

# Australian Eagle Equities Fund

## Monthly investment report

May 2026

### Fund overview

The Australian Eagle Equities Fund portfolio will typically comprise 25-35 high-conviction stocks listed on the ASX. The Fund employs an active, bottom-up investment approach focused on fundamental analysis and high-quality companies.

### Fund facts

<b>Investment manager:</b>	Montgomery Investment Management Pty Ltd
<b>Sub-investment manager:</b>	Australian Eagle Asset Management Pty Ltd.
<b>Objective:</b>	The Fund aims to outperform the index over a rolling 5-year period.
<b>Benchmark:</b>	The S&P/ASX 300 Accumulation Index
<b>Portfolio managers:</b>	Sean Sequeira, Alan Kwan
<b>Investment timeframe:</b>	5 years recommended
<b>Inception:</b>	17 February 2025

<b>Initial investment:</b>	\$25,000 minimum
<b>Fund size:</b>	\$36.58 million
<b>Management fees and costs:</b>	0.89% per annum*
<b>Distributions:</b>	Half-yearly
<b>Unit prices:</b>	fundhost.com.au/fund/australian-eagle-equities-fund

\* Please read the Product Disclosure Statement for details. Includes the Responsible Entities fees, Montgomery's fees, custody fees, ordinary and abnormal expenses and any indirect costs. These costs are capped at 0.89% with the exception of abnormal costs which may vary.

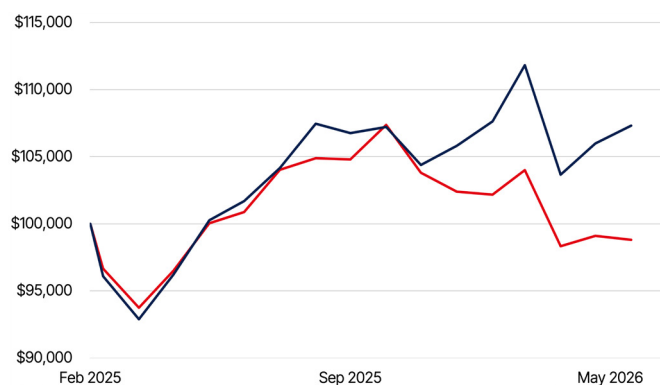
### Portfolio performance

As at 30 June 2025	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception #	Compound annual return since inception (p.a.)
Australian Eagle Equities Fund	-0.29%	-4.99%	-4.81%	-1.23%	-	-	-1.19%	-0.93%
S&P/ASX 300 Accumulative Index	1.25%	-4.03%	2.80%	7.02%	-	-	7.31%	5.66%
<b>Out/under performance</b>	<b>-1.54%</b>	<b>-0.96%</b>	<b>-7.61%</b>	<b>-8.25%</b>	<b>-</b>	<b>-</b>	<b>-8.50%</b>	<b>-6.59%</b>

# Inception: 17 February 2025, past performance is not indicative of future performance

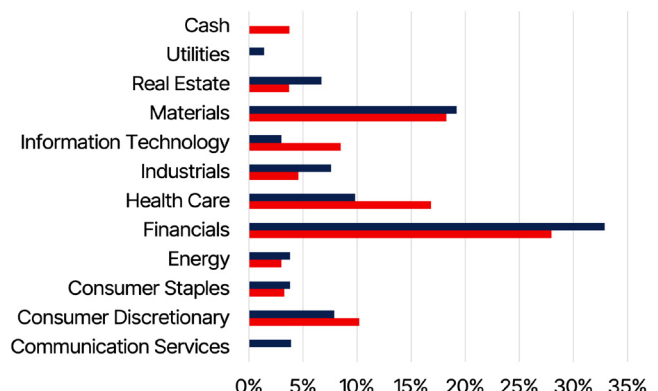
Portfolio Performance is calculated after fees and costs, including the Investment management fee and Performance fee, but excludes the buy/sell spread. All returns are

### Portfolio performance



■ Australian Eagle Equities Fund  
■ S&P/ASX 300 Accumulation Index

### Industry exposure



■ Australian Eagle Equities Fund  
■ S&P/ASX 300 Accumulation Index

## Fund commentary

The Australian Eagles Equities Fund (the Fund) posted a -0.29 per cent return after fees in May, lagging the S&P/ASX 300 Accumulation Index by 1.54 per cent.

Importantly, our overall approach was strengthened by a timely and proactive shift away from major banks and towards the resources sector. Investors re-evaluated the banking sector amid cautious outlooks, higher loan provisions, and recent federal budget adjustments – supporting our more cautious view on banks.

The overall portfolio demonstrated robust underlying strength, though monthly performance was negatively affected by sharp, concentrated declines in three key holdings: Brambles, ASX, and CSL. Each of these companies reported earnings downgrades, and the market reactions were historically severe relative to the actual earnings adjustments. Together, these three positions reduced the monthly return by over 3.0 per cent, overshadowing strong gains elsewhere in the portfolio.

### Portfolio changes

The Fund increased positions in Aristocrat Leisure Ltd (ASX:ALL), BHP Group Ltd (ASX:BHP), PLS Ltd (ASX:PLS), Rio Tinto Ltd (ASX:RIO), Weebit Nano Ltd (ASX:WBT), Wesfarmers Ltd (ASX:WES) and Worley Ltd (ASX:WOR).

The Fund decreased exposure to ASX Ltd (ASX:ASX), Commonwealth Bank Ltd (ASX:CBA), CSL Ltd (ASX:CSL), Evolution Mining Ltd (ASX:EVN), National Australia Bank Ltd (ASX:NAB) and Woodside Energy Ltd (ASX:WDS).

The Fund bought Computershare Ltd (ASX:CPU). After years of underperformance, it divested its U.S. and U.K. mortgage businesses last year, leaving three high-quality core units in Issuer Services, Employee Share Plans, and Corporate Trust. These generate strong, largely recurring organic growth and better earnings. Trading at a low multiple with potential tailwinds from rising interest rates and more corporate activity, the market undervalues the company's improved earnings profile. If organic growth and macroeconomic tailwinds persist, the stock could re-rate higher.

The Fund established a position in Megaport Ltd (ASX:MP1). Acquiring Latitude.sh boosted Megaport's networking in compute and storage, expanding its target market and growth. Latitude.sh's recent wins more than doubled annual recurring revenue, showing strategic timing and positioning Megaport to benefit from AI-driven infrastructure demand. The combined platform enables cross-selling of networking, connectivity, compute, and storage solutions, shifting Megaport from a connectivity provider to a broader cloud and AI platform, enhancing medium-term growth prospects.

The Fund exited its Dexis Ltd (ASX:DXS) position as its thesis didn't materialise. Management didn't move decisively toward a capital-light model by selling assets, so proceeds were reinvested into higher-conviction opportunities with clearer earnings improvement pathways.

### Contributors

Rio Tinto (ASX:RIO) outperformed in May as commodity prices rose, with iron ore, aluminium, and copper increasing, boosting earnings expectations across key divisions.

Worley Ltd (ASX:WOR) rose after securing three new contracts, boosting backlog growth. The stock gained support from a new buyback and an investor presentation emphasising increasing involvement in complex infrastructure, including data centres, expanding market perception beyond traditional energy engineering.

Weebit Nano (ASX:WBT) rose after announcing two customers taped out chips with its ReRAM, and another is at prototype stage. The update boosted investor confidence in AI infrastructure and semiconductor investments, supporting firms in next-gen memory and chip efficiency.

### Detractors

Brambles Ltd (ASX:BXB) underperformed after revising financial year 2026 guidance, citing U.S. repair capacity constraints and new pallet purchases expected to cut earnings by US\$60 million. Management remains confident this is temporary and announced a US\$400 million buyback.

ASX Ltd (ASX:ASX) – ASX fell after issuing financial year 2027 guidance for higher cost growth driven by technology modernisation and regulatory remediation. Revenue growth remains strong at low double-digit rates while the appointment of a new external CEO from Europe provides a potential reset opportunity.

CSL Ltd (ASX:CSL) underperformed after downgrading financial year 2026 guidance due to U.S. immunoglobulin inventory normalisation, weaker China albumin prices, and Middle East conflict impacts. Sentiment was further pressured by US\$5 billion non-cash impairments mostly related to CSL Vifor, as the company searches for a permanent CEO.

## Top 10 holdings

Company Name	ASX Code	Weight (%)
QBE Insurance Group	QBE	5.97
Commonwealth Bank of Australia	CBA	5.78
Rio Tinto	RIO	5.46
Aristocrat Leisure	ALL	5.21
PLS Group	PLS	5.06
Worley	WOR	4.96
Brambles	BXB	4.94
BHP Group	BHP	4.56
Macquarie Group	MQG	3.99
Evolution Mining	EVN	3.60
Cash		3.34
Total weighted average holding's market capitalisation		71.21 bn

## Private menu availability

- BT Panorama
- HUB24
- North Scheme Menu

## Ratings



## Contact details

### Advisers, researchers and platforms

**Scott Phillips**  
Head of Distribution  
States – National

☎ 0417 529 890

✉ [sPhillips@montinvest.com](mailto:sPhillips@montinvest.com)

**David Denby**  
National Account Manager  
States – VIC, SA & TAS

☎ 0455 086 484

✉ [ddenby@montinvest.com](mailto:ddenby@montinvest.com)

**Michael Gollagher**  
National Account Manager  
States – QLD

☎ 0409 771 306

✉ [mgollagher@montinvest.com](mailto:mgollagher@montinvest.com)

**Dean Curnow**  
National Account Manager  
States – NSW & WA

☎ 0405 033 849

✉ [dcurnow@montinvest.com](mailto:dcurnow@montinvest.com)

**Toby Roberts**  
National Account Manager  
States – NSW & ACT

☎ 0402 093 561

✉ [troberts@montinvest.com](mailto:troberts@montinvest.com)



Read our insights at  
[rogermontgomery.com](http://rogermontgomery.com)

**Montgomery Investment Management**  
Suite 5.01, 17 Castlereagh Street  
Sydney NSW 2000

**[investor@montinvest.com](mailto:investor@montinvest.com)**  
(02) 8046 5000  
[montinvest.com](http://montinvest.com)

### Important information

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: [fundhost.com.au](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.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned June 2025) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance.