



MONTGOMERY ALPHA PLUS FUND

INVESTMENT REPORT & FACT SHEET

FUND OVERVIEW

The Montgomery Alpha Plus Fund offers investors an Australian equity market neutral strategy that harnesses the benefits of a repeatable investment process while seeking to produce higher risk-adjusted returns over the medium term - irrespective of market conditions.

By simultaneously managing long and short portfolios of similar size, The Fund aims to reduce or eliminate the risks typically associated with extreme market gyrations.

The Fund aims to achieve returns that exceed the RBA cash rate by 6-8 per cent per annum after fees and targets a lower level of volatility than the overall Australian equity market.

Typically The Fund will hold 15-35 long positions and 15-35 short positions of equal value.

FUND FACTS

INVESTMENT MANAGER

Montgomery Investment Management Pty Ltd

OBJECTIVE

The Montgomery Alpha Plus Fund seeks to generate higher risk-adjusted returns than are available in the market place over the medium term

BENCHMARK

RBA Cash Rate

APIR

FHT0041 AU

RECOMMENDED INVESTMENT TIMEFRAME

5 years

MINIMUM INITIAL INVESTMENT

\$50,000

FUND SIZE

\$25.8M

INCEPTION DATE

1 AUGUST 2016

MANAGEMENT FEE

Up to 1.55% per annum, (inclusive of GST/RITC.)

PERFORMANCE FEES

17.5% of the amount by which The Fund outperforms its Benchmark. No performance fee is payable until any previous periods of underperformance have been made up.

APPLICATION & REDEMPTION PRICES*

montinvest.com/map

UNIT PRICE - BUY

0.9937

UNIT PRICE - MID

0.9912

UNIT PRICE - SELL

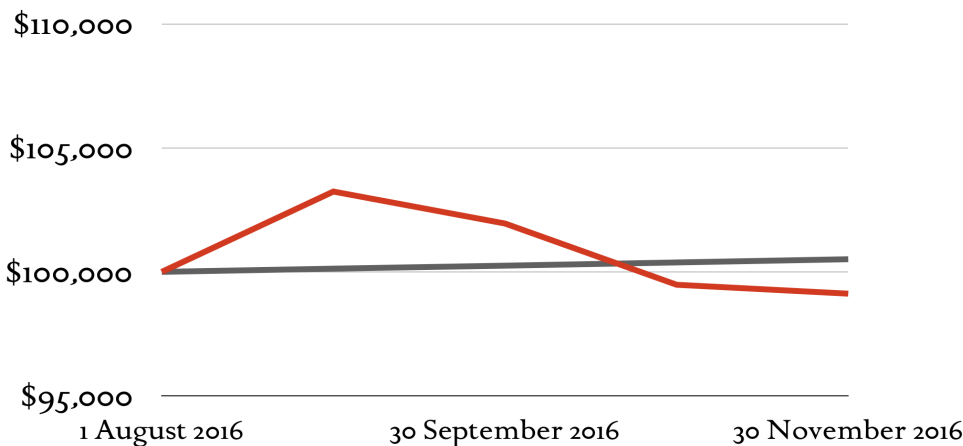
0.9887

The Fund is forward priced; you will receive the price struck subsequent to the receipt of your application / redemption request.

PERFORMANCE GRAPH

■ Montgomery Alpha Plus Fund

■ RBA Cash Rate



CONTACT DETAILS

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PORTFOLIO PERFORMANCE

(to 30 November 2016, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	-0.36%	-0.36%	0.13%	-0.49%
2 months	0.00%	-2.78%	-2.78%	0.26%	-3.04%
Since inception	0.00%	-0.88%	-0.88%	0.51%	-1.39%

1) Inception: 1 August 2016

PLATFORMS WE ARE ON:

None at present



FUND COMMENTARY

November saw a continuation of difficult market conditions for the Montgomery Alpha Plus Fund, with lower-quality businesses generally outperforming higher-quality businesses. Notably, the healthcare sector was out of favour, while materials businesses enjoyed continued support on speculation around the long-term impacts of the US election.

A challenging environment was mitigated somewhat by some helpful individual stock selections, and the Fund returned a relatively benign negative 0.36 per cent for the month.

Significant positive contributors included short positions in Syrah Resources and Vocus Communications, and a long position in BT Investment management.

While conditions have not been overly favourable for the early months of the Fund's life, the results to date are well within expected ranges, and we remain confident of being able to achieve the Fund's return objectives over longer periods.

TOP COMPLETED HOLDINGS* (LONG)

(at 30 November 2016, out of 27 holdings)

COMPANY NAME	WEIGHT (%)
Perpetual Ltd	6.59
Coca-Cola Amatil Ltd	6.55
ASX Ltd	6.47
Primary Health Care Ltd	5.99
Cochlear Ltd	5.62

*Top Completed Holdings are businesses we own but are not actively buying or selling at the time of writing.

TOP COMPLETED HOLDINGS* (SHORT)

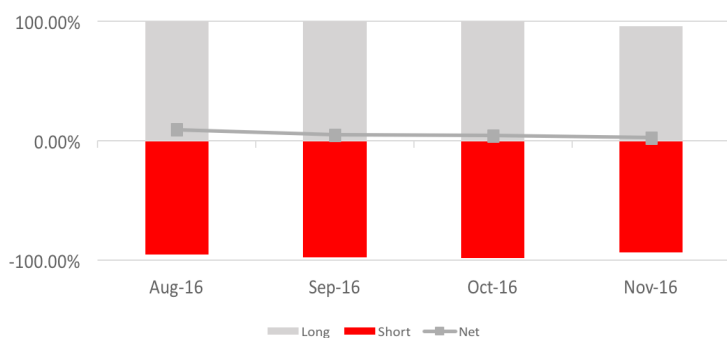
(at 30 November 2016, out of 32 holdings)

COMPANY NAME	WEIGHT (%)
QBE Insurance Group Ltd	5.62
Qantas Airways Ltd	5.42
Incitec Pivot Ltd	5.37
James Hardie Industries	5.33
Lendlease Group	5.06

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Consumer Discretionary	13.3	-22.4	-9.0
Consumer Staples	9.1	-10.2	-1.1
Energy	1.1	-5.6	-4.5
Financials	30.7	-9.0	21.7
Health Care	18.7	-2.1	16.6
Industrials	6.7	-6.4	0.3
Information Technology	4.8	0.0	4.8
Materials	3.6	-28.9	-25.3
Telecommunications	8.4	-4.1	4.2
Real Estate	0.0	-4.8	-4.8

HISTORICAL MARKET EXPOSURE



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. This report was prepared by Montgomery Investment Management Pty Ltd, AFSL No: 354564 ('Montgomery') the investment manager of the Montgomery Alpha Plus Fund ('MAPF'), ARSN 613 229 904. The Responsible Entity of The Fund is Fundhost Limited (ABN 69 092 517 087) (AFSL No: 233 045) ('Fundhost'). This document has been prepared for the purpose of providing general information, without taking into account your particular objectives, financial circumstances or needs. You should obtain and consider a copy of the Product Disclosure Document ('PDS') relating to the Fund before making a decision to invest. Available here: <http://fundhost.com.au/investor/map>. While the information in this document has been prepared with all reasonable care, neither Fundhost nor Montgomery makes any representation or warranty as to the accuracy or completeness of any statement in this document including any forecasts. Neither Fundhost nor Montgomery guarantees the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither Fundhost nor Montgomery, including their employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this report. Past performance is not indicative of future performance.

