



# AUSTRALIAN EAGLE EQUITIES FUND

## INVESTMENT REPORT & FACT SHEET

### FUND FACTS

#### INVESTMENT MANAGER

Montgomery Investment Management Pty Ltd

#### SUB-INVESTMENT MANAGER

Australian Eagle Asset Management Pty Ltd is the appointed sub-investment manager. Australian Eagle has a 20-year track record as an investment manager. [Click here for more information.](#)

#### OBJECTIVE

The Australian Eagle Equities Fund aims to outperform the index over a rolling 5-year period.

#### STYLE

Active, bottom-up, fundamental, quality

#### BENCHMARK

The S&P/ASX 300 Accumulation Index

#### FUND CONSTRUCTION

The Fund's All Cap portfolio will typically comprise 25-35 high-conviction stocks listed on the ASX.

#### APIR

FHT4600AU

#### RECOMMENDED

#### INVESTMENT TIMEFRAME

5 years

#### MINIMUM INITIAL

#### INVESTMENT

\$25,000

#### PORTFOLIO MANAGERS

Sean Sequeira  
Alan Kwan

#### INCEPTION DATE

17 February 2025

#### FUND SIZE

\$35.9M

#### MANAGEMENT FEES AND COSTS

0.89% per annum\*

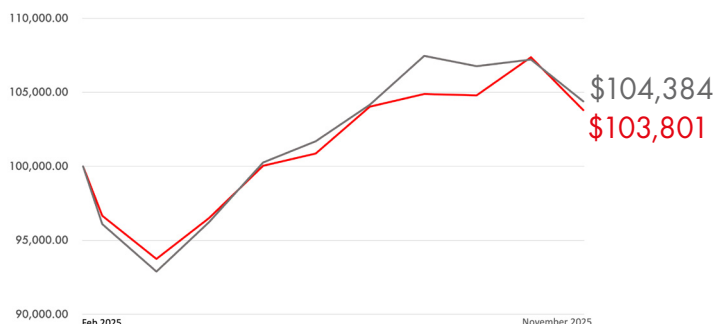
\* See page 5 of the PDS for more information

#### APPLICATION & REDEMPTION PRICES

fundhost.com.au/fund/australian-eagle-equities-fund

#### INVESTMENTS BY INVITATION ONLY

### PERFORMANCE GRAPH



### AUSTRALIAN EAGLE EQUITY STRATEGY (LONG ONLY) PERFORMANCE GRAPH



Australian Eagle Equities Fund

S&P/ASX 300 Accumulation Index

The above Australian Eagle Equity Strategy (Long Only) performance graph and the below Australian Eagle Equity Strategy (Long Only) Performance table is based on historical Australian Eagle Equity Strategy (Long Only) performance.<sup>3</sup> This performance data is provided as an example of performance of the Investment Manager and the strategy only. It is not the performance of the Fund which launched 17 February 2025.

### PORTFOLIO PERFORMANCE

(to 30 November 2025, after all fees)

	1 month	3 months	6 months	12 months	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception <sup>1</sup>	Compound annual return (since inception) <sup>1</sup>
AUSTRALIAN EAGLE EQUITIES FUND	-3.33%	-1.04%	3.76%	N/A	N/A	N/A	N/A	3.80%	N/A
S&P/ASX 300 ACCUM. INDEX	-2.64%	-2.86%	4.11%	N/A	N/A	N/A	N/A	4.38%	N/A
OUT/UNDER PERFORMANCE	-0.69%	1.82%	-0.35%	N/A	N/A	N/A	N/A	-0.58%	N/A

### AUSTRALIAN EAGLE EQUITY STRATEGY (LONG ONLY) PERFORMANCE

(to 30 November 2025, after all fees)

	1 month	3 months	6 months	12 months	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception <sup>2</sup>	Compound annual return (since inception) <sup>2</sup>
AUSTRALIAN EAGLE COMPOSITE <sup>3</sup>	-3.33%	-1.04%	3.76%	4.66%	8.40%	9.48%	13.04%	725.44%	10.67%
S&P/ASX 300 ACCUM. INDEX	-2.64%	-2.86%	4.11%	5.81%	9.66%	9.79%	9.47%	387.00%	7.90%
OUT/UNDER PERFORMANCE	-0.69%	1.82%	-0.35%	-1.15%	-1.26%	-0.31%	3.57%	338.44%	2.77%

<sup>1</sup>17 February 2025

<sup>2</sup>07 February 2005

<sup>3</sup>The above historical performance reflects the performance of the Australian Eagle Equity Strategy (Long Only) since its inception 07 February 2005 and not the Australian Eagle Equities Fund. This historical performance has been provided for information purposes and has been adjusted to reflect the ongoing fees applicable to the Fund. Portfolio Performance is calculated after fees and costs, including the Investment management fee, but excludes the buy/sell spread. Past performance is not indicative of future performance.



## TOP COMPLETED HOLDINGS\* (TCH)

(at 30 November 2025)

COMPANY NAME	ASX CODE	SECTOR	WEIGHT (%)
Commonwealth Bank of Australia	CBA	Financials	6.15
QBE Insurance Group	QBE	Financials	6.07
Rio Tinto	RIO	Materials	5.97
Cochlear	COH	Health Care	5.94
Woodside Energy Group	WDS	Energy	4.96
ASX	ASX	Financials	4.00
Macquarie Group	MQG	Financials	3.99
Brambles	BXB	Industrials	3.99
Aristocrat Leisure	ALL	Consumer Discretionary	3.96
Life360	360	Information Technology	3.83
Total equity weighting			97.03
Total cash weighting			2.97

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

## TOP 3 CONTRIBUTORS AND DETRACTORS

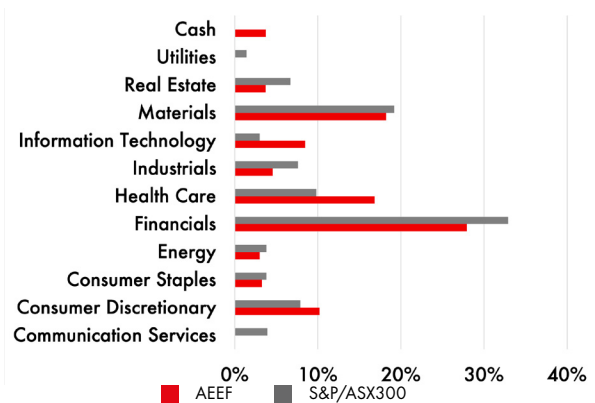
## CONTRIBUTORS

Pilbara Minerals	The share price followed the spodumene price higher.
Evolution Mining	The share price stabilised with the gold price.
Web Travel Group	The share price rose after reporting continued strong growth and reiteration of long-term targets.

## DETRACTORS

Life360	The share price fell after reporting slowing user growth.
TechnologyOne	The share price fell due to a slight slowing of annualised recurring revenue (ARR) growth.
Xero	The share price fell after falling short of market expectations.

## INDUSTRY EXPOSURE



## MARKET CAPITALISATION

	AEEF (%)	S&P/ASX300 (%)	ACTIVE (%)	# STOCKS
ASX 1 -20	52.7	57.8	-5.2	13
ASX 21 -50	22.9	17.5	5.3	6
ASX 51 -100	9.9	12.8	-3.0	4
ASX 101 -200	9.1	8.8	0.3	4
ASX 201 -300	2.6	3.0	-0.4	1
Ex S&P/ ASX 300	0.0		0.0	0
Cash	3.0			
Total	100.0			28

## CONTACT DETAILS

## ADVISERS, RESEARCHERS AND PLATFORMS

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Available through private menus: North Scheme Menu, BT Panorama

This report was prepared by Montgomery Investment Management Pty Ltd, AFSL No: 354564 ('Montgomery') the investment manager of The Australian Eagle Equities Fund ('AEEF'), ARSN 647 519 542. 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 into account your particular objectives, financial circumstances or needs. You should obtain and consider a copy of the Product Disclosure Document ('PDS') relating to the Fund before making a decision to invest. Both the PDS and the Target Market Determination are available here: <http://fundhost.com.au>. 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 report. Past performance is not indicative of future performance.



In a notably volatile November 2025, the S&P/ASX 300 Accumulation Index declined by 2.64 per cent. The Australian Eagle Equities Fund (The Fund) posted a return of -3.33 per cent after fees, reflecting both its disciplined, long-term investment approach and a month marked by considerable short-term fluctuations.

This short-term fluctuation was mainly caused by what we believe are temporary selloffs in specific stocks, particularly in leading technology firms such as TechnologyOne (ASX:TNE) and Xero (ASX:XRO). Notably, these movements happened even though both companies reported strong fundamentals and maintained business momentum during their off-cycle reporting calendars.

The underlying quality and growth trajectory of these holdings are excellent, positioning The Fund strongly for future outperformance as short-term noise subsides and the market again acknowledges fundamentals.

### Portfolio changes

The Fund increased positions in BHP Group Ltd (ASX:BHP), CSL Ltd (ASX:CSL), Pilbara Minerals Ltd (ASX:PLS) and Web Travel Group Ltd (ASX:WEB).

The Fund decreased its exposure to Life360 Inc. (ASX:360), Commonwealth Bank of Australia Ltd (ASX:CBA), Iluka Resources Ltd (ASX:ILU), and Telix Pharmaceuticals Ltd (ASX:TLX). Our weightings in TechnologyOne Ltd (ASX:TNE) and Xero Ltd (ASX:XRO) declined, however, we acquired additional shares amid their price declines.

The Fund exited its position in Fortescue Ltd (ASX:FMG). While Fortescue remains a high-quality, low-cost iron ore producer, its valuation has moved into a territory that is simply unjustified compared to its peers. BHP and Rio Tinto are much more diversified, have longer and stronger track records through the cycle, and therefore deserve to trade at significantly higher multiples. Fortescue, by contrast, remains a single-commodity, single-region producer and should only command a high single-digit earnings multiple, not parity with the majors. With the stock reaching our valuation target and reflecting more optimism than we believe is justified, we took the opportunity to exit and redeploy capital into better risk-adjusted opportunities.

### Contributors

Pilbara Minerals Ltd (ASX: PLS) – PLS moved higher with the lithium price as battery storage demand continues to grow. The company delivered strong cost control and production growth, as well as progress in both upstream and downstream projects, helping re-rate PLS as the highest-quality lithium exposure on the ASX.

Evolution Mining Ltd (ASX: EVN) – Evolution Mining rose with the gold price after a month of underperformance. The September quarterly report revealed strong contributions from all mines, while management has continued to deleverage the balance sheet.

Web Travel Group Ltd (ASX: WEB) – Web Travel Group posted a strong result with revenue and transaction volumes both growing by more than 20 per cent. Management has also reiterated its confidence in achieving medium-term goals of 50 per cent earnings before interest, taxes, depreciation, and amortisation (EBITDA) margins by financial year 2027 and \$1 billion total transaction value (TTV) by financial year 2030.

### Detractors

Life360 Inc (ASX:360) – Life360 underperformed after reporting a minor slowdown in Monthly Active User (MAU) growth. The company has passed the breakeven point and has demonstrated significant operating leverage, upgrading revenue and profit guidance as strong growth in international subscriber monetisation and advertising revenue boosted cash flow.

TechnologyOne Ltd (ASX:TNE) – TechnologyOne reported high double-digit growth for financial year 2025 and reconfirmed progress towards their financial year 2030 goal of \$1 billion in Annualised Recurring Revenue (ARR). The result however missed market expectations. Management also reported the company's new proprietary artificial intelligence (AI) module has been well received by initial users, providing further near-term revenue upside.

Xero Ltd (ASX:XRO) – Xero was also sold off despite posting a strong 1H26 result. Balancing growth and profitability, management delivered another result surpassing the 'rule of 40'. The medium-term outlook remains promising, and the total addressable market (TAM) has significantly increased with the recent acquisition of Melio and related cross-selling opportunities.

### Market observations

**The Federal Reserve's pivot and yields:** Despite the data vacuum caused by the 43-day US government shutdown, markets reacted aggressively to the Federal Open Market Committee's (FOMC) dovish commentary. Volatility spiked, but the consensus has shifted rapidly toward a December rate cut, offering relief to U.S. Treasuries.

**China stalls, Japan spends:** Asian markets are fracturing. Beijing's stimulus has failed to ignite demand, with Chinese retail sales and industrial output slipping to 14-month lows. Meanwhile, Tokyo is taking the opposite approach; a new ¥25 trillion fiscal cannon aims to break domestic stagnation, though it risks destabilizing the yen and bond markets.

**The Australian disconnect:** While the U.S. looks to cut, Australia is battling sticky inflation. Domestic equities struggled as major banks missed earnings expectations on margins and loan growth. Worse, an upside consumer price index (CPI) surprise (3.8 per cent) coupled with tight unemployment (4.3 per cent) suggests the Reserve Bank of Australia (RBA) cannot ease anytime soon – markets have now repriced the first cut to May 2026.

**Sector Watch:** Lithium (Spodumene): Up more than 20 per cent on battery storage demand, decoupling from the Electric Vehicle (EV) narrative.

**Geopolitics:** Tensions remain high as China extends rare earth export restrictions.

Many investors are currently focused on whether we are in an artificial intelligence (AI) bubble. If you strip away the massive capital expenditure (capex) on data centres and hardware, the "organic" U.S. economy is indeed barely moving. That suggests a combination of expected U.S. interest rate cuts, tax cuts, deregulation, accelerated depreciation, and onshoring should generate a pace of growth in 2026 that may be underappreciated.

