MONTGOMERY

The Montgomery Fund

Monthly investment report

October 2026

Fund overview

The Montgomery Fund's 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

Investment manager:	Montgomery Investment Management Pty Ltd
Sub-investment manager:	Australian Eagle Asset Management Pty Ltd appointed 12 September 2022.
Objective:	To outperform the index over a rolling 5-year period.
Benchmark:	S&P/ASX 300 Accumulation Index
Portfolio managers:	Sean Sequeira, Alan Kwan
APIR code:	FHT0030AU
Investment style:	Agnostic

Investment timeframe:	5 years recommended
Inception:	17 August 2012
Minimum initial investment:	$25,000
Fund size:	$207.92 million
Management fees and costs:	1.36% pa*
Distributions:	Half-yearly. View a history of our website **here**.
Performance fee:	15.38% outperformance of the benchmark**
Unit prices:	**montinvest.com/our-funds/the-montgomery-fund/**

* Includes the Responsible Entities fees, Montgomery's fees, custody fees, ordinary and abnormal expenses and any indirect costs. This is an estimate as cost may vary.

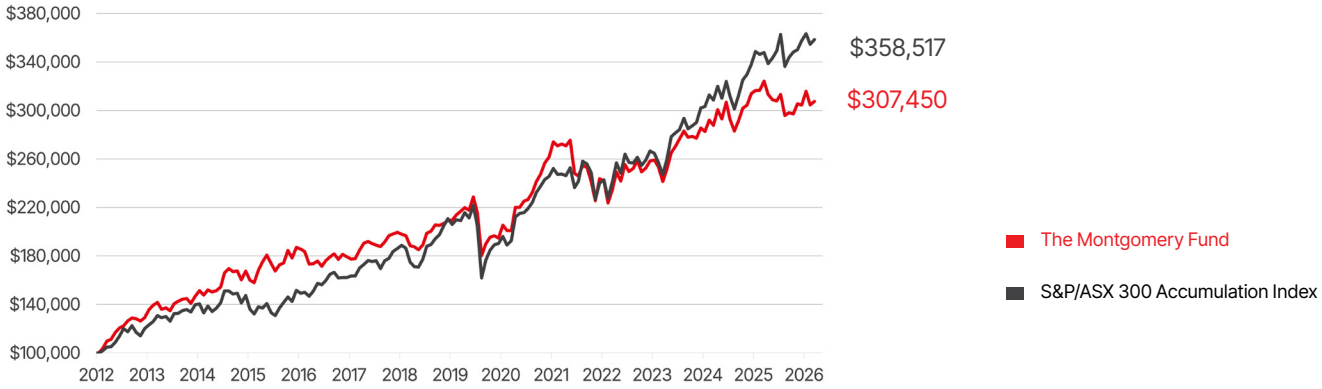
** Please read the Product Disclosure Statement for details.

Portfolio performance

	1 month	3 months	6 months	12 months	3 years (p.a.)	5 years (p.a.)	Since inception#	Compound annual return (since inception)
The Montgomery Fund	0.95%	0.99%	3.15%	-5.15%	8.39%	2.45%	207.45%	8.23%
S&P/ASX 300 Accumulation Index	1.11%	0.25%	4.28%	3.09%	13.20%	7.69%	258.52%	9.41%
Out/under performance	-0.16%	0.74%	-1.13%	-8.24%	-4.81%	-5.24%	-51.07%	-1.18%

Inception: 17 August 2012, 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.

Fund performance



Fund commentary

The Montgomery Fund (The Fund) returned 0.95 per cent after fees in October 2026, slightly underperforming the S&P/ASX 300 Accumulation Index by 0.16 per cent. 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 US 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.

CSL Ltd (ASX:CSL) – CSL outperformed after management reinforced confidence that the operational reset remains on track as both CSL Behring and Seqirus were operating in line with expectations. The leadership transition also provided greater clarity, with interim CEO Gordon Naylor moving to Chairman and Deborah Waterhouse appointed as the new CEO starting February 2027, supporting confidence in continuity of strategy and execution.

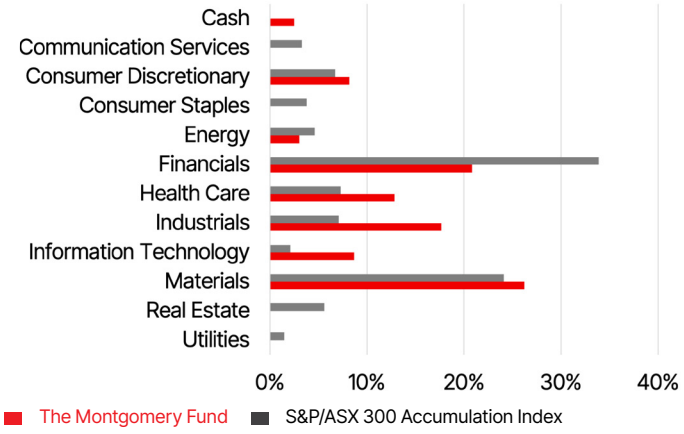
Detractors

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.

Industry exposure



Top 10 holdings

Company Name	ASX Code	Weight (%)
BHP Group	BHP	7.25
Brambles	BXB	6.11
ASX	ASX	5.98
Cochlear	COH	5.23
Computershare	CPU	5.07
Commonwealth Bank of Australia	CBA	5.00
Evolution Mining	EVN	4.89
CSL	CSL	4.82
Aristocrat Leisure	ALL	4.58
Worley	WOR	4.49
Cash		**2.50**
Weighted average market capitalisation		**$74.02bn**

Contact details

For investors

Rhodri Taylor
Account Manager – Private Clients
02 8046 5022
rtaylor@montinvest.com

David Buckland
Chief Executive Officer
02 8046 5004
dbuckland@montinvest.com

For advisers, researchers and platforms

Scott Phillips
Head of Distribution
States – National
0417 529 890
sphillips@montinvest.com

David Denby
National Account Manager
States – VIC, SA & TAS
0455 086 484
ddenby@montinvest.com

Michael Gollagher
National Account Manager
States – QLD
0409 771 306
mgollagher@montinvest.com

Dean Curnow
National Account Manager
States – NSW & WA
0405 033 849
dcurnow@montinvest.com

Toby Roberts
National Account Manager
States – NSW & ACT
0402 093 561
troberts@montinvest.com

Platform availability

- Asgard
- BT Panorama
- CFS Edge
- DASH
- HUB24
- Insignia eXpand
- Macquarie Wrap
- Mason Stevens
- Netwealth
- North
- Powerwrap
- Praemium

Ratings

Zenith
Recommended

Lonsec Research
Recommended

MONTGOMERY | Australian Eagle Asset Management

Read our insights at
rogermontgomery.com

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

investor@montinvest.com
(02) 8046 5000
montinvest.com

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