



MONTGOMERY SMALL COMPANIES FUND

INVESTMENT REPORT & FACT SHEET

FUND OVERVIEW

Montgomery Lucent's investment philosophy is guided by fundamental research and analysis. Small market capitalisation companies are relatively under-researched and when markets misprice securities, this creates investment opportunities.

The Montgomery Small Companies Fund (The Fund) typically invests in a portfolio of 30 to 50 high quality, undervalued small and emerging companies with strong growth potential.

The Fund will focus on investing in companies outside of the ASX 100 and across the New Zealand stock market, while being able to invest up to 10% of the portfolio in pre-IPO opportunities.

We are searching for companies likely to benefit from secular trends, industry change and with substantial competitive advantages. With a "lifecycle approach" to sizing the portfolio positions depending on whether they are an early stage, emerging, developed or a core investment, The Fund is designed to be as agile as the remarkable small companies that it invests in. This is a long-only portfolio.

FUND FACTS

INVESTMENT MANAGER

Montgomery Lucent Investment Management Pty Limited

OBJECTIVE

The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over a rolling 5 year period.

BENCHMARK

S&P/ASX Small Ordinaries Accumulation Index

FUND CONSTRUCTION

The Fund's Small Cap portfolio will typically comprise 30-50 high quality stocks listed on the ASX and/or NZSX. Cash typically ranges around 10%.

APIR

FHT3726AU

PORTFOLIO MANAGERS

Gary Rollo
Dominic Rose

RECOMMENDED INVESTMENT TIMEFRAME

5 years

MINIMUM INITIAL INVESTMENT

\$25,000

INCEPTION DATE

20 SEPTEMBER 2019

FUND SIZE

\$279.55M

MANAGEMENT FEES AND COSTS

1.23% per annum*, which includes a management fee of 1.03% per annum.

* Includes the Responsible Entities fees, Montgomery's fees, custody fees, ordinary and abnormal expenses and any indirect costs

PERFORMANCE FEES

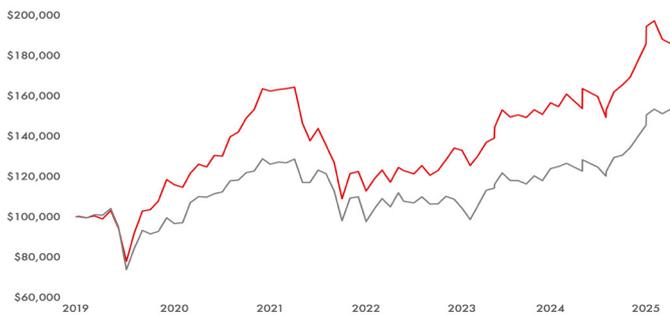
17.94% of the amount by which The Fund outperforms its Benchmark, after other fees and expenses have been deducted and achieves positive performance.

APPLICATION & REDEMPTION PRICES

www.montinvest.com/our-funds/montgomery-small-companies-fund/

PERFORMANCE GRAPH

■ Montgomery Small Companies Fund
■ S&P/ASX Small Ordinaries Accumulation Index



\$186,179

\$153,337

PORTFOLIO PERFORMANCE

(to 31 December 2025, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY SMALL COMPANIES FUND	S&P/ASX SMALL ORDINARIES ACCUM. INDEX	OUT/UNDER PERFORMANCE
1 month	0.00%	-1.04%	-1.04%	1.42%	-2.46%
3 months	0.00%	-4.30%	-4.30%	1.80%	-6.10%
6 months	0.00%	12.56%	12.56%	17.39%	-4.83%
12 months	3.28%	17.79%	21.07%	24.96%	-3.89%
3 years (p.a.)	1.71%	14.97%	16.68%	13.44%	3.24%
5 years (p.a.)	2.44%	5.65%	8.09%	6.85%	1.24%
Since inception#	16.15%	70.03%	86.18%	53.34%	32.84%
Compound annual return (since inception)#	2.41%	7.99%	10.40%	7.04%	3.36%

Inception: 20 September 2019 | Past performance is not indicative of future performance



TOP COMPLETED HOLDINGS* (TCH)

(as at 31 December 2025 showing top 5 of 40 holdings, in alphabetical order)

COMPANY NAME	TICKER	COMPANY WEBSITE
Codan	ASX:CDA	https://codan.com.au/
MA Financial Group	ASX:MAF	https://mafinancial.com/
Megaport	ASX:MP1	https://www.megaport.com/
Nick Scali	ASX:NCK	https://www.nickscali.com.au/
Zip Co	ASX:ZIP	https://zip.co/au

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

Total equity weighting	92.51%
Total cash weighting	7.49%

TOP 3 CONTRIBUTORS AND DETRACTORS

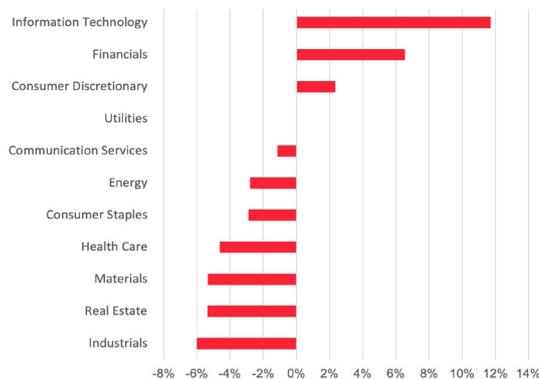
CONTRIBUTORS

Electro Optic Systems Holdings	Recent contract wins have strengthened the order book
Greatland Resources	Gold price up and growth project plans well received
MA Financial Group	Shares running ahead of expected good news at coming results

DETRACTORS

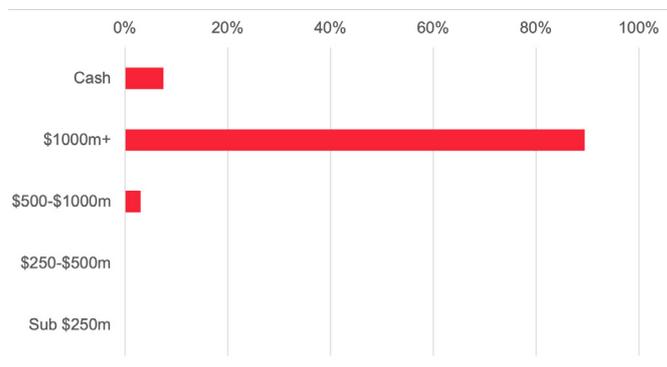
Life360	Growth stocks remain weak
Generation Development Group	Growth stocks remain weak
Megaport	Growth stocks remain weak

GICS SECTOR WEIGHTS RELATIVE TO THE BENCHMARK



■ Montgomery Small Companies Fund

MARKET CAPITALISATION EXPOSURE



CONTACT DETAILS

INVESTORS

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ADVISERS, RESEARCHERS AND PLATFORMS

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PLATFORMS WE ARE ON: Asgard ☺ BT Panorama ☺ CFS Edge ☺ Clearstream ☺ DASH ☺ HUB24 ☺ IOOF eXpand ☺ Macquarie Wrap ☺ Mason Stevens ☺ Netwealth ☺ Praemium ☺ Powerwrap

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 Lucent Investment Management Pty Limited, (ABN 58 635 052 176, Authorised Representative No. 001277163) (Montgomery) the investment manager of the Montgomery Small Companies Fund. 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 account your particular objectives, financial circumstances or needs. You should obtain and consider a copy of the Product Disclosure Statement (PDS) relating to the Fund before making a decision to invest. The PDS and Target Market Determination (TMD) are available here: <https://fundhost.com.au/fund/montgomery-small-companies-fund/> While the information in this document has been prepared with all reasonable care, neither Fundhost nor Montgomery makes any representation or warranty as to the accuracy or completeness of any statement in this document including any forecasts. 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 document. Past performance is not indicative of future performance.



The Montgomery Small Companies Fund (the Fund) returned -1.04 per cent (net of fees) in December, underperforming the benchmark, which returned +1.42 per cent. Since inception, the Fund has delivered a total return of +86.18 per cent (10.40 per cent p.a.), outperforming the benchmark's +53.34 per cent (7.04 per cent p.a.).

Key positive contributors

Electro Optic Systems (ASX:EOS)

Electro Optic Systems, an anti-drone defence technology stock surged 107 per cent in December. Performance was driven by two key factors: A rapid recovery from recent prior share price weakness and two unexpected, significant contract wins announced during the month.

These wins cap a strong year, with over A\$450 million in unconditional contracts secured for anti-drone capabilities. Electro Optic Systems enters 2026 with a backlog exceeding A\$400 million, including A\$240 million+ for its high-energy laser weapon systems.

Greatland Resources (ASX:GGP)

The gold miner's shares lifted 39 per cent, outperforming the general rise in gold stocks. The primary driver was the announcement of the Havieron Development plan. The market responded positively to the detailed plan for one of Australia's best undeveloped gold projects, which outlined expected production levels, costs, capital investment, and a likely funding model.

MA Financial Group (ASX:MAF)

MA Financial Group's shares climbed 13 per cent in the month (on no new news) building on a strong 2025 performance (+78 per cent year-to-date). Growth expectations are high due to recovering flows in core asset management and profitability in mortgage lending. Consensus forecasts predict a near three-fold increase in earnings by 2027 as prior cost investments begin to yield results, putting that strong share price performance into some context.

Key detractors

Detractors this month shared a common theme: high-growth stocks that had performed well earlier in 2025 faced selling pressure as the market de-rated growth assets.

Life360 (ASX:360)

Shares were down 17 per cent on no new news, following a weak November. Management hosted a webinar highlighting growth optionality in the advertising business, emphasising the unique audience reach and the commencement of monetisation efforts.

Generation Development Group (ASX:GDG)

Generation Development Group's shares fell 11 per cent on no real new news, independent of the announced departure of the longstanding Chief Financial Officer. Generation Development Group is a growth stock with strong long-term prospects, but its high valuation on near-term metrics made it susceptible to the sort of year-end profit-taking that we have observed. The businesses fundamentals continue to look good to us.

Megaport (ASX:MP1)

Megaport's shares declined 15 per cent in December on no new news. We wrote last month about the merger and acquisition transaction Megaport did in November – a deal we like as it lifts Megaport's revenue and earnings growth rate, as well as a considerable step up in near term profitability which lowers the valuation profile. These are normally factors that drive share price outperformance, but the broader year-end sell-off in growth stocks has overshadowed these implications of the transaction so far.

Outlook

The Fund's growth stock positioning hasn't worked in the last two months of 2025. We attribute this to a shift in investor sentiment and risk appetite heading into the year-end holidays, rather than a change in fundamental outlook. The equity market here in Australia has performed well in 2025, particularly in small caps (and even more so in the growth stock area), and we can see that investors have been banking some of those returns and taking some money off the table where returns have been strong – namely in some of the growth winners, and we can see that impact in the growth area of our portfolio.

Small-cap stocks significantly outperformed large caps in 2025 (25 per cent vs. 9 per cent return). This outperformance was concentrated in the latter half of the year, starting in August during the 2025 financial year results season when the "growth gap" between small and large caps (13 per cent vs. 3 per cent forecast growth) became apparent to the market.

Monthly relative returns: Small caps vs big caps

December	0.06%
November	1.31%
October	1.66%
September	4.60%
August	5.87%
July	0.43%

Source: Iress, S&P/ASX Small Ordinaries Accumulation Index and the S&P/ASX 100 Accumulation Index

We believe these fundamental conditions remain in place and anticipate that market attention will refocus on these fundamentals during the coming February results season. Our growth-oriented positioning is designed to exploit this "growth gap" in the long term. We remain pragmatic and alert for any fundamental changes that change our views and have re-tested our earnings outlooks for key holdings, which continue to look well-positioned.

