MONTGOMERY

The Montgomery [Private] Fund

Monthly investment report

October 2026

Fund facts

Investment manager:	Montgomery Investment Management Pty Ltd
Sub-investment manager:	Australian Eagle Asset Management Pty Ltd was appointed 12 September 2022.
Objective:	To provide absolute returns to investors in the form of capital growth and income, from a portfolio of Australian and New Zealand shares.
Benchmark:	S&P/ASX 200 Industrials Accumulation Index
APIR code:	FHT0027AU

Portfolio managers:	Sean Sequeira, Alan Kwan
Investment timeframe:	5 years recommended
Minimum initial investment:	$1,000,000
Inception:	23 December 2010
Fund size:	$128.19 million
Management fees:	1.23% pa*
Performance fee:	15.38% outperformance of benchmark**
Application and redemption prices:	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#	Compound annual return (since inception)
The Montgomery [Private] Fund	0.61%	3.22%	-3.19%	9.11%	2.44%	5.61%	217.28%	7.55%
S&P/ASX 300 Accumulation Index	0.25%	4.28%	3.09%	13.20%	7.69%	9.34%	247.96%	8.18%
Out/under performance	0.36%	-1.06%	-6.28%	-4.09%	-5.25%	-3.73%	-30.68%	-0.63%
S&P/ASX 200 Industrials Accumulation Index	-0.29%	4.72%	-0.74%	14.26%	8.83%	8.53%	275.56%	8.70%
Out/under performance	0.90%	-1.50%	-2.45%	-5.15%	-6.39%	-2.92%	-58.28%	-1.15%

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 Code	Weight (%)
Transurban Group	TCL	7.55
Brambles	BXB	6.87
BHP Group	BHP	6.61
ASX	ASX	5.97
Computershare	CPU	5.06
Evolution Mining	EVN	4.89
Cochlear	COH	4.84
Aristocrat Leisure	ALL	4.57
Worley	WOR	4.47
CSL	CSL	4.46
Cash		4.23
Weighted average market capitalisation		$59.69bn

Application and redemption prices*

Price type	Price
Fund application price	$1.1412
Fund mid price	$1.1384
Fund redemption price	$1.1356

* 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 10.6242 cents per unit, and so after ending financial year 2026 with a unit price of $1.2455, The Fund commenced financial year 2026 with a unit price of $1.1392.

Fund commentary

The Montgomery [Private] Fund (The Fund) increased by 0.78 per cent in October 2026, marginally underperforming its benchmark, the S&P/ASX 300 Accumulation Index by 0.33 per cent. The S&P/ASX 200 Industrials Accumulation Index returned 2.39 per cent in October. The big banks rallied strongly despite continued weakness in the domestic housing market and cost-inflation pressures. Resource stocks, meanwhile, were disproportionately sold off, with nearly all share prices falling more than their corresponding commodity prices.

Portfolio Changes

The Fund increased positions in BHP Group Ltd (ASX:BHP), Computershare Ltd (ASX:CPU), CSL Ltd (ASX:CSL), Fortescue Ltd (ASX:FMG) and Megaport Ltd (ASX:MP1).

The Fund decreased exposure to Deterra Royalties Ltd (ASX:DRR), PLS Ltd (ASX:PLS), QBE Insurance Group Ltd (ASX:QBE) and Rio Tinto Ltd (ASX:RIO).

The Fund exited its small position in Iluka Resources Ltd (ASX:ILU) as the investment case became less compelling relative to other opportunities in the portfolio. Mineral sands fundamentals remained soft, and the rare earths growth pathway remains capital-intensive and longer-dated, reducing near-term earnings visibility. The sale also reflected a broader preference to concentrate capital in other resource exposures where we see stronger earnings momentum and clearer near-term catalysts.

Contributors

ASX Ltd (ASX:ASX) – ASX outperformed after the new CEO, Anthony Attia, reaffirmed FY27 guidance at the annual general meeting (AGM) during the month. Attia also outlined his turnaround strategy, "Fix, Grow, Expand", reinforcing confidence that the business is moving from remediation toward improved execution, accountability and sustainable growth.

Brambles Ltd (ASX:BXB) – Brambles outperformed after management reaffirmed both FY27 and FY28 guidance at the AGM, reinforcing confidence in the durability of its earnings and cash flow outlook. Management also reiterated that the U.S. repair-capacity constraints should be resolved by December 2026, consistent with its original expectations and reducing concerns that the issue could become a more persistent operational headwind.

Aristocrat Leisure Ltd (ASX:ALL) – Aristocrat Leisure outperformed as positive feedback from the Global Gaming Expo reinforced its leadership in North American gaming, highlighting strong product momentum, market-share gains and continued progress in iGaming.

Detractors

PLS Ltd (ASX:PLS) – PLS underperformed as the share price fell materially more than the decline in the underlying spodumene price, reflecting broader weakness and de-risking across lithium and resource equities. This occurred despite a strong quarterly result, with production increasing, unit costs declining and the balance sheet remaining in a strong net cash position.

Evolution Mining Ltd (ASX:EVN) – Evolution Mining underperformed as the share price fell around 12 per cent during the month, roughly double the 6 per cent decline in the gold price, reflecting broader weakness across gold equities. This occurred despite a solid September-quarter update, with FY27 guidance maintained, sector-leading AISC of $1,653/oz and the balance sheet improving to a $141 million net cash position.

Rio Tinto Ltd (ASX:RIO) – Rio Tinto underperformed as the share price fell 12 per cent versus the 2 per cent decline in the iron ore price, suggesting the stock was disproportionately caught up in the broader de-risking and selling of resource equities. This occurred despite a solid September quarter update, highlighted by continued production ramp up at Oyu Tolgoi copper while maintaining full year guidance.

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Important information

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