THE MONTGOMERY FUND

INVESTMENT REPORT & FACT SHEET

FUND FACTS

INVESTMENT MANAGER
Montgomery Investment Management Pty Ltd

SUB-INVESTMENT MANAGER
Australian Eagle Asset Management Pty Ltd and their 18 year track record has been appointed as the sub-investment manager from 12 September 2022.

OBJECTIVE
The Montgomery Fund aims to outperform the index over a rolling 5-year period.

STYLE
Active, bottom-up, fundamental, quality

BENCHMARK
The S&P/ASX 300 Accumulation Index

FUND CONSTRUCTION
The Fund's All Cap portfolio will typically comprise 25-35 high-conviction stocks listed on the ASX.

APIR
FHT0030AU

RECOMMENDED INVESTMENT TIMEFRAME
5 years

MINIMUM INITIAL INVESTMENT
$25,000

PORTFOLIO MANAGERS
Sean Sequeira
Alan Kwan

INCEPTION DATE
17 AUGUST 2012

FUND SIZE
$311.3M

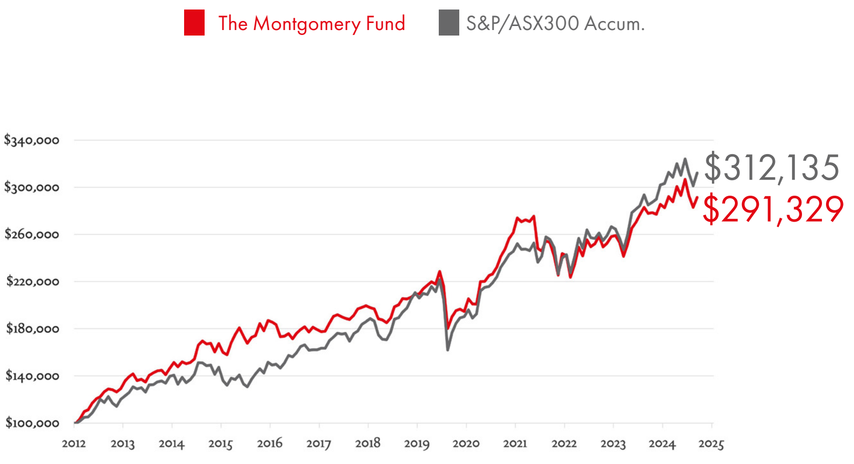
MANAGEMENT FEES AND COSTS
1.36% per annum[1]

PERFORMANCE FEES
15.38% of the total return of The Fund that is in excess of the Index.[1]

[1] See page 5 of the PDS for more information

APPLICATION & REDEMPTION PRICES
montinvest.com/tmf

PERFORMANCE GRAPH



DISTRIBUTIONS

HALF-YEAR TO	CENTS PER UNIT	DISTRIBUTION RETURN (%)
December 2024	1.3217	0.88
June 2024	11.4223	7.87
December 2023	2.1568	1.51
June 2023	4.4834	3.25
December 2022	1.5263	1.07
June 2022	14.4221	8.20
December 2021	1.0019	0.59
June 2021	5.0329	3.46
December 2020	0.4601	0.35
June 2020	0.0857	0.06

PORTFOLIO PERFORMANCE

(to 30 April 2025, after all fees)

	1 month	3 months	6 months	12 months	3 years (p.a.)	5 years (p.a.)	7 years (p.a.)	10 years (p.a.)	Since inception[2]	Compound annual return (since inception)[2]
THE MONTGOMERY FUND	2.93%	-5.05%	1.22%	4.81%	4.80%	8.92%	6.18%	5.72%	191.33%	8.78%
S&P/ASX 300 ACCUM. INDEX	3.60%	-3.66%	1.14%	9.54%	6.85%	12.08%	8.54%	7.71%	212.13%	9.38%
OUT/UNDER PERFORMANCE	-0.67%	-1.39%	0.08%	-4.73%	-2.05%	-3.16%	-2.36%	-1.99%	-20.80%	-0.60%
Fund performance prior to 12 September 2022 is not attributable to the current sub-investment manager, but the previous investment manager. Presented below is the longer-term record of the current sub-investment manager's strategy since its inception.										
AUSTRALIAN EAGLE COMPOSITE[3]	2.93%	-5.05%	1.22%	4.81%	5.62%	12.72%	9.88%	10.84%	566.49%	9.83%
S&P/ASX 300 ACCUM. INDEX	3.60%	-3.66%	1.14%	9.54%	6.85%	12.08%	8.54%	7.71%	348.96%	7.71%
OUT/UNDER PERFORMANCE	-0.67%	-1.39%	0.08%	-4.73%	-1.23%	0.64%	1.34%	3.13%	217.54%	2.12%

[2] 17 August 2012

[3] The inception date of the Australian Eagle Composite is 07 February 2005. The performance represents the Australian Eagle SMA performance adjusted to include The Montgomery Fund's fees. 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. The returns in the composite include the Australian Eagle returns from 7 February 2005 to 30 September 2022, and from this point onwards include the returns in The Montgomery Fund (the first full month Australian Eagle commenced as the investment manager for this product).

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. Past performance is not indicative of future performance.

TOP COMPLETED HOLDINGS* (TCH)

(a 30 April 2025)

COMPANY NAME	ASX CODE	SECTOR	WEIGHT (%)
Commonwealth Bank of Australia	CBA	Financials	8.89
Cochlear	COH	Health Care	6.11
QBE Insurance Group	QBE	Financials	5.88
Rio Tinto	RIO	Materials	5.74
CSL	CSL	Health Care	5.08
ASX	ASX	Financials	4.99
Xero	XRO	Information Technology	4.81
Macquarie Group	MQG	Financials	4.69
Wesfarmers	WES	Consumer Discretionary	4.04
Dexus	DXS	Real Estate	3.84
Total equity weighting			97.25
Total cash weighting			2.75

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

TOP 3 CONTRIBUTORS AND DETRACTORS

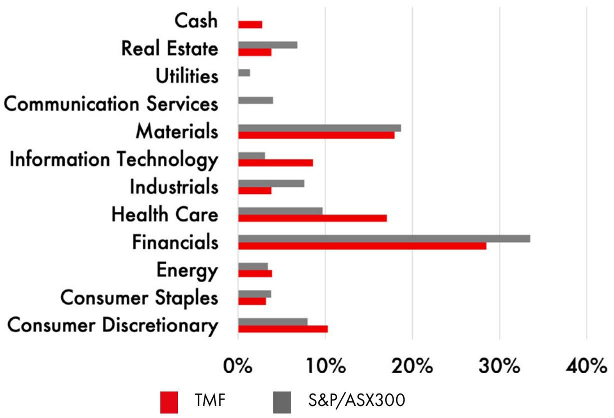
CONTRIBUTORS

ASX	The share price outperformed as increased trading volumes from market volatility boosted revenue.
Wesfarmers	The share price rose after announcing Bunnings' entry into the auto accessories market.
Xero	The share price rose with large U.S. technology stocks.

DETRACTORS

Pilbara Minerals	The share price fell with the lithium price.
Silex Systems	The share price fell amid broader uranium sector softness.
Web Travel Group	The share price fell after Flight Centre downgraded its outlook due to lower corporate and consumer confidence in the U.S.

INDUSTRY EXPOSURE



MARKET CAPITALISATION

	TMF (%)	S&P/ ASX300 (%)	ACTIVE (%)	# STOCKS
ASX 1 -20	50.4	60.1	-9.7	14
ASX 21-50	22.1	17.5	4.5	6
ASX 51 -100	13.3	11.8	1.5	5
ASX 101 -200	7.7	8.0	-0.4	4
ASX 201 -300	3.9	2.6	1.3	2
Ex S&P/ ASX 300	0.0		0.0	0
Cash	2.8			
Total	100.0			31

CONTACT DETAILS

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PLATFORMS WE ARE ON: Asgard · BT Panorama · Colonial First Wrap · Clearview Wealthsolutions · Investment Exchange (IX) · Clearstream · DASH · HUB24 · Xplore Wealth · Macquarie Wrap · Mason Stevens · MLC/Navigator · Netwealth · North · OneVue · Praemium · Powerwrap

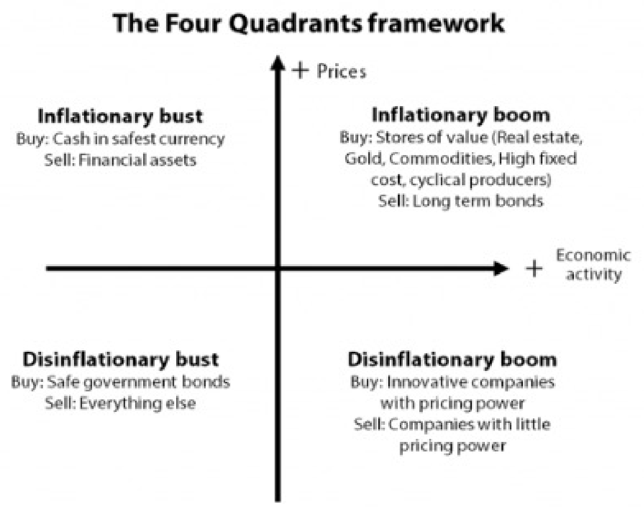
In April, The Montgomery Fund (The Fund) returned a satisfying 2.93 per cent after fees, marginally trailing the S&P/ASX 300 Accumulation Index's 3.60 per cent by 0.67 per cent. While several portfolio holdings benefited from company-specific catalysts, broader market conditions remained unsettled amid heightened geopolitical tensions and cautious signals from central banks.

The month was marked by renewed volatility as escalating trade disputes took centre stage. Early April saw President Trump announce sweeping 'Liberation Day' tariffs – including a 10 per cent blanket tariff on all imports and country-specific duties reaching 145 per cent on imports from China. Somewhat predictably, China reciprocated, pushing its own reciprocal tariffs on imports from the U.S. to over 100 per cent. Though the tone between the U.S. and China softened as the month progressed, these developments rattled markets and reignited concerns over inflation, growth, and policy direction.

Against this backdrop, the U.S. Federal Reserve struck a careful balance, acknowledging that tariffs risk both elevating inflation and dampening demand (read stagflation).

Figure 1., reveals a matrix first presented by Gavekal Research in 1978. We excerpt a brief description of the 1978 matrix from the company's 2018 research note: *"...the aim of every economist was to figure out whether the coming year would bring an "inflationary boom" or an "inflationary bust." Yet the shift that ended up mattering for the next 30 years was not that from the left of the diagram to the right (these shifts tend to occur every five to seven years), but the move from the top of the diagram to the bottom (these seem to occur every 30 to 50 years)."*

Figure 1. Where to invest during booms and busts



Source: Gavekal Research, 1978

A key question for investors is whether the disinflationary boom environment (the lower right quadrant), which we have all enjoyed the benefits of since the COVID-19 pandemic, if not since the global financial crisis (GFC), suffers from a collapse in growth (a move left) or a pick-up in inflation (a move up).

Currently, investors seem divided, as is the U.S. Federal Reserve, between those who believe growth will stall, those who believe inflation will spike, those who believe both will occur (stagflation), and those who remain optimistic investors should worry about neither. The volatility we see is a function of the tension between these camps and a response to the daily data points, which point towards one outcome or another.

In April, the U.S. Treasury yield curve declined as markets priced in expectations of softer economic activity, while the Federal Reserve maintained its cautious outlook for modest rate reductions later this year.

The broader policy environment became more complex as President Trump floated the possibility of income tax cuts funded by tariff revenues and paused auto tariffs, leaving investors grappling with an increasingly fluid fiscal and trade landscape.

In China, economic pressures deepened. Manufacturing activity weakened to its lowest level in over a year, reinforcing concerns over the effectiveness of Beijing's targeted stimulus measures. While authorities reaffirmed their commitment to supporting employment and consumption, markets remained wary of the pace and potency of these efforts.

Amid global uncertainty, the Australian equity market fared relatively well. A rebound in risk appetite and stability in domestic earnings helped the local market outperform global peers by month's end. The Australian dollar strengthened to US64 cents, supported by commodity stability and a narrowing rate differential. The Reserve Bank of Australia kept the cash rate at 4.10 per cent, providing little forward guidance amid an evolving global outlook. Inflation remained contained at 2.4 per cent, while unemployment rose slightly to 4.1 per cent.

Portfolio activity and positioning

During the month, we increased our holdings in Commonwealth Bank of Australia (ASX:CBA), CSL (ASX:CSL), Judo Bank (ASX:JDO), and Woodside Energy (ASX:WDS), while initiating a new position in Life360 (ASX:360).

While Life360 may appear at first glance to be a simple location-tracking app, we see it as an emerging platform with deep emotional resonance and a rare level of trust among families. The company's differentiated positioning and operating system agnosticism allow it to serve as a guardian of family safety in a way that platform giants cannot easily replicate. Life360 has now reached a pivotal inflection point, with positive operating cash flow and adjusted earnings before interest, taxes, depreciation, and amortisation (EBITDA) supported by scale, customer retention, and pricing gains. With nearly 80 million monthly active users, a growing base of paying subscribers, and expanding international momentum, we see significant upside as the company evolves into a broader ecosystem offering services across family safety, pet tracking, elderly care, and targeted advertising.

We also reduced positions in BHP Group Ltd (ASX:BHP), Macquarie Group Ltd (ASX:MQG), National Australia Bank (ASX:NAB), Pilbara Minerals Ltd (ASX:PLS), ResMed Inc. (ASX:RMD), Transurban Group Ltd (ASX:TCL), TechnologyOne Ltd (ASX:TNE) and Xero Ltd (ASX:XRO).

Key contributors

Among the Fund's strongest contributors, ASX Ltd (ASX:ASX) performed well. Heightened market volatility lifted trading volumes and supported higher-margin activities, while investor sentiment improved around its disciplined cost control and progress on the CHESS replacement project.

Wesfarmers (ASX:WES) also contributed positively, driven by increasing investor confidence in Kmart's margin expansion, Anko's global opportunity, and Bunnings' entry into the auto accessories market, broadening its growth avenues.

Xero (ASX:XRO) enjoyed strong performance as investors responded positively to ongoing operating momentum, including average revenue per user (ARPU) growth and margin expansion, alongside a broader recovery in U.S. technology stocks.

On the downside, Pilbara Minerals (ASX:PLS) was impacted by continued weakness in spodumene prices and production issues at its Ngungaju plant. Nonetheless, the company's strong balance sheet and expansion projects leave it well placed for an eventual sector recovery.

SILEX Systems (ASX:SLX) declined amid softer uranium sentiment and ongoing concerns over cash burn and timelines.

Despite this, we remain invested, given its unique exposure to critical energy security technologies and the potential for U.S. government support.

Webjet (ASX:WEB) was another detractor as the travel sector reacted to emerging concerns of persistent margin pressure, amplified by downgrades from peers. However, we believe these are short-term and temporary concerns, and we remain optimistic on the longer-term outlook, given WebBeds' continued market share gains and the structural growth trajectory of global travel.

In closing

While global markets continue to navigate periods of heightened uncertainty, we remain focused on identifying and owning high-quality businesses with durable competitive advantages and attractive long-term prospects for the long-term. This disciplined approach, combined with active portfolio management, remains central to our objective of delivering superior risk-adjusted returns over time.