

The Montgomery Fund

Monthly investment report

September 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	Investment timeframe:	5 years recommended
Sub-investment manager:	Australian Eagle Asset Management Pty Ltd appointed 12 September 2022.	Inception:	17 August 2012
Objective:	To outperform the index over a rolling 5-year period.	Minimum initial investment:	\$25,000
Benchmark:	S&P/ASX 300 Accumulation Index	Fund size:	\$213.97 million
Portfolio managers:	Sean Sequeira, Alan Kwan	Management fees and costs:	1.36% pa*
APIR code:	FHT0030AU	Distributions:	Half-yearly. View a history of our website here .
Investment style:	Agnostic	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.

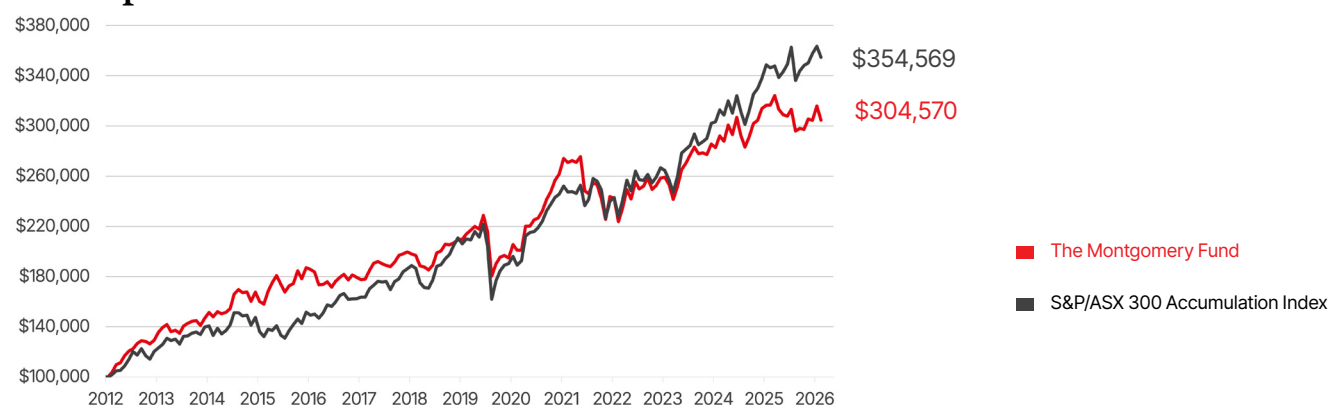
** Please read the Product Disclosure Statement for details.

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	-3.56%	-0.29%	2.94%	-3.78%	6.33%	2.38%	204.57%	8.21%
S&P/ASX 300 Accumulation Index	-2.43%	1.26%	5.46%	2.39%	11.33%	7.47%	254.57%	9.38%
Out/under performance	-1.13%	-1.55%	-2.52%	-6.17%	-5.00%	-5.09%	-50.00%	-1.17%

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

Amid falling global markets in September, The Montgomery Fund (The Fund) returned -3.56 per cent. The S&P/ASX 300 Accumulation Index declined by 2.43 per cent as higher bond yields and ongoing concerns about potential artificial intelligence (AI) disruption continued to weigh on sentiment. The resources sector also weighed on the market as commodity prices reversed some of its recent outperformance.

Portfolio changes

The Fund increased positions in BHP Group Ltd (ASX:BHP), Cochlear Ltd (ASX:COH), Evolution Mining Ltd (ASX:EVN), Megaport Ltd (ASX:MP1) and Wesfarmers Ltd (ASX:WES).

The Fund reduced exposure to Aristocrat Leisure Ltd (ASX:ALL), PLS Ltd (ASX:PLS) and Xero Ltd (ASX:XRO).

The Fund exited its small position in WebBeds Group Ltd (ASX:WEB) despite continued improvement in underlying earnings and margins. The share price has remained depressed for an extended period amid weak consumer sentiment, higher inflation and elevated oil prices. While operational change has progressed, the market's failure to acknowledge it has persisted, so we recycled capital into higher-quality consumer discretionary opportunities with strong balance sheets and economic resilience.

Contributors

Megaport Ltd (ASX:MP1) – Megaport outperformed after the company announced three new AI infrastructure contracts totalling \$978 million. The wins reinforced Megaport's exposure to accelerating AI-related network demand and improved visibility over future revenue growth.

CSL Ltd (ASX:CSL) continued its recovery after the reporting season as investors reevaluated the outlook following a tough FY26 reset year. The results confirmed the core plasma industry remains healthy, supported by robust operating cash flow. Management persists in streamlining the business and positioning CSL for more sustainable growth.

ASX Ltd (ASX:ASX) – ASX rose after the new CEO announced a revamped leadership team and reshaped several senior roles. The changes were seen as an important step toward improving execution, technology delivery, and accountability after a period of operational and regulatory challenges.

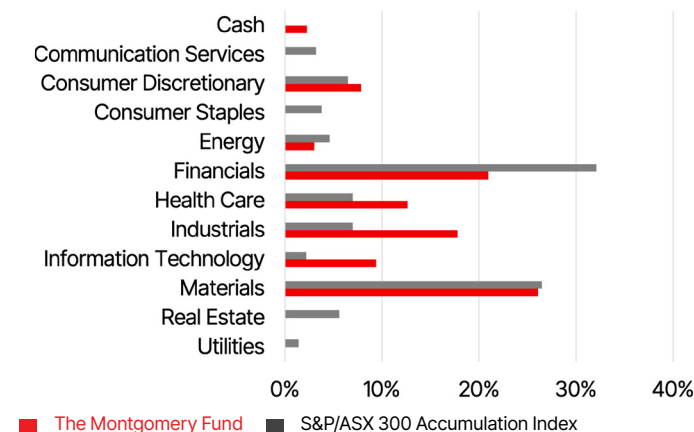
Detractors

PLS Ltd (ASX:PLS) – PLS fell in sympathy with the lithium price and sector sentiment waned. It remains the top-quality lithium producer on the ASX, boasting its premier Pilgangoora asset, a low-cost structure, and a solid balance sheet. This financial strength has allowed management to continue investing throughout the cycle and ramp up production as market conditions improve.

Xero Ltd (ASX:XRO) – Xero underperformed alongside other technology stocks as higher bond yields weighed on the valuations of growth stocks. Xero's recurring revenue base, strong cash generation, and continued platform expansion through AI initiatives provide additional pathways for long-term growth.

Evolution Mining Ltd (ASX:EVN) – Evolution Mining followed the gold price lower. Evolution Mining's operational performance has continued to improve while its strong balance sheet and disciplined capital allocation have resulted in a more resilient earnings profile.

Industry exposure



Top 10 holdings

Company Name	ASX Code	Weight (%)
BHP Group	BHP	6.97
Brambles	BXB	6.11
ASX	ASX	6.07
Cochlear	COH	5.04
Evolution Mining	EVN	5.00
Commonwealth Bank of Australia	CBA	4.99
Rio Tinto	RIO	4.79
Aristocrat Leisure	ALL	4.52
CSL	CSL	4.51
Worley	WOR	4.49
Cash		2.26
Weighted average market capitalisation		\$73.51bn

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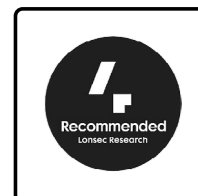
Platform availability

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

Ratings



Zenith
Recommended



Lonsec Research
Recommended



Read our insights at
rogermontgomery.com

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Important information

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