

# The Montgomery [Private] Fund

## Monthly investment report

February 2026

### Fund facts

<b>Investment manager:</b>	Montgomery Investment Management Pty Ltd	<b>Portfolio managers:</b>	Sean Sequeira, Alan Kwan
<b>Sub-investment manager:</b>	Australian Eagle Asset Management Pty Ltd been appointed as the sub-investment manager from 12 September 2022.	<b>Investment timeframe:</b>	5 years recommended
<b>Objective:</b>	To provide absolute returns to investors in the form of capital growth and income, from a portfolio of Australian and New Zealand shares.	<b>Minimum initial investment:</b>	\$1,000,000
<b>Benchmark:</b>	S&P/ASX 200 Industrials Accumulation Index	<b>Inception:</b>	23 December 2010
		<b>Fund size:</b>	\$176.54 million
		<b>Management fees:</b>	1.23% pa*
		<b>Performance fee:</b>	15.38% outperformance of benchmark**
		<b>Application and redemption prices:</b>	montinvest.com/mpf

\* Includes 0.10% administration fee. Refer to the Information Memorandum for more information.

\*\* Please read the Information Memorandum for details.

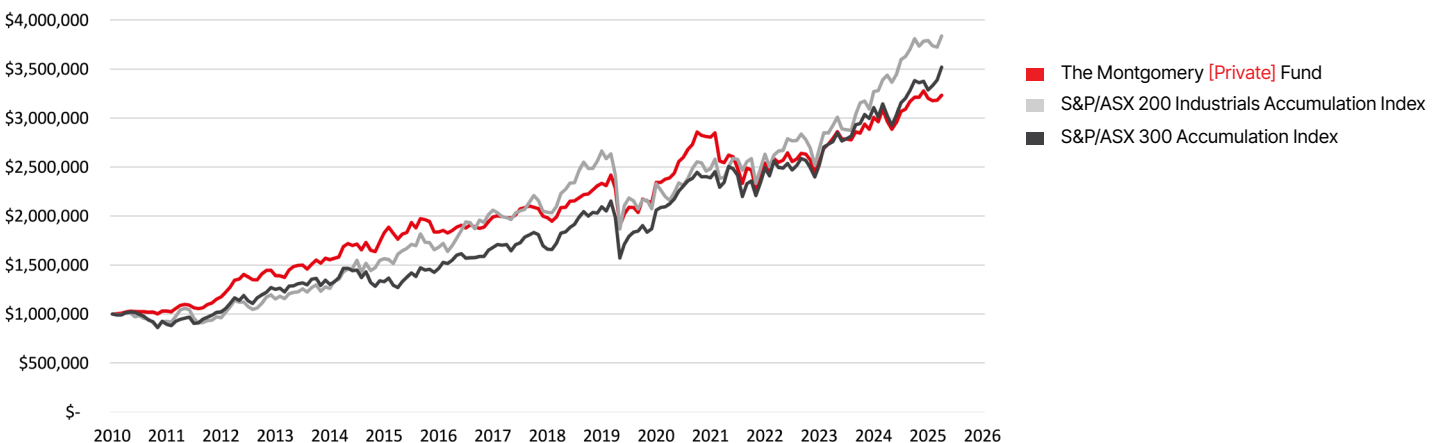
### Portfolio performance

	3 months	6 months	12 months	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception <sup>#</sup>	Compound annual return (since inception)
The Montgomery [Private] Fund	0.93%	0.64%	8.92%	8.25%	6.24%	6.24%	223.22%	8.03%
S&P/ASX 300 Accumulation Index	7.12%	4.05%	16.36%	12.14%	10.62%	10.74%	252.02%	8.64%
Out/under performance	-6.19%	-3.41%	-7.44%	-3.89%	-4.38%	-4.50%	-28.80%	-0.61%
S&P/ASX 200 Industrials Accumulation Index	1.24%	0.76%	11.63%	12.95%	12.18%	9.08%	283.74%	9.26%
Out/under performance	-0.31%	-0.12%	-2.71%	-4.70%	-5.94%	-2.84%	-60.52%	-1.23%

# Inception: 23 December 2010, 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 on a pre-tax basis and assume distributions are reinvested.

### Performance



## Top 10 holdings

Company name	ASX	Weight (%)
Transurban Group	TCL	8.50
National Australia Bank	NAB	6.44
QBE Insurance Group	QBE	5.96
Brambles	BXB	5.73
Woodside Energy Group	WDS	5.29
Aristocrat Leisure	ALL	4.80
Evolution Mining	EVN	4.76
Rio Tinto	RIO	4.75
Cochlear	COH	4.36
BHP Group	BHP	3.96
Cash		3.93
Weighted average market capitalisation		\$57.45bn

## Application and redemption prices\*

Price type	Price
Fund application price	\$1.2711
Fund mid price	\$1.2679
Fund redemption price	\$1.2647

\* The Fund is forward-priced; investors will receive the price struck subsequent to the receipt of their application/ redemption. At financial year-end The Fund paid a distribution of 8.5851 cents per unit, and so after ending financial year 2025 with a unit price of \$1.2980, The Fund commenced financial year 2026 with a unit price of \$1.2122.

## Fund commentary

The Montgomery [Private] Fund (The Fund) returned 1.55 per cent after fees in February 2026, below the S&P/ASX 300 Accumulation Index's gain of 3.89 per cent and the S&P/ASX 200 Industrials Accumulation Index's gain of 3.03 per cent. The broader market's performance was largely driven by strong gains in the major banks. The Fund remains structurally underweight the banks as we believe their earnings quality is not improving. Consequently, when bank share prices lead the market higher, they can act as a headwind to The Fund's relative performance, despite the portfolio remaining focused on companies with improving fundamentals and sustainable long-term growth drivers.

### Portfolio changes

The Fund increased positions in ASX Ltd (ASX:ASX), BHP Group Ltd (ASX:BHP), Commonwealth Bank Ltd (ASX:CBA), PLS Ltd (ASX:PLS), Woodside Energy Ltd (ASX:WDS), Woolworths Ltd (ASX:WOW) and Worley Ltd (ASX:WOR).

The Fund decreased exposure to Life360 Inc. (ASX:360), Aristocrat Leisure Ltd (ASX:ALL), Cochlear Ltd (ASX:COH), CSL Ltd (ASX:CSL), Rio Tinto Ltd (ASX:RIO), SILEX Systems Ltd (ASX:SLX), Web Travel Group (ASX:WEB), Wesfarmers Ltd (ASX:WES) and Xero Ltd (ASX:XRO).

The Fund has re-entered Fortescue Ltd (ASX:FMG) following our October 2025 exit, driven by a significant uplift in the company's earnings profile. Key catalysts include unit cost efficiencies and realised pricing that has recently outperformed major peers Rio Tinto and BHP. Additionally, Iron Bridge has reached an inflection point, with accelerated production of higher-grade ore now accretive to earnings. Improved operational execution and more rigorous clean energy capex selection further support our thesis of a higher-quality, disciplined business.

### Key contributors

- Pilbara Minerals (ASX:PLS): Appreciated alongside lithium prices following a strong first-half result. The restart of the Ngungaju processing plant signals management's confidence in medium-term market strength.
- Brambles Ltd (ASX:BXB): Brambles Limited outperformed in February after reporting improving free cash flow despite broadly flat pallet volumes. Management highlighted continued progress from its Serialisation+ and broader digitisation initiatives, which are improving asset utilisation, lowering loss rates and supporting margin expansion. The market responded positively to the resulting improvement in cash generation and the potential for higher shareholder returns.
- QBE Insurance (ASX:QBE): Reported higher profits driven by rising gross written premiums and lower claims costs. Consequently, management lifted the dividend payout ratio to 50 per cent.

### Key detractors

- Cochlear (ASX:COH): Downgraded full-year guidance due to hospital contracting delays and the postponed Nucleus Nexa launch. A stronger Australian dollar added FX headwinds, though underlying demand for implants remains firm.
- CSL (ASX:CSL): Faced pressure following a challenging half-year update and the announcement of the CEO's departure. The result included significant impairments and restructuring as management streamlines for future organic growth.
- Web Travel Group (ASX:WEB): Underperformed due to uncertainty surrounding a tax audit of its Spanish operations. This has created a persistent sentiment overhang despite no material change to underlying operating performance.

## Contact details

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### Important information

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