



# 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

FHT0041AU

#### RECOMMENDED INVESTMENT TIMEFRAME

5 years

#### MINIMUM INITIAL INVESTMENT

\$50,000

#### FUND SIZE

\$27.6M

#### 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](http://montinvest.com/map)

#### UNIT PRICE - BUY

0.9443

#### UNIT PRICE - MID

0.9419

#### UNIT PRICE - SELL

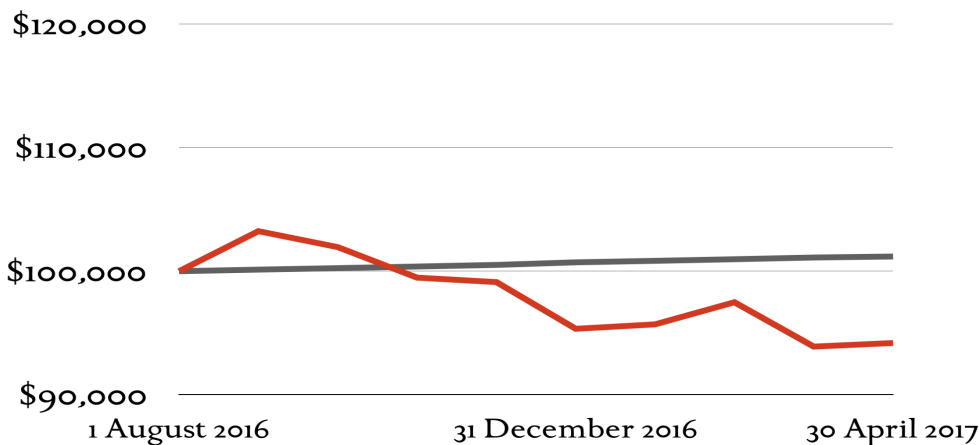
0.9396

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

#### INVESTORS

Dean Curnow

t 02 8046 5019

e [dcurnow@montinvest.com](mailto:dcurnow@montinvest.com)

#### ADVISERS, RESEARCHERS AND PLATFORMS

Scott Phillips

(NSW, ACT & QLD)

t 02 8046 5005

e [sphillips@montinvest.com](mailto:sphillips@montinvest.com)

David Denby

(VIC, TAS, SA & WA)

t 0455 086 484

e [ddenby@montinvest.com](mailto:ddenby@montinvest.com)

### PORTFOLIO PERFORMANCE

(to 30 April 2017, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	0.31%	0.31%	0.10%	0.21%
2 months	0.00%	-3.38%	-3.38%	0.21%	-3.59%
3 months	0.00%	-1.58%	-1.58%	0.34%	-1.92%
Since inception	0.00%	-5.81%	-5.81%	1.19%	-7.00%

1) Inception: 1 August 2016

#### PLATFORMS WE ARE ON:

None at present



## FUND COMMENTARY

April was an uneventful month for the Montgomery Alpha Plus Fund (The Fund), with The Fund's long portfolio producing a small positive return in line with the overall market, and The Fund's short portfolio delivering a slightly smaller negative return, the difference between the two effectively resulting in modest outperformance. The net result was a gain of 0.31 per cent for The Fund for the month.

As The Fund approaches the end of its first year of operation, we are acutely aware that performance in this early period has not been what we would have liked.

Given space constraints in these monthly reports, we have set out on the [www.rogermontgomery.com](http://www.rogermontgomery.com) website a detailed analysis of what has driven these results, and what it tells us about the possible future performance. We encourage investors to read the article which can be found by searching the rogermontgomery.com website for "MAPF".

For the time-poor, we summarise as follows: our expectations for future returns are in no way diminished by these disappointing early results.

### TOP COMPLETED HOLDINGS\* (LONG)

(at 30 April 2017, out of 26 holdings)

COMPANY NAME	WEIGHT (%)
Invocare Ltd	6.7
ASX Ltd	6.6
Duluxgroup Ltd	6.5
Perpetual Ltd	6.5
Cochlear Ltd	6.5

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

### TOP COMPLETED HOLDINGS\* (SHORT)

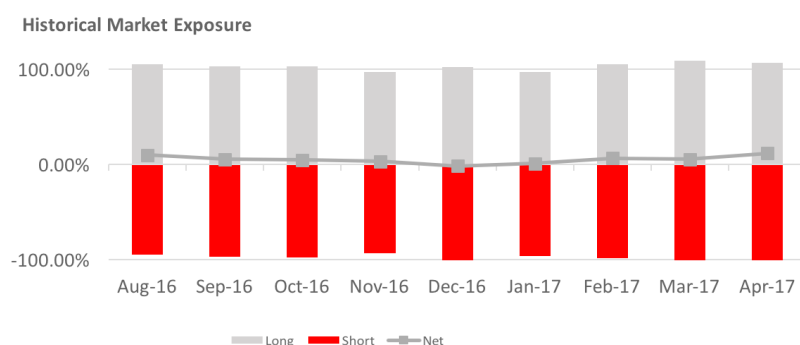
(at 30 April 2017, out of 35 holdings)

COMPANY NAME	WEIGHT (%)
Brambles Ltd	5.1
Australian Agricultural Co	5.1
James Hardie Industries	5.1
ARB Corp Ltd	5.0
AMP Ltd	5.0

## SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Consumer Discretionary	12.1	-26.5	-14.4
Consumer Staples	9.1	-9.8	-0.7
Energy	1.6	-4.5	-2.9
Financials	39.9	-12.2	27.7
Health Care	12.6	-3.1	9.5
Industrials	3.6	-7.8	-4.1
Information Technology	6.8	-1.1	5.7
Materials	13.7	-30.8	-17.1
Telecommunications	6.6	0.0	6.6
Real Estate	0.0	-4.9	-4.9

## 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.

