



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

\$236.9M

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

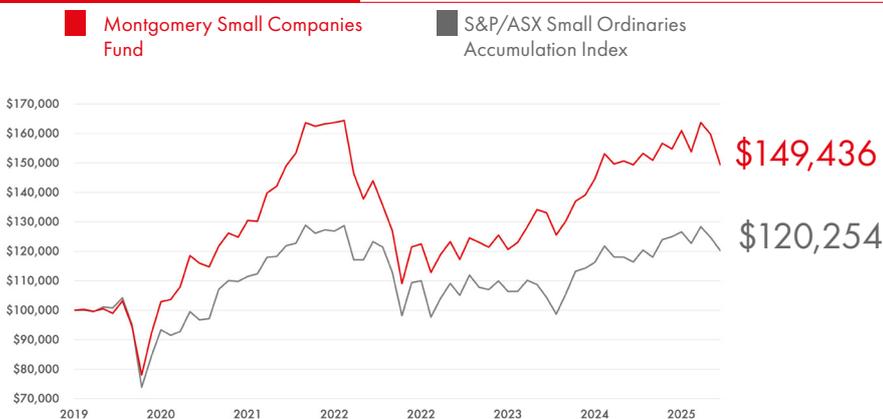
PERFORMANCE FEES

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 March 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%	-6.44%	-6.44%	-3.60%	-2.84%
3 months	0.00%	-2.82%	-2.82%	-2.00%	-0.82%
6 months	0.00%	-4.59%	-4.59%	-2.99%	-1.60%
12 months	0.17%	-2.56%	-2.39%	-1.26%	-1.13%
3 years (p.a.)	0.88%	0.38%	1.26%	-0.82%	2.08%
5 years (p.a.)	2.79%	11.08%	13.87%	10.24%	3.63%
Since inception#	11.53%	37.91%	49.44%	20.25%	29.19%
Compound annual return (since inception)#	1.99%	5.55%	7.54%	3.39%	4.15%

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



TOP COMPLETED HOLDINGS* (TCH)

(as at 31 March 2025 showing top 5 of 49 holdings, in alphabetical order)

COMPANY NAME	TICKER	COMPANY WEBSITE
Gold Road Resources	ASX:GOR	https://www.goldroad.com.au/
Ingenia Communities Group	ASX:INA	https://www.ingeniacommunities.com.au/
Nick Scali	ASX:NCK	https://www.nickscali.com.au/
Superloop	ASX:SCL	https://www.superloop.com/
Vault Minerals	ASX:VAU	https://vaultminerals.com/

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

Total equity weighting	92.18%
Total cash weighting	7.82%

TOP 3 CONTRIBUTORS AND DETRACTORS

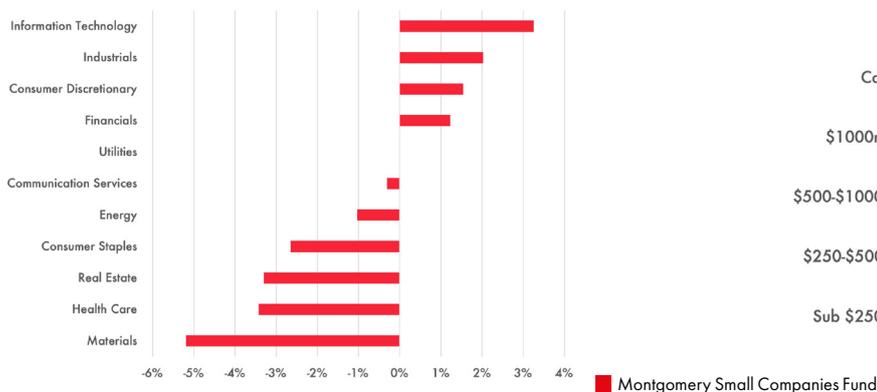
CONTRIBUTORS

Capricorn Metals	Share price rose with strong AUD gold price
Gold Road Resources	Share price rose with strong AUD gold price and a re-buffed takeover offer
Vault Minerals	Share price rose with strong AUD gold price

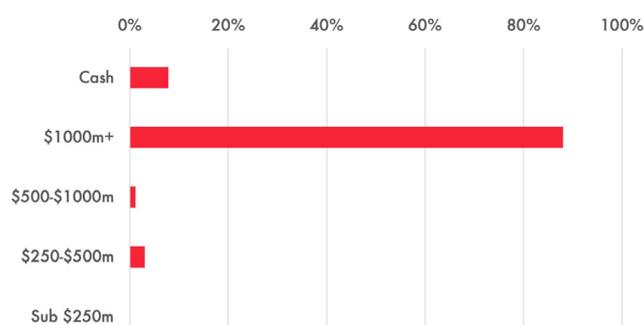
DETRACTORS

HUB24	Share price fell as revenue is equity market exposed
Light & Wonder	Share price fell as the business is a U.S. consumer
Zip Co	Share price fell as the business is a U.S. consumer

GICS SECTOR WEIGHTS RELATIVE TO THE BENCHMARK



MARKET CAPITALISATION EXPOSURE



CONTACT DETAILS

INVESTORS

Rhodri Taylor	David Buckland
t 02 8046 5022	t 02 8046 5004
e rtaylor@montinvest.com	e dbuckland@montinvest.com

ADVISERS, RESEARCHERS AND PLATFORMS

Scott Phillips	David Denby	Michael Gollagher	Dean Curnow	Toby Roberts
States – National	States – VIC, SA & TAS	States – QLD	States – NSW, ACT & WA	States – NSW & ACT
m 0417 529 890	m 0455 086 484	m 0409 771 306	m 0405 033 849	m 0402 093 561
e sphillips@montinvest.com	e ddenby@montinvest.com	e mgollagher@montinvest.com	e dcurnow@montinvest.com	e troberts@montinvest.com

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 month of March, the Montgomery Small Companies Fund (the Fund) declined by 6.44 per cent, net of fees, versus the benchmark, the S&P/ASX Small Ordinaries Accumulation Index, which declined by 3.60 per cent. Since inception the Fund has returned (after all fees and expenses) 7.54 per cent p.a. relative to its benchmark which has returned 3.39 per cent over the same period.

This month, we've changed the normal structure of the monthly report of focusing on the stock specific drivers behind the contributors and detractors in the month. Instead, we are spending time on how the big talking point in markets – U.S. Tariff politics – drove the stock level performance and the performance of the portfolio overall in the month.

March was a poor month for markets and the Fund, as sentiment quickly moved to reflect the downside potential associated with Tariff Politics and the potential for rapidly changing forward looking macro assumptions that these may bring.

Both the Fund and markets performed negatively in March. The downside largely happened in the Fund's growth assets and most acutely where that growth profile depends on access to U.S. markets. On the other hand, the upside observed in the Fund's gold miner exposures were driven by a strengthening of the USD Gold price and weakening Australian dollar, both of which are also to some extent driven by the Tariff narrative. Relatively speaking the Fund holds more growth assets than the benchmark and it was this relative shape of the portfolio that contributed to Fund under-performance in the month.

Growth stock performance in March played out based on the sentiment associated with tariff impacts, the market "front-running" the potential for earnings revisions to those stocks exposed to global trade, specifically to those involved in exporting to the U.S. Many of the quality growth stocks in the Small Ordinaries Index are global growth plays, as markets beyond Australia are often needed to provide a growth runway long enough and an addressable market large and deep enough to facilitate growth ambitions of these businesses. And many are consumer focused – names such as ARB (ASX:ARB), Breville Group (ASX:BRG), Light & Wonder (ASX:LNW), Lovisa (ASX:LOV), Zip Co (ASX:ZIP) and others. These are high quality businesses with excellent growth outlook based on increasing demand from competitively positioned products and services to the U.S. consumer. Broadly speaking, the proposed U.S. tariffs are more extensive and impactful, posing a greater potential threat to growth and earnings. They are likely to require more significant adjustments to supply chains and more time to implement effective workarounds, all the while introducing greater uncertainty for future competitive positioning.

It is also expected that the suddenness and extent will provide little room to avoid a scenario of rising costs for the U.S. consumer, with consequences on demand. That's a worry for markets generally, and more specifically for businesses exposed to the health of the U.S. consumer.

The top three detractors in the Fund for March were all growth stocks – Hub24 (ASX:HUB) (fall in equity markets), Light & Wonder (ASX:LNW) (U.S. consumer) and Zip Co (ASX:ZIP) (U.S. consumer). There was no stock specific news in March for any of these companies to explain their performance and it was likely all potential future macroeconomic risk and sentiment change.

The USD gold price, which has been strong for some time in response to geo-political uncertainty and the aftermath of inflation, has strengthened further against this Tariff narrative backdrop. The USD price of gold increased 9.7 per cent in the month, USD gold continues to make all-time highs, breaching USD3000 an ounce in March for the first time. The Australian dollar has been weak – fetching just USD62.5c on average in March – this all equates to a rapidly rising AUD gold price (now over AUD\$5000 an ounce).

Australian gold producers, with their costs denominated in AUD, and their revenues growing to record highs per ounce, are seeing record profit margins. And record free cashflows. These businesses are swimming in cash. Consequently, the strongest performers in the portfolio in March were all gold stocks. The top three were Capricorn Metals (ASX:CMM), Gold Road Resources (ASX:GOR), and Vault Minerals (ASX:VAU). Gold Road Resources did have some stock specific news in the month – it first had a production shortfall at its mine and then received a take-over offer (which Gold Road Resources re-buffed) from its joint venture partner that operates that mine. Timing all a coincidence of course...

What happens from here? The immediate future is not accurately forecastable. Whilst economics and politics are always intertwined, it's rare to see trade policy used so aggressively, comprehensively with such significant scope for short term macroeconomic assumption changes in such a short timeframe. Especially by the U.S. What we do know is that investing by rear-view mirror headlines doesn't help in building value. What does help is managing the portfolio in as balanced way to facilitate taking advantage of the rapid re-pricing of some great businesses. That way we can capitalise on the optionality of being invested and being able to make investments at prices only seen at times of equity market shake-outs. The various market shake-outs we've been through have proven to be a great time for us to do what we do, seeking out opportunities where we think the best returns are to be made, ride out the turbulence, and then let what history shows equity markets do in the long run – create and compound wealth.

