



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

\$19.7M

INCEPTION DATE

1 AUGUST 2016

MANAGEMENT FEE

Up to 1.58% 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

0.8928

UNIT PRICE - MID

0.8906

UNIT PRICE - SELL

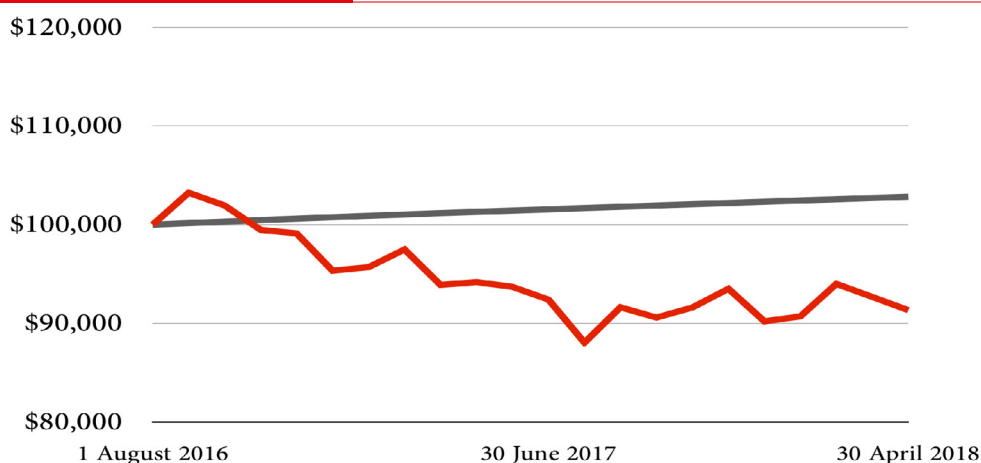
0.8884

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 April 2018, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	-1.45%	-1.45%	0.12%	-1.57%
3 months	0.00%	0.69%	0.69%	0.37%	0.32%
6 months	0.00%	-0.30%	-0.30%	0.75%	-1.05%
1 year	2.45%	-5.48%	-3.03%	1.52%	-4.55%
Since inception*	2.30%	-10.97%	-8.67%	2.84%	-11.51%
Compound annual return (since inception)*	1.31%	-6.37%	-5.06%	1.61%	-6.67%

*Inception: 1 August 2016. Ex the distribution of 2.3046 cents per unit on 30/06/2017.

PLATFORMS WE ARE ON:

None at present



FUND COMMENTARY

There were a number of moving parts to the Australian equity market during the month of April, several of which impacted on results for The Montgomery Alpha Plus Fund (The Fund) for the month. The most important of these was a run of strength in oil prices and a particular run of strength for energy shares. The Fund, which is net short energy stocks was on the wrong side of this trend, and this was compounded further by the announcement of a takeover proposal for Santos Limited - one of the energy companies in The Fund's short portfolio.

The Fund was also on the wrong side of a weak month for financial stocks, being significantly net long the financials sector. Positions in IOOF, Challenger, Perpetual and BT Investment Management all significantly underperformed the overall market, possibility reflecting

some negative sentiment arising from the Hayne Royal Commission, notwithstanding that these companies had very limited direct engagement with the Commission. On the other side of the ledger, The Fund benefited from a short position in AMP Limited, which was very much a focus of the Commission. Overall, however, The Fund's net long exposure to the financials sector was unhelpful during April.

These adverse sectoral trends were mitigated by some strong stock-specific performances, including some of the larger individual long positions, being Aristocrat Leisure, Rio Tinto and Sandfire Resources, with the overall result being a 1.45 per cent decline for The Fund for the month.

TOP COMPLETED HOLDINGS* (LONG)

(at 30 April 2018, out of 34 holdings)

COMPANY NAME	WEIGHT (%)
REA Group Ltd	6.92
Aristocrat Leisure Ltd	6.80
Rio Tinto Ltd	6.32
Sandfire Resources	6.14
ASX Ltd	5.96

TOP COMPLETED HOLDINGS* (SHORT)

(at 30 April 2018, out of 34 holdings)

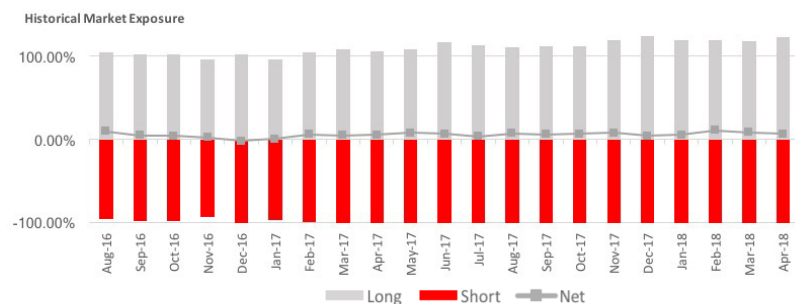
COMPANY NAME	WEIGHT (%)
Vocus Group Ltd	5.66
Ht&E Ltd	5.64
Lendlease Group	5.41
Fletcher Building Ltd	5.29
Tassal Group Ltd	5.19

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

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Consumer Discretionary	11.13	-29.19	-18.06
Industrials	13.63	-3.21	10.42
Consumer Staples	16.74	-16.81	-0.07
Financials	26.81	-9.49	17.33
Real Estate	0.00	-10.58	-10.58
Information Technology	20.92	0.00	20.92
Health Care	16.61	-10.76	5.86
Materials	12.46	-20.94	-8.48
Energy	0.00	-8.11	-8.11
Telecommunications	4.52	-7.09	-2.57

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.

