MONTGOMERY

Australian Eagle Asset Management

Australian Eagle Equities Fund

Monthly investment report

June 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

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

Initial investment:	$25,000 minimum
Fund size:	$37.59 million
Management fees and costs:	0.89% per annum*
Distributions:	Half-yearly
Unit prices:	fundhost.com.au/fund/australian-eagle-equities-fund

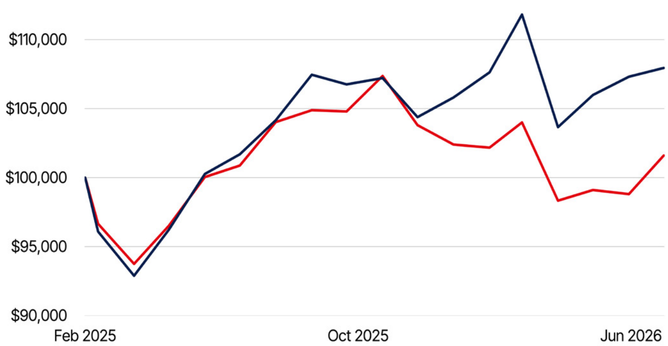
* Please read the Product Disclosure Statement for details. Includes the Responsible Entities fees, Montgomery's fees, custody fees, ordinary and abnormal expenses and any indirect costs. These costs are capped at 0.89% with the exception of abnormal costs which may vary.

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	2.82%	3.33%	-0.78%	0.72%	-	-	1.60%	1.17%
S&P/ASX 300 Accumulative Index	0.60%	4.14%	2.02%	6.16%	-	-	7.95%	5.77%
Out/under performance	2.22%	-0.81%	-2.80%	-5.44%	-	-	-6.35%	-4.60%

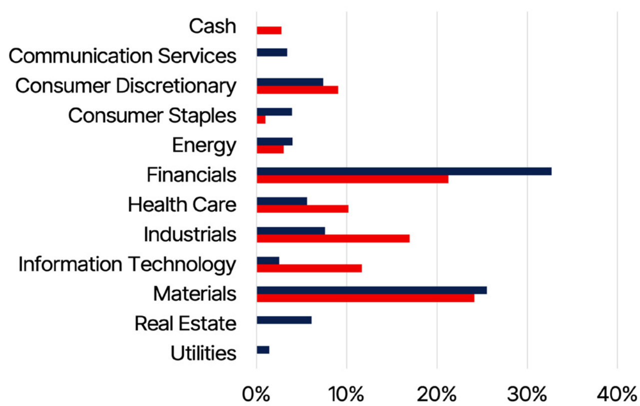
\# Inception: 17 February 2025, past performance is not indicative of future performance
Portfolio Performance is calculated after fees and costs, including the Investment management fee and Performance fee, but excludes the buy/sell spread. All returns are

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

In June 2026, The Australian Eagle Equities Fund increased by 2.82 per cent after fees, surpassing the S&P/ASX 300 Accumulation Index's 0.60 per cent return by 2.22 per cent. The outperformance was primarily due to investors rotating back into quality growth stocks like Aristocrat Leisure, Life360, and Brambles. The rapid pace of this rotation was unexpected, given the prolonged underperformance of 'Quality' as a factor since September 2025. Consequently, recent winners were sold off, while large miners declined alongside commodity prices, and major banks remained under pressure as investors processed the impact of higher interest rates, inflation, and potential changes to capital gains taxes.

Portfolio changes

The Fund increased positions in Life360 Inc. (ASX:360), ASX Ltd (ASX:ASX), BHP Group Ltd (ASX:BHP), Cochlear Ltd (ASX:COH), Computershare Ltd (ASX:CPU), CSL (ASX:CSL), Evolution Mining Ltd (ASX:EVN) and Megaport Ltd (ASX:MP1).

The Fund decreased exposure to Fortescue Ltd (ASX:FMG), Iluka Resources Ltd (ASX:ILU), PLS Ltd (ASX:PLS), QBE Insurance Group Ltd (ASX:QBE), Rio Tinto Ltd (ASX:RIO), SILEX Systems Ltd (ASX:SLX), Transurban Ltd (ASX:TCL), Woolworths Ltd (ASX:WOW), Woodside Energy Ltd (ASX:WDS), Worley Ltd (ASX:WOR) and Xero Ltd (ASX:XRO).

Contributors

Aristocrat Leisure Ltd (ASX:ALL) outperformed as investors shifted focus to higher quality growth stocks. In May, management delivered a solid half year 2026 result with 19 per cent earnings per share (EPS) growth, provided a positive outlook including market share expansion, and announced a $1 billion boost to its on-market share buyback program.

Life360 Inc. (ASX:360) increased following a period of weak performance. The company continues to target high double-digit monthly active user growth, and its emerging advertising segment has made encouraging progress. Recently, management announced a multi-year share buyback of up to $225 million, backed by a solid balance sheet and 12 months of positive operating cash flow.

Brambles Ltd (ASX:BXB) rebounded strongly as investors shifted their attention back to high-quality growth companies, following the market's overreaction to a minor earnings downgrade in May. Management remains optimistic that these issues are temporary and has reaffirmed the company is still on target for a three per cent increase in margins by the fiscal year 2028.

Detractors

PLS Ltd (ASX:PLS) saw its stock decline following a drop in lithium prices after a period of solid performance. Management has recently approved $175 million for capital expenditure to expand the Pilgangoora Operation to 2.0 million tonnes per year. This expansion aims to meet long-term lithium demand growth while maintaining its low-cost, high-cash-flow operations.

Worley Ltd (ASX:WOR) – Worley fell after downgrading earnings due to ongoing uncertainty stemming from the Middle East conflict. The company announced a new $300 million share buyback in May and continues to grow its backlog through new contract wins and renewals across traditional energy engineering sectors, data centres, and complex critical infrastructure projects.

Rio Tinto Ltd (ASX:RIO) – Rio Tinto fell with the iron ore price. The company was also affected by broader profit taking across resources amid news the Chinese economy continued to slow, with domestic new home prices falling for the 35th consecutive month.

Distribution

At the conclusion of the 12 months to 30 June 2026, The Australian Eagle Equities Fund will pay a distribution of 1.0664 cents per unit. Accordingly, after ending financial year 2026 with a unit price of $1.0125, we commence financial year 2027 with a unit price of $1.0018 Since the Fund's inception on 23 December 2010, it has paid out a total of $0.014168 per unit.

Top 10 holdings

Company Name	ASX Code	Weight (%)
Commonwealth Bank of Australia	CBA	5.78
Aristocrat Leisure Ltd	ALL	5.31
BHP Group Ltd	BHP	5.21
Brambles Ltd	BXB	4.92
Rio Tinto Ltd	RIO	4.70
PLS Group Ltd	PLS	4.69
Worley Ltd	WOR	4.55
QBE Insurance Group Ltd	QBE	4.54
Macquarie Group Ltd	MQG	4.00
Life360 Inc	360	3.98
Cash		2.75
Total weighted average holding's market capitalisation		$70.60bn

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Ratings

Zenith RECOMMENDED

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Important information