



# 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

\$319.0M

#### MANAGEMENT FEES AND COSTS

1.36% per annum<sup>1</sup>

#### PERFORMANCE FEES

15.38% of the total return of The Fund that is in excess of the Index.<sup>1</sup>

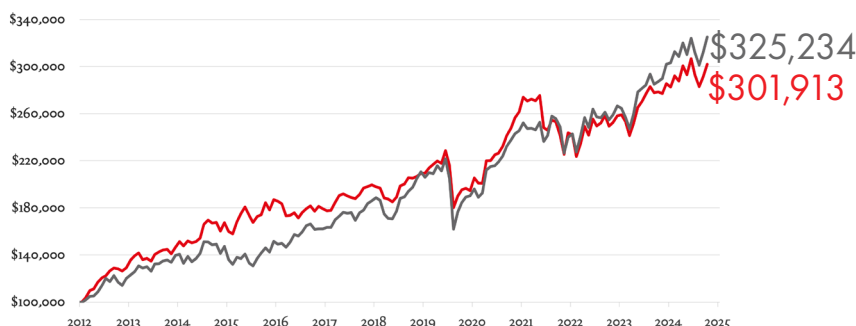
<sup>1</sup> See page 5 of the PDS for more information

#### APPLICATION & REDEMPTION PRICES

[montinvest.com/tmf](http://montinvest.com/tmf)

### PERFORMANCE GRAPH

■ The Montgomery Fund ■ S&P/ASX300 Accum.



### 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 31 May 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 <sup>2</sup>	Compound annual return (since inception) <sup>2</sup>
THE MONTGOMERY FUND	3.63%	3.16%	0.42%	8.40%	7.72%	9.09%	6.31%	6.06%	201.91%	9.03%
S&P/ASX 300 ACCUM. INDEX	4.20%	4.34%	1.64%	13.17%	9.34%	11.99%	8.99%	8.10%	225.23%	9.66%
OUT/UNDER PERFORMANCE	-0.57%	-1.18%	-1.22%	-4.77%	-1.62%	-2.90%	-2.68%	-2.04%	-23.32%	-0.63%

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 <sup>3</sup>	3.63%	3.16%	0.42%	8.40%	8.40%	11.80%	10.21%	11.07%	590.71%	9.98%
S&P/ASX 300 ACCUM. INDEX	4.20%	4.34%	1.64%	13.17%	9.34%	11.99%	8.99%	8.10%	367.80%	7.89%
OUT/UNDER PERFORMANCE	-0.57%	-1.18%	-1.22%	-4.77%	-0.94%	-0.19%	1.22%	2.97%	222.91%	2.09%

<sup>2</sup> 17 August 2012

<sup>3</sup> 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.



COMPANY NAME	ASX CODE	SECTOR	WEIGHT (%)
Commonwealth Bank of Australia	CBA	Financials	8.83
Cochlear	COH	Health Care	6.03
QBE Insurance Group	QBE	Financials	5.92
Rio Tinto	RIO	Materials	5.71
CSL	CSL	Health Care	4.98
ASX	ASX	Financials	4.97
Macquarie Group	MQG	Financials	4.76
Technology One	TNE	Information Technology	4.03
Wesfarmers	WES	Consumer Discretionary	4.00
Dexus	DXS	Real Estate	3.49
Total equity weighting			98.10
Total cash weighting			1.90

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

## TOP 3 CONTRIBUTORS AND DETRACTORS

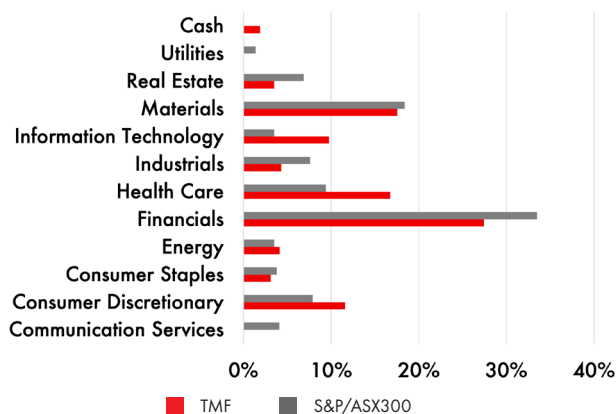
### CONTRIBUTORS

TechnologyOne	The share price outperformed after producing a strong half-year 2025 result.
Xero	The share price rose after reporting accelerating revenue growth and improving cost control.
Macquarie Group	The share price outperformed after strong earnings growth in their annuity style businesses.

### DETRACTORS

Pilbara Minerals	The share price fell as spodumene prices remained under pressure despite growing demand for Electric Vehicles.
Dexus	The share price fell after the company revealed their Asset Management arm faced allegations of breaching confidentiality terms.
Rio Tinto	The share price declined following the surprise resignation of CEO Jakob Stausholm.

## INDUSTRY EXPOSURE



## MARKET CAPITALISATION

	TMF (%)	S&P/ASX300 (%)	ACTIVE (%)	# STOCKS
ASX 1 -20	51.5%	59.5%	-8.1%	14
ASX 21-50	19.8%	17.8%	2.0%	6
ASX 51 - 100	15.5%	12.0%	3.5%	5
ASX 101 -200	7.0%	8.1%	-1.1%	3
ASX 201 -300	4.3%	2.6%	1.8%	2
Ex S&P/ ASX 300	0.0%		0.0%	0
Cash	1.9%			
Total	100.0%			30

## CONTACT DETAILS

### INVESTORS

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This report was prepared by Montgomery Investment Management Pty Ltd, AFSL No: 354564 ('Montgomery') the investment manager of The Montgomery Fund ('TMF'), ARSN 159 364 155. The Responsible Entity of The Fund is Fundhost Limited (ABN 69 092 517 087) (AFSL No: 233 045) ('Fundhost'). This document has been prepared for the purpose of providing general information, without taking into account your particular objectives, financial circumstances or needs. You should obtain and consider a copy of the Product Disclosure Document ('PDS') relating to the Fund before making a decision to invest. Both the PDS and the Target Market Determination are available here: <http://fundhost.com.au/investor/tmf>. While the information in this document has been prepared with all reasonable care, neither Fundhost nor Montgomery guarantees the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither Fundhost nor Montgomery, including their employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this report. Past performance is not indicative of future performance.

**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



The Montgomery Fund (The Fund) returned 3.63 per cent return after fees in May 2025, underperforming the 4.20 per cent return of the S&P/ASX 300 Accumulation Index by 0.57 per cent. The May reporting season for banks and certain technology stocks provided a strong boost to some specific holdings but some negative stock specific news resulted in overall portfolio underperformance.

Global equity markets continued to recover in May as investors digested a swirl of competing forces – tariff-related uncertainty, evolving central bank policy and early signs of stabilisation in some key economic indicators. In the U.S., a Federal court cast doubt on the legality of the Trump Administration's sweeping tariff measures, though the ruling was stayed pending appeal. Despite the legal wrangling, geopolitical rhetoric softened mid-month, with the U.S. and China agreeing to a 90-day reduction in reciprocal tariffs and both sides signalling tentative willingness to re-engage in trade talks. A similar dynamic played out in the U.S.-EU context, with threatened tariffs on European goods delayed until July following preliminary discussions.

U.S. bond yields moved higher, with the 10-year Treasury ending the month at 4.40 per cent, reflecting the growing weight of fiscal pressures and a recent Moody's downgrade of the U.S. sovereign credit rating. In China, manufacturing activity stabilised after months of contraction, helped in part by a series of targeted domestic stimulus measures, even as overall demand indicators remained muted. Energy markets reacted favourably to the improving diplomatic tone, with the oil price rising US\$5 to US\$62/bbl (per barrel). Iron ore prices also edged up slightly to US\$96/t (per tonne), buoyed by relatively steady steel production despite concerns around the broader Chinese property sector. The Australian dollar was broadly unchanged, finishing the month at US\$64c.

Back home, the Australian market tracked global sentiment higher, supported by gains in energy and technology sectors. The Reserve Bank of Australia (RBA) cut the cash rate by 25 basis points to 3.85 per cent – its second cut in three months – citing subdued domestic demand and lingering uncertainty stemming from the evolving global trade environment. While core inflation remained steady and unemployment held at 4.1 per cent, pockets of weakness were evident. Notably, widespread flooding across New South Wales was estimated to have shaved \$2.2 billion off economic activity, primarily through lost retail trade and softer household consumption. The combination of external shocks and internal disruptions is expected to keep the RBA cautious in the near term.

### Portfolio changes

The Fund increased positions in Life360 Inc (ASX:360), Aristocrat Leisure Ltd (ASX:ALL), Evolution Mining Ltd (ASX:EVN), Silex Systems Ltd (ASX:SLX), TechnologyOne Ltd (ASX:TNE) and Web Travel Group Ltd (ASX:WEB).

The Fund decreased exposure to Dexu Ltd (ASX:DXS), Pilbara Minerals Ltd (ASX:PLS), ResMed Inc. (ASX:RMD), Telix Pharmaceuticals Ltd (ASX:TLX), Xero Ltd (ASX:XRO) and exited positions in Judo Capital Holdings Ltd (ASX:JDO) and Treasury Wine Estates (ASX:TWE).

Judo has only been a recent addition to The Fund but the position has been exited due to a change in circumstances. The latest update revealed a downgrade in loan growth targets while a deterioration in credit quality and funding cost pressures have presented the company with short-term headwinds. As a smaller capitalisation stock, our investment timeframes are compressed due to higher execution and earnings risk so we have sold out to fund other positions with better prospects.

The position in Treasury Wine Estates has been exited as the future direction and strategy of the company remained in limbo for an extended period. The sale of the commercial wines division was called off after inadequate interest and the anticipated recovery in China has not materialised. The CEO has also tendered his resignation and a replacement has been appointed to start towards the end of the calendar year.

### Major contributors

TechnologyOne Ltd (ASX:TNE) – The share price outperformed after producing a strong half-year 2025 result. The company's growth in the U.K. has accelerated while the recent acquisitions have increased market share and cross selling opportunities. Management reaffirmed their long-term targets of \$1 billion in annualised recurring revenue and doubling in size every 5 years.

Xero Ltd (ASX:XRO) – The share price rose after reporting accelerating revenue growth and improving cost control. Price increases and a material uplift in free cash flow helped the company meet the "Rule of 40" for a third straight reporting period. Management have continued to focus on executing their 3x3 strategy – the 3 most important jobs for small businesses (Accounting, Payroll, Payments) in their 3 most important markets (Australia and New Zealand, U.S., U.K.).

Macquarie Group Ltd (ASX:MQG) – The share price outperformed after another solid report. The annuities style businesses provided the bulk of earnings growth, offsetting any shortfall in the Commodities & Global Markets and Macquarie Capital. Management also exhibited strong cost and capital discipline with headcount reduced by 7 per cent and operating expenses only rising 1 per cent year on year.

### Major detractors

Pilbara Minerals Ltd (ASX:PLS) – The share price fell as spodumene prices remained under pressure despite growing demand for Electric Vehicles (EVs). The company retains a robust balance sheet and continues to advance its growth initiatives and positions Pilbara Minerals to capitalise on any future recovery in lithium prices and demand.

Dexu Ltd (ASX:DXS) – The share price fell after the company revealed their Asset Management arm faced allegations from Australia Pacific Airports Corporation (APAC) board members of breaching confidentiality terms after trying to conduct a sale. Dexu has contested this claim and secured an injunction to prevent any forced sale until the matter is resolved.

Rio Tinto Ltd (ASX:RIO) – The share price declined following the surprise resignation of CEO Jakob Stausholm, raising concerns over leadership continuity. Additional pressure came from renewed legal issues at Oyu Tolgoi, including bribery allegations and escalating tensions with the Mongolian government.

