



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

\$270.4M

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

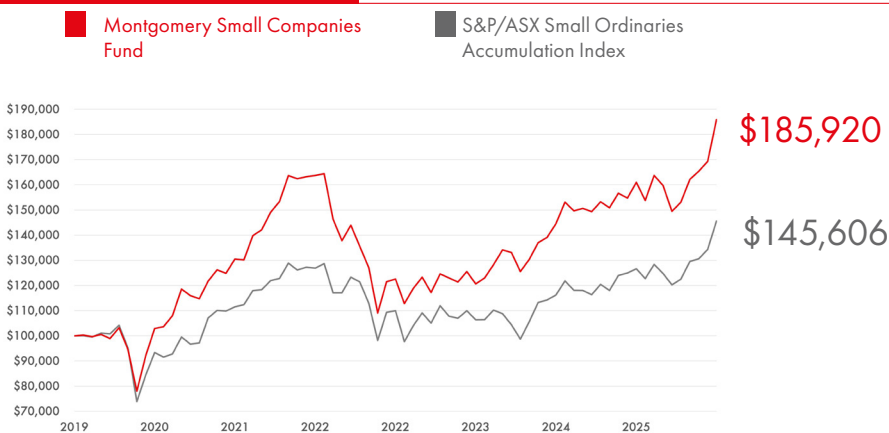
PERFORMANCE FEES

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 31 August 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%	9.84%	9.84%	8.41%	1.43%
3 months	3.11%	11.56%	14.67%	12.42%	2.25%
6 months	3.16%	13.25%	16.41%	16.72%	-0.31%
12 months	3.35%	19.86%	23.21%	23.40%	-0.19%
3 years (p.a.)	1.64%	13.28%	14.92%	9.81%	5.11%
5 years (p.a.)	2.59%	6.83%	9.42%	7.91%	1.51%
Since inception#	16.15%	69.77%	85.92%	45.61%	40.31%
Compound annual return (since inception)#	2.55%	8.44%	10.99%	6.52%	4.47%

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



TOP COMPLETED HOLDINGS* (TCH)

(as at 31 August 2025 showing top 5 of 41 holdings, in alphabetical order)

COMPANY NAME	TICKER	COMPANY WEBSITE
Life360	ASX:360	https://www.life360.com/
Megaport	ASX:MP1	https://www.megaport.com/
Nick Scali	ASX:NCK	https://www.nickscali.com.au/
Ramelius Resources	ASX:RMS	https://www.rameliusresources.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	96.28%
Total cash weighting	3.72%

TOP 3 CONTRIBUTORS AND DETRACTORS

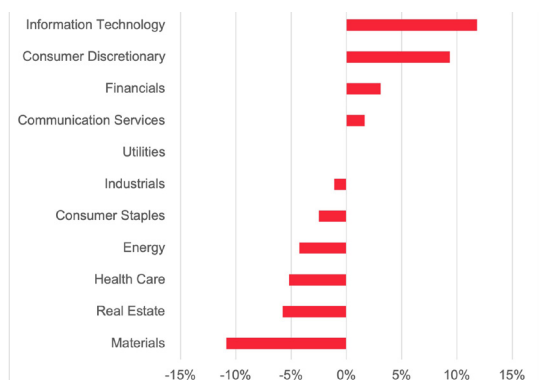
CONTRIBUTORS

Life360	Strong results and outlook
Codan	Strong results and outlook
Zip Co	Strong results and outlook

DETRACTORS

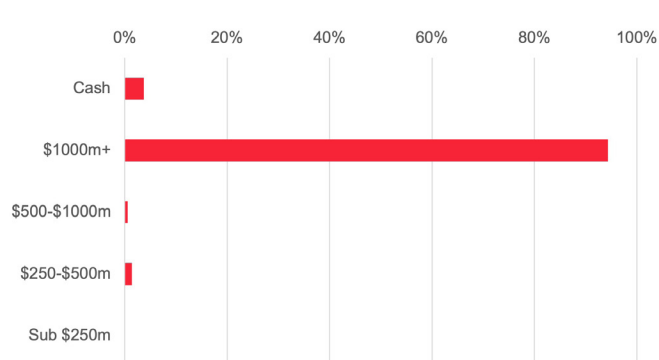
Macquarie Technology	Weaker outlook
SGH	Weaker outlook after strong multi-year growth period
Superloop	Result strong, but some composition questions

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 ➡ Clearstream ➡ CFS Edge ➡ DASH ➡ HUB24 ➡ IOOF eXpand ➡ Macquarie Wrap ➡ Mason Stevens ➡ Netwealth ➡ North ➡ Powerwrap ➡ Praemium ➡

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) increased by 9.84 per cent (net of fees) in August, outperforming the S&P/ASX Small Ordinaries Accumulation Index's return of 8.41 per cent. Since inception, the Fund has returned 85.92 per cent (10.99 per cent p.a.), compared to the benchmark's 45.61 per cent return (6.52 per cent p.a.).

Key contributors

Life360 (ASX:360)

Life360 continued its strong run, underpinned by another robust quarterly result. Paid subscriptions grew to 2.5 million, prompting management to upgrade both growth and profit guidance. Progress in monetising its 88 million monthly active users through advertising further supports its bullish outlook.

Codan (ASX:CDA)

Codan beat full-year expectations across all business segments, which saw revenue growth outpacing targets and delivering strong operating leverage. With exposure to gold, defence, and public safety infrastructure – each benefiting from strong tailwinds – confidence in Codan's growth outlook remains high, and the stock responded accordingly.

Zip Co (ASX:ZIP)

Zip's 2025 financial year results exceeded already upgraded forecasts, with management flagging strong momentum heading into the 2026 financial year. The U.S. business was a standout, still growing at over 40 per cent. As buy now pay later (BNPL) adoption in the U.S. gains traction, Zip is well-positioned for continued growth. The challenge ahead will be balancing this growth with prudent risk management, but we remain optimistic on its ability to outperform expectations, assuming no major macro shifts.

Key detractors

Macquarie Technology Group (ASX:MAQ)

While Macquarie Technology Group's 2025 financial year results met expectations, the 2026 financial year outlook disappointed due to cost growth tied to building out the SuperWest data centre (due in financial year 2027) and prolonged input cost pressures from U.S. tech vendors. Execution on SuperWest remains management's key focus.

SGH Limited (ASX:SGH)

SGH's 2025 financial year results were solid, but a softer 2026 financial year growth outlook weighed on sentiment. Westrac is expected to moderate following strong years, and Coates is seeing slower activity in Victoria. After a successful multi-year investment journey from small to large cap, we exited our remaining position.

Superloop (ASX:SLC)

Despite a beat for the 2025 financial year results, the share price declined due to softer fourth quarter subscriber additions and market scrutiny of the results' composition. Two price hikes in the 2025 financial year were a short-term drag on growth, but with a reset pricing structure and major NBN changes expected in September, Superloop is well-positioned to benefit from upcoming industry churn. We retain strong conviction in its growth potential.

Outlook

The backdrop for Australian small caps continues to improve. The long-standing performance gap with large caps (33.2 per cent in June 2025) is closing – now down to 28.3 per cent (based on the S&P/ASX Small Ordinaries Accumulation Index versus the S&P/ASX 100 Accumulation Index since December 2021).

The key drivers include:

- Macroeconomic uncertainty has eased
- Valuations in large caps remain unappealing for the quality/growth offered
- Investor sentiment and equity market liquidity are improving

As markets shift from macroeconomic-driven positioning to fundamentals and bottom-up stock selection, we believe Australian small caps are set to benefit. We continue to see some of the best underpriced growth opportunities in this segment of the market.

