

Montgomery Small Companies Fund

Monthly investment report

August 2026

Fund overview

The Montgomery Small Companies Fund (the Fund) invests in a portfolio of 30 to 50 Australian and New Zealand high-quality, undervalued small and emerging companies with strong growth potential.

Fund facts

Investment manager:	Montgomery Lucent Investment Management	Inception:	20 September 2019
Objective:	To outperform the benchmark over a rolling 5-year period.	Minimum initial investment:	\$25,000
Benchmark:	S&P/ASX Small Ordinaries Accumulation Index	Fund size:	\$261.29 million
Portfolio managers:	Gary Rollo, Dominic Rose	Management fees and costs:	1.20% pa*
Investment style:	Agnostic	Distributions:	Yearly
Investment timeframe:	5 years recommended	Performance fee:	17.94% outperformance of benchmark**
APIR code:	FHT3726AU	Unit prices:	montinvest.com/our-funds/ montgomery-small-companies-fund/

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

**Please read the Product Disclosure Statement for details.

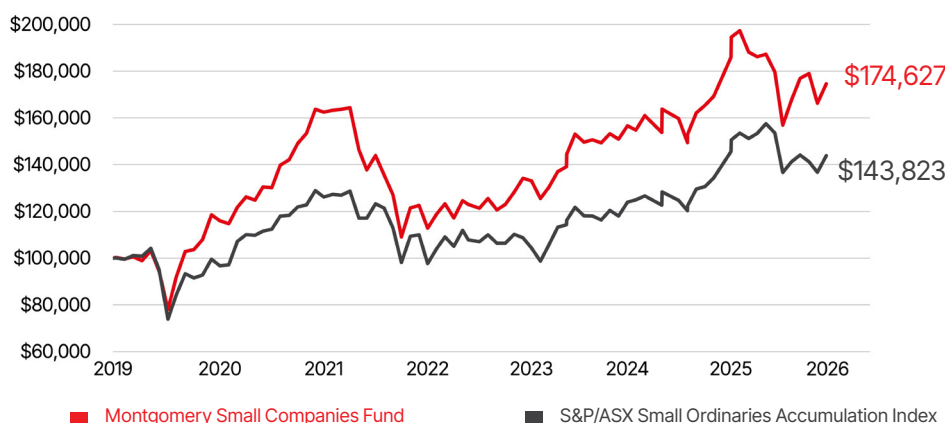
Portfolio performance (after all fees)

	1 month	3 months	6 months	12 months	3 years (p.a.)	5 years (p.a.)	Since inception [#]	Compound annual return (since inception)
Montgomery Small Companies Fund	5.03%	-1.31%	-2.78%	-6.07%	9.19%	1.31%	74.63%	8.36%
S&P/ASX Small Ordinaries Accumulation Index	5.18%	-0.19%	-6.31%	-1.22%	9.77%	2.22%	43.82%	5.37%
Out/under performance	-0.15%	-1.12%	3.53%	-4.85%	-0.58%	-0.91%	30.81%	2.99%

Inception: 20 September 2019, 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



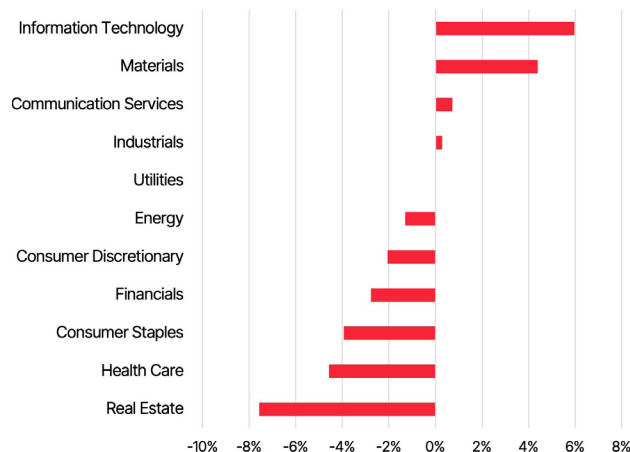
Top 5 holdings

Company name	ASX Code
Codan	CDA
Genesis Minerals	GMD
Megaport	MP1
NRW Holdings	NWH
Zip Co	ZIP
Cash weight	8.03%
Weighted average market capitalisation	\$4.34 bn

Top 3 contributors and detractors

Contributors	
Codan	Codan delivered strong FY26 results that surpassed market estimates
Genesis Minerals	Genesis Minerals' shares rallied as gold prices rebounded, lifting the broader sector
Sandfire Resources	Shares surged to record highs, fuelled by renewed investor appetite for resources
Detractors	
Aussie Broadband	Fell sharply over the month on market fears around competition and churn
Superloop	Fell sharply over the month on market fears around competition and churn
Life360	Life360 shares fell as high market expectations weighed on the result

Sector weights relative to benchmark



Fund commentary

The Montgomery Small Companies Fund (the Fund) returned 5.03 per cent (net of fees) in August, underperforming the benchmark which returned 5.18 per cent. Since inception, the Fund has delivered a total return of 74.63 per cent (8.36 per cent p.a.), outperforming the benchmark's 43.82 per cent (5.37 per cent p.a.).

Key contributors

Codan (ASX:CDA) +17.2 per cent

Codan delivered strong FY26 results that surpassed market estimates with a positive outlook driving solid consensus earnings upgrades. Impressive management execution continues to capitalise on robust tailwinds in both gold detection and unmanned technologies, alongside a return to growth in the public safety division.

Genesis Minerals (ASX:GMD) +44.0 per cent

Genesis Minerals' share price rallied sharply as gold prices rebounded roughly 10 per cent in August, lifting the broader sector following a soft patch for commodities. The surge comes as the miner accelerates its expansion into a major mid-tier producer, with the proposed merger with Vault Minerals (ASX: VAU) set to unlock significant operating scale and cost efficiencies across its regional hub.

Sandfire Resources (ASX:SFR) +21.1 per cent

Sandfire's shares surged to record highs, fuelled by renewed investor appetite for resources and a 3 per cent lift in copper prices over August. As the premier copper pure play on the ASX, the company is well-positioned to capitalise on the metal's positive medium-term outlook; accelerating structural demand and constrained global supply.

Key detractors

Aussie Broadband (ASX:ABB) -9.4 per cent and Superloop (ASX:SLC) -10.0 per cent

Small cap telcos Aussie Broadband and Superloop delivered strong profit updates and positive outlooks, prompting consensus earnings upgrades for FY27 and beyond. Yet, both stocks fell sharply over the month on market fears around competition and churn. Annual NBN price hikes, an input cost for telcos, have forced the whole market to lift prices to maintain margins, which can cause short-term spikes in customer churn.

Aussie Broadband experienced this in 4Q26, while Superloop is expected to see a similar impact in 1Q27. We also think concerns around Starlink, a competing satellite technology, are way overblown. Aussie Broadband and Superloop remain well placed to continue taking market share and look cheap given their growth prospects.

Life360 (ASX:360) -21.0 per cent

Despite meeting 1H26 Monthly Active User (MAU) consensus estimates, Life360 shares surrendered recent gains indicating elevated market expectations heading into the result. Positively, momentum strengthened through the half, underpinning management's confidence in reiterating FY26 revenue and earnings before interest, taxes, depreciation and amortization guidance.

Outlook

Earnings season proved solid and generally surpassed expectations. Portfolio holdings broadly delivered strong operational results, driving earnings upgrades alongside robust balance sheets and healthy growth outlooks.

While share price movements occasionally decoupled from fundamentals, such as with the small cap telcos mentioned above, the steepest declines were concentrated in sectors feeling the pressure of sustained high interest rates, notably consumer discretionary and real estate investment trusts (REITs). The Fund remains heavily underweight in both areas.

Resource exposures provided a significant tailwind, with small cap resources jumping 17.4 per cent on the month compared to a 0.3 per cent decline in small cap industrials. We maintain a confident stance on our balanced resources allocation.

Although global rate concerns continue to drive market volatility, short-term price swings have often outpaced any actual shifts in underlying earnings or growth prospects. We have capitalised on these dislocations by selectively adding to key positions and actively evaluating further opportunities.

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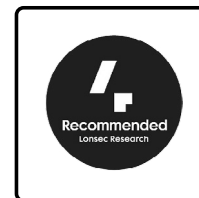
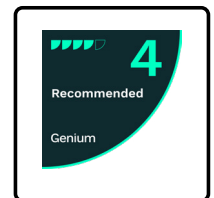
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- BT Panorama
- CFS Edge
- DASH
- HUB24
- Macquarie Wrap
- Mason Stevens
- Insignia eXpand
- Netwealth
- North
- Praemium
- Powerwrap

Ratings

Zenith
RecommendedLonsec Research
RecommendedGenium
Recommended

Read our insights at
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