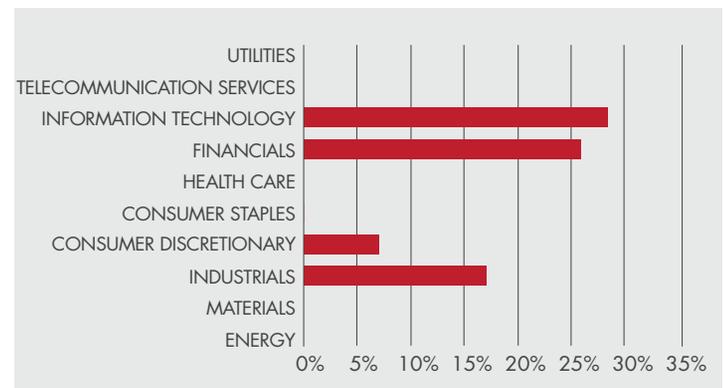
It is worth highlighting how we handled the sizing of our Facebook position within the Fund’s portfolio. In the days prior to the result and following significant stock price appreciation, we reduced the size of the Fund’s position in Facebook by about 25 per cent. In the days following the result, we bought back approximately the same amount – at a heavily discounted price.

TOP COMPLETED HOLDINGS* (TCH) (at 31 July 2018, out of 19 holdings)

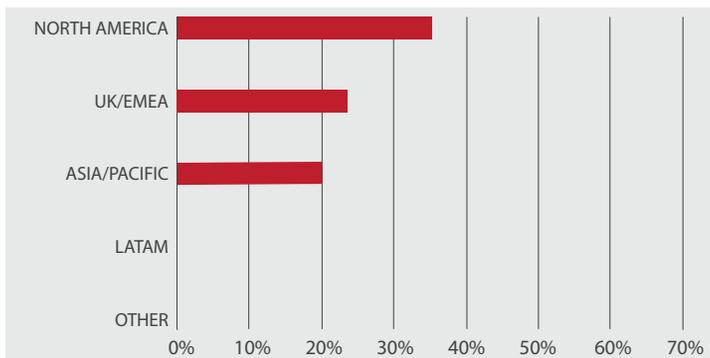
COMPANY NAME	COUNTRY OF DOMICILE	MARKET CAP (\$USDM)	WEIGHT (%)
51job	CN	5,718	5.7
St James's Place	GB	8,375	5.5
Travelers Companies	US	34,836	5.2
Insperty	US	3,995	5.2
Alibaba	CN	485,335	5.1
Wells Fargo	US	277,805	5.1
Vivendi	FR	33,893	4.4
Facebook	US	498,276	4.4
Apple	US	921,559	4.4
Swedbank	SE	26,807	4.2
PORTFOLIO MEDIAN		34,836	4.2
Total equity weighting			78.7
Total cash weighting			21.3

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

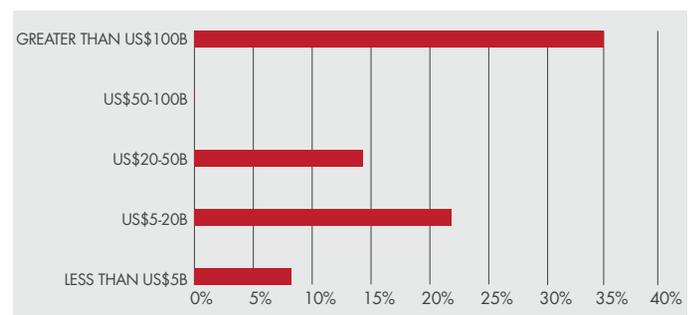
GICS SECTOR INDUSTRY EXPOSURE



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 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 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.

