



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

\$253.0M

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

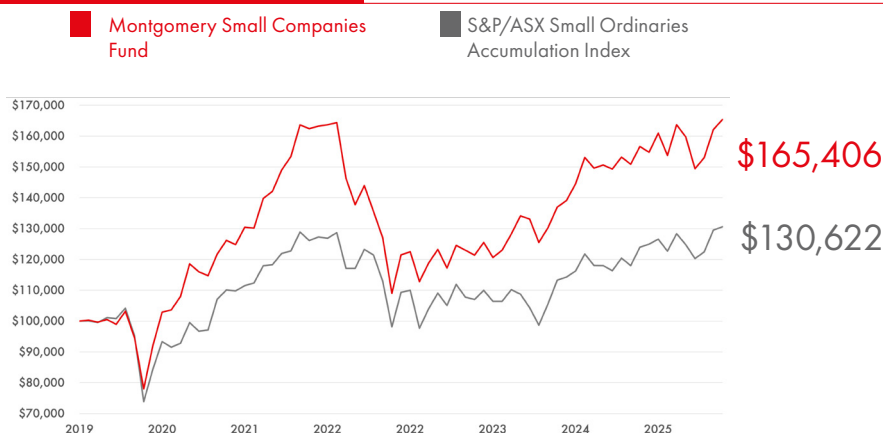
PERFORMANCE FEES

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 June 2025, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY SMALL COMPANIES FUND	S&P/ASX SMALL ORDINARIES ACCUM. INDEX	OUT/UNDER PERFORMANCE
1 month	3.11%	-1.09%	2.02%	0.85%	1.17%
3 months	3.38%	7.31%	10.69%	8.62%	2.07%
6 months	3.28%	4.28%	7.56%	6.45%	1.11%
12 months	3.37%	7.39%	10.76%	12.26%	-1.50%
3 years (p.a.)	1.79%	13.11%	14.90%	10.00%	4.90%
5 years (p.a.)	2.94%	6.86%	9.80%	7.37%	2.43%
Since inception#	16.15%	49.26%	65.41%	30.62%	34.79%
Compound annual return (since inception)#	2.63%	6.47%	9.10%	4.73%	4.37%

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



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TOP COMPLETED HOLDINGS* (TCH)

(as at 30 June 2025 showing top 5 of 46 holdings, in alphabetical order)

COMPANY NAME	TICKER	COMPANY WEBSITE
Zip Co	ASX:ZIP	https://zip.co/au
Megaport	ASX:MP1	https://www.megaport.com/
Life360	ASX:360	https://www.life360.com/
Superloop	ASX:SLC	https://www.superloop.com/
Nick Scali	ASX:NCK	https://www.nickscali.com.au/

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

Total equity weighting	97.68%
Total cash weighting	2.32%

TOP 3 CONTRIBUTORS AND DETRACTORS

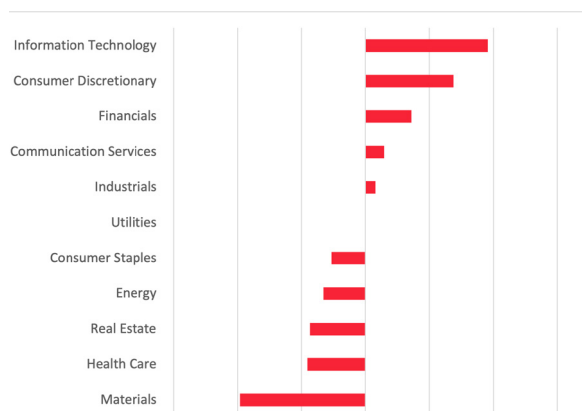
CONTRIBUTORS

Collins Foods	Shares ran on a better 2025 financial year result and outlook.
Superloop	Shares ran on a profit upgrade.
Zip Co	Shares ran on a profit upgrade.

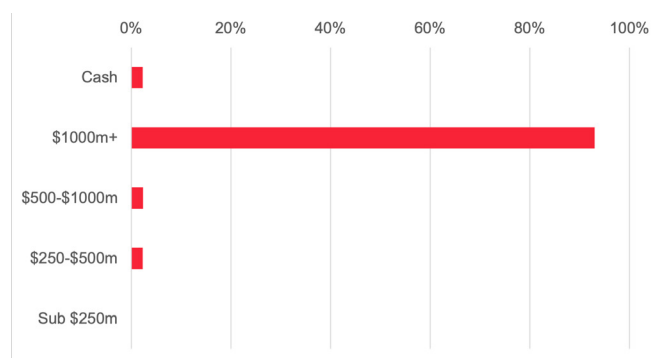
DETRACTORS

Genesis Minerals	Shares fell on a gold sector weakness.
Ramelius Resources	Shares fell on a gold sector weakness.
Spartan Resources	Shares fell on a gold sector weakness.

GICS SECTOR WEIGHTS RELATIVE TO THE BENCHMARK



MARKET CAPITALISATION EXPOSURE



Montgomery Small Companies Fund

CONTACT DETAILS

INVESTORS

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ADVISERS, RESEARCHERS AND PLATFORMS

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PLATFORMS WE ARE ON: Asgard ➡ BT Panorama ➡ Clearstream ➡ Colonial First Wrap ➡ DASH ➡ HUB24 ➡ IOOF eXpand ➡ Macquarie Wrap ➡ Mason Stevens ➡ MLC/Navigator ➡ Netwealth ➡ North ➡ Powerwrap ➡ Praemium ➡ Xplore Wealth

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.



For the 2025 financial year, the Montgomery Small Companies Fund (the Fund) delivered a return of 10.76 per cent versus the benchmark, the S&P/ASX Small Ordinaries Accumulation Index, which increased by 12.26 per cent, representing an underperformance of 1.50 per cent for the year, after all fees. We sincerely thank our investors for your support this year and look forward to working hard for you in financial year 2026.

For the month of June, the Fund increased by 2.02 per cent, net of fees versus the benchmark, which increased by 0.85 per cent. Since inception (20 September 2019), the Fund has increased by 65.41 per cent, outperforming the benchmark by 34.79 per cent, after all fees and expenses.

Market commentary

Global equities continued to rise in June, as investors largely looked through near-term macroeconomic uncertainty caused by trade wars and conflict in the Middle East, instead focusing on the prospect of trade deals being reached, the resilience of the U.S. economy (with hard data yet to show a spike in inflation or labour market weakness), and the global rate cutting cycle. Domestically, inflation appears to have eased enough to support further interest rate cuts which historically has spelt good news for small caps.

The largest positive contributors for June included Collins Food (ASX:CKF), Superloop (ASX:SLC) and Zip Co (ASX:ZIP).

Collins Foods, Australia's largest KFC franchisee, delivered a stronger than expected 2025 financial year (April year-end) earnings result (15 per cent net profit after tax beat to consensus) thanks to better second half operating margins, whilst providing 2026 financial year guidance for low to mid-teens profit growth (much better than anticipated). After a challenging 2025 first half trading period, the second half-year enjoyed solid sales growth across both Australia and Europe, goods cost deflation and operational efficiencies. Despite the consumer environment remaining challenging, Collins Foods is seeing the improved momentum from the second half continue into the early 2026 first half. We think the business remains well placed to benefit from further potential interest rate cuts while the roll-out in Germany offers significant growth potential (large underpenetrated market with attractive unit economics). Valuation still looks cheap for the growth so management execution will be key from here.

Challenger telecommunications company, Superloop, upgraded 2025 financial year earnings guidance (Earnings Before Interest, Taxes, and Amortisation (EBITDA) at least \$91 million, around 6 per cent above prior guidance) driven by ongoing strong trading activity across the business and favourable industry dynamics. The set up for continued strong earnings growth over the 2026 financial year and beyond looks good to us, supported by solid subscriber net additions from further market share gains and the Origin Energy contract ramp-up, industry price rises and operational leverage within the business. Near-term upside risk also exists from the NBN Co's fibre upgrade program in September 2025 which should create an industry churn event, allowing advantaged challenger telcos like Superloop to outcompete the incumbents with high-speed plans.

Continued strong trading momentum saw Buy Now Pay Later provider, Zip Co, upgrade 2025 financial year earnings guidance once again (cash EBITDA now expected to be at least \$160 million, around 5 per cent ahead of guidance which was lifted two months ago). Encouragingly, transaction growth has accelerated within a tough macroeconomic environment but without a material deterioration in credit loss performance. Equally impressive is U.S. transaction values sustaining year on year growth more than 40 per cent, in our view highlighting the relatively early stage of Buy Now Pay Later U.S. market penetration plus Zip Co's skew towards older customers increasingly using the products for less discretionary purposes.

The largest detractors from performance included Genesis Minerals (ASX:GMD), Ramelius Resources (ASX:RMS) and Spartan Resources (ASX:SPR). All three are gold miners which, as a sector, faced material selling pressure over June. This likely reflected both profit taking as well as index positioning ahead of a surprise announcement from the VanEck Gold Miners ETF (GDX) which plans to change the benchmark the fund tracks (resulting in ten Australian gold miners being deleted).

With the conclusion of the financial year, the Fund has paid a distribution of 4.6193 cents per unit. Accordingly, after ending the 2025 financial year with a unit price of \$1.5137, we commence the 2026 financial year with a unit price of \$1.4675. Since the Fund's inception on 20 September 2019, it has paid out a total of 16.1488 cents per unit.

