Australian Eagle Equities Fund

Monthly investment report

August 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:	$38.71 million
Management fees and costs:	0.89% per annum*
Distributions:	Half-yearly
Unit prices:	fundhost.com.au/fund/australian-eagle-equities-fund

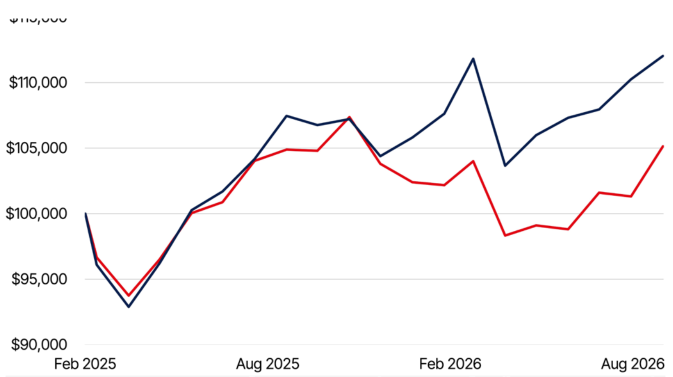
* Please read the Product Disclosure Statement for details. Includes the Responsible Entities fees, Montgomery's fees, custody fees, ordinary and abnormal expenses and any indirect costs. These costs are capped at 0.89% with the exception of abnormal costs which may vary.

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	3.77%	6.41%	1.10%	0.23%	-	-	5.14%	3.32%
S&P/ASX 300 Accumulative Index	1.62%	4.40%	0.19%	4.25%	-	-	12.03%	7.69%
Out/under performance	2.15%	2.01%	0.91%	-4.02%	-	-	-6.89%	-4.37%

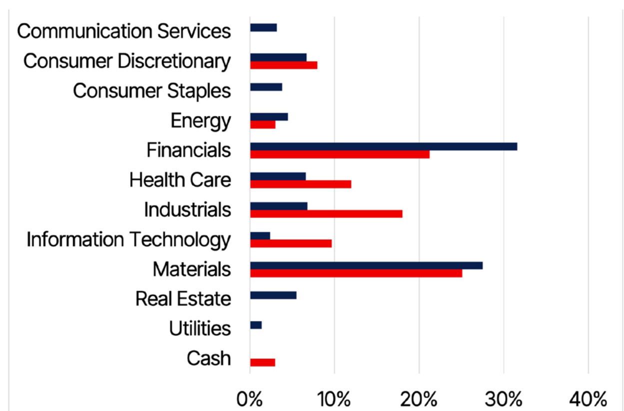
\# Inception: 17 February 2025, past performance is not indicative of future performance
Portfolio Performance is calculated after fees and costs, including the Investment management fee and Performance fee, but excludes the buy/sell spread. All returns are

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

Pleasingly, The Australian Eagle Equities Fund returned 3.77 per cent after fees in August 2026, materially outperforming the S&P/ASX 300 Accumulation Index for the month by 2.15 per cent.

Outperformance was driven by overweight healthcare, particularly CSL, and resources positions. Resource holdings benefited from strength in gold, lithium and diversified miners. The result highlights the benefit of maintaining exposure to high-quality companies, particularly after a long period in which 'quality' has played second fiddle to AI-driven 'momentum'. Selective resource exposure where earnings growth and commodity support have improved also contributed to August's result.

Portfolio changes

The Fund increased positions in ASX Ltd (ASX:ASX), BHP Group Ltd (ASX:BHP), Cochlear Ltd (ASX:COH), CSL Ltd (ASX:CSL) and PLS Ltd (ASX:PLS).

The Fund decreased exposure to Life360 Inc. (ASX:360), Aristocrat Leisure Ltd (ASX:ALL), Commonwealth Bank of Australia Ltd (ASX:CBA), Fortescue Ltd (ASX:FMG), Iluka Resources Ltd (ASX:ILU), National Australia Bank Ltd (ASX:NAB), QBE Insurance Group Ltd (ASX:QBE), Transurban Group Ltd (ASX:TCL).

Galan Lithium (ASX:GLN)

The Fund initiated a small position in Galan Lithium Ltd (ASX:GLN), a lithium developer transitioning into production at its flagship Hombre Muerto West (HMW) lithium brine project in Argentina.

We were attracted to Galan Lithium's exposure to a recovering lithium market and its transition from development toward production and cash flow. The HMW project is a large, high-grade, high-purity lithium brine resource in Argentina, with a premium lithium chloride concentrate grading around 6 per cent lithium, equivalent to approximately 32 per cent LCE, and an estimated operating cost of US$3,263/t LCE, placing it firmly in the lowest quartile of production costs.

Recent operational progress has also improved the investment case, with Galan completing wet commissioning at HMW and producing first processed lithium chloride during the June 2026 quarter. In our view, this creates a meaningful change in the company's quality profile, as the market begins to recognise Galan's graduation from developer to producer.

The Fund exited its small position in Weebit Nano Ltd (ASX:WBT) as the risk-reward trade-off deteriorates amid heightened volatility across the AI theme and a material sell-off in semiconductor-related equities. While the company continues to progress toward commercialisation, the timing and scale of future revenue remained uncertain due to customer delays. The share price has become more dependent on broader AI sentiment.

Contributors

CSL Ltd (ASX:CSL) – CSL continued its outperformance since July, with the FY26 result revealing strong progress in its turnaround strategy. The core plasma business posted high-single-digit growth, while Seqirus gained market share. Despite interim management in place, CSL has already achieved US$176 million in cost efficiencies.

Evolution Mining Ltd (ASX:EVN) – Evolution Mining rose alongside a bounce in the gold price. The FY2026 result revealed record cash flow generation, supported by rising gold and copper prices, operational improvement and a stronger balance sheet.

PLS Ltd (ASX:PLS) – PLS followed the lithium price higher as management announced a robust FY26 result, driven by higher lithium prices, production growth and operational improvements. PLS also declared a five cents per share fully franked dividend but retained the majority of free cashflow for future capital expenditure and balance sheet flexibility.

Detractors

Life360 Inc. (ASX:360) – Life360 fell after a strong run into its 2Q2026 result, with the market already pricing in a positive update. While monthly active user growth returned to around 20 per cent and monetisation continued to improve, the result was not enough to prevent profit-taking after recent outperformance.

QBE Insurance Group Ltd (ASX:QBE) – QBE fell after its result revealed early signs the insurance cycle may be moderating, with premium rate momentum decelerating. While underwriting profitability remains strong, the market is becoming more cautious about extrapolating future margin expansion as the cycle matures.

Wesfarmers Ltd (ASX:WES) – Wesfarmers underperformed despite reporting strong underlying growth as the market began to price in short-term expectations of slowing consumer activity. The conglomerate's diversified operations provide a strong platform for compounding earnings through the cycle.

Top 10 holdings

Company Name	ASX Code	Weight (%)
BHP Group	BHP	6.21
ASX	ASX	6.12
Brambles	BXB	5.98
Commonwealth Bank of Australia	CBA	5.11
PLS Group	PLS	5.06
Aristocrat Leisure	ALL	4.74
Rio Tinto	RIO	4.68
Worley	WOR	4.51
CSL	CSL	4.50
Cochlear	COH	4.45
Cash		2.97
Total weighted average holding's market capitalisation		$74.41bn

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Zenith RECOMMENDED

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