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

$284.1M

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

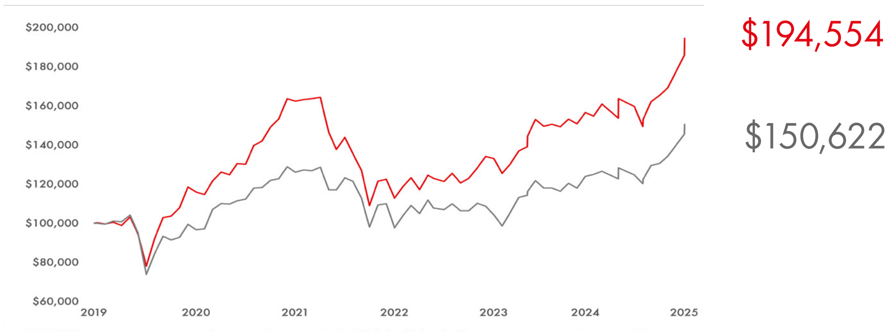
PERFORMANCE FEES

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



PORTFOLIO PERFORMANCE

(to 30 September 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%	4.64%	**4.64%**	3.44%	1.20%
3 months	0.00%	17.62%	**17.62%**	15.31%	2.31%
6 months	3.38%	26.81%	**30.19%**	25.25%	4.94%
12 months	3.22%	21.00%	**24.22%**	21.50%	2.72%
3 years (p.a.)	1.77%	18.15%	**19.92%**	15.54%	4.38%
5 years (p.a.)	2.64%	8.26%	**10.90%**	9.27%	1.63%
Since inception#	16.15%	78.40%	**94.55%**	50.62%	43.93%
Compound annual return (since inception)#	2.51%	9.16%	**11.67%**	7.03%	4.64%

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

TOP COMPLETED HOLDINGS* (TCH)

(as at 30 September 2025 showing top 5 of 41 holdings, in alphabetical order)

COMPANY NAME	TICKER	COMPANY WEBSITE
Life360	ASX:360	https://www.life360.com/
Codan	ASX:CDA	https://codan.com.au/
Generation Development Group	ASX:GDG	https://gendevelopmentgroup.com.au/
Megaport	ASX:MP1	https://www.megaport.com/
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	95.01%
Total cash weighting	4.99%

TOP 3 CONTRIBUTORS AND DETRACTORS

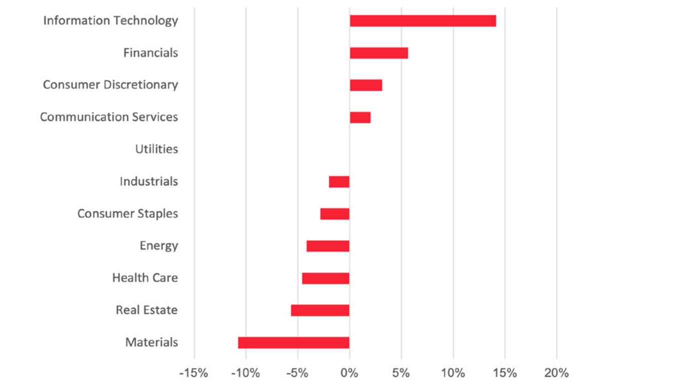
CONTRIBUTORS

Life360	No new news, but heading into a seasonally strong period
Electro Optic Systems	Rallies on defence spending tailwinds
Genesis Minerals	Gold price and ASX100 re-rating

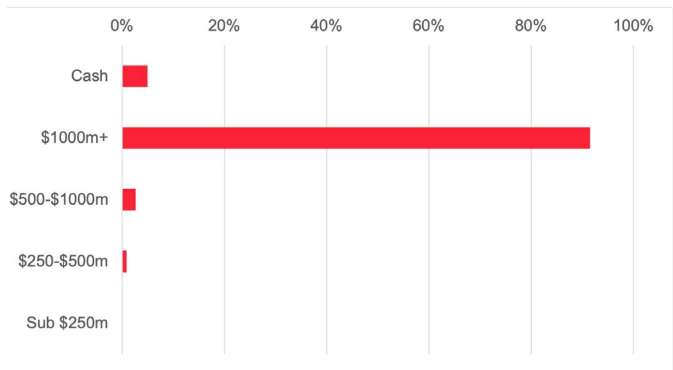
DETRACTORS

HUB24	No new news, taking a breather post strong performance
Pinnacle Investment Management	Bad press around Private Credit and affiliate Metrics
IPH	Market share losses and weaker growth

GICS SECTOR WEIGHTS RELATIVE TO THE BENCHMARK



MARKET CAPITALISATION EXPOSURE



Montgomery Small Companies Fund

CONTACT DETAILS

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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

The Montgomery Small Companies Fund (the Fund) increased by 4.64 per cent (net of fees) in September, outperforming the benchmark, which rose 3.44 per cent. Since inception, the Fund has delivered a total return of 94.55 per cent (11.67 per cent p.a.), compared to the benchmark's 50.62 per cent (7.03 per cent p.a.).

Key positive contributors

Life360 (ASX:360)

Life360 continued its strong run, ranking among the Fund's top three performers for consecutive months. The company's core business is growing solidly, operational performance remains strong, and the upcoming seasonally strong Back to School period may set up a positive quarterly update. With the market regaining its appetite for growth stocks, Life360's share price has continued to outperform the broader market.

Electro Optic Systems (ASX:EOS)

Electro Optic Systems was added to the portfolio during the recent reporting season. Historically, the company's strong intellectual property (IP) portfolio was overshadowed by weak execution and poor capital discipline. However, two key changes have altered that view:

1. New management team – The company has transitioned from a debt-laden, loss-making business to one with disciplined spending, a net cash balance, and a credible IP commercialisation strategy.

2. Defence spending tailwinds – Electro Optic Systems' optical sensor IP, used for counter-drone technology, is attracting global defence contracts. A recent High Energy Laser Weapons (HELW) contract with a North Atlantic Treaty Organisation (NATO) buyer highlights its growth potential in this area.

Electro Optic Systems remains a high-volatility stock, requiring active management.

Genesis Minerals (ASX:GMD)

Genesis Minerals' share price benefited from the strongly rising gold price and its recent inclusion in the ASX 100 Index. This reclassification has introduced the company to a new audience of large-cap fund managers.

Genesis represents a well-managed, multi-mine gold production growth story –appealing from both a growth and valuation standpoint. As small-cap investors, our role is to identify such companies early, participate in their growth, and then allow the large-cap market to re-rate them to higher valuation multiples once they graduate into the ASX 100.

Key detractors

HUB24 (ASX:HUB)

After a strong year-to-date performance (up over 50 per cent), HUB24 underperformed in September on no material news. The company's recent entry into the ASX 100 has led us to progressively trim our position, taking advantage of large-cap investors' higher valuation tolerance.

Pinnacle Investment Management (ASX:PNI)

Following a strong August, Pinnacle Investment Management's share price fell in September as the August results – previously the main catalyst – had already played out. Sentiment also weakened due to negative media coverage around private credit and Metrics, one of its key affiliates. The Fund exited its remaining position in Pinnacle Investment Management during the month, locking in strong gains from what has been a successful investment.

IPH Ltd (ASX:IPH)

IPH was initially added for its strong cashflow generation and attractive valuation. However, further market share losses and a weaker-than-expected outlook turned it into a value trap. With limited catalysts for improvement, we exited the position during the month.

Outlook

We continue to see an improving environment for small-cap equities. In September, small caps rose 3.44 per cent, while large caps declined 1.16 per cent, further narrowing the performance gap, after the very strong relative performance in August.

That gap, which peaked in June 2025 at 33.2 per cent, has now reduced to 22.8 per cent (based on the S&P/ASX Small Ordinaries Accumulation Index versus the S&P/ASX 100 Accumulation Index since December 2021).

We believe this convergence has further to run.

Importantly, the August reporting season revealed that many management teams are investing for growth, suggesting that small caps still have significant upside potential as these investments begin to deliver results over the coming years. Our job is to pick the right ones.