



MONTGOMERY ALPHA PLUS FUND

INVESTMENT REPORT & FACT SHEET

FUND OVERVIEW

The Montgomery Alpha Plus Fund offers investors a global equity market neutral strategy that harnesses the benefits of a distinctive investment process while seeking to produce risk-adjusted returns that are uncorrelated with equity markets.

The Fund invests in securities listed on Australian and international stock exchanges. Typically The Fund will hold 80-180 long positions and 80-180 short positions.

FUND FACTS

INVESTMENT MANAGER

Montgomery Quantitative Management Pty Limited

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

\$15.5M

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

0.8209

UNIT PRICE - MID

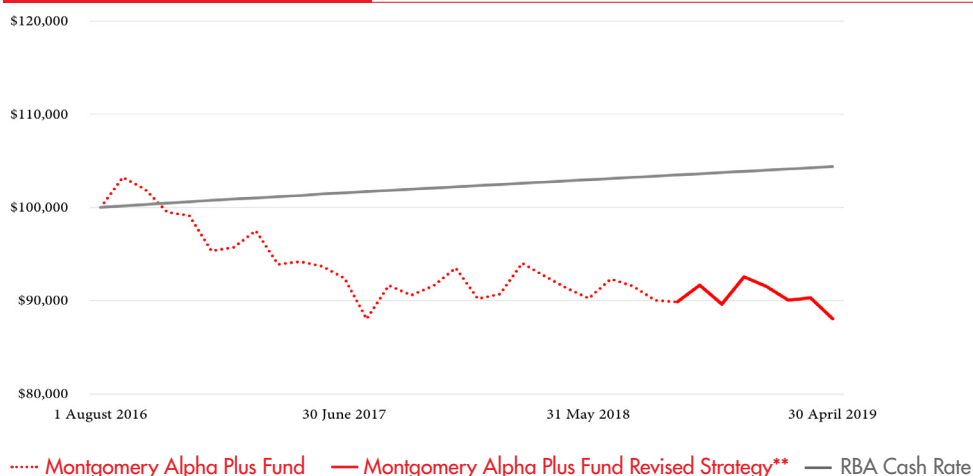
0.8188

UNIT PRICE - SELL

0.8168

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

PERFORMANCE GRAPH



**Annualised volatility: 9.1% Correlation with ASX200: -0.01%

CONTACT DETAILS

INVESTORS

Dean Curnow
† 02 8046 5019
e dcurnow@montinvest.com

ADVISERS, RESEARCHERS AND PLATFORMS

Scott Phillips
(NSW, ACT & QLD)
† 02 8046 5005
e sphillips@montinvest.com

David Denby
(VIC, TAS, SA & WA)
† 0455 086 484
e ddenby@montinvest.com

PORTFOLIO PERFORMANCE

(to 30 April 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	-2.48%	-2.48%	0.12%	-2.60%
3 months	0.00%	-3.78%	-3.78%	0.37%	-4.15%
6 months	0.00%	-3.94%	-3.94%	0.75%	-4.69%
1 year	4.69%	-8.28%	-3.59%	1.51%	-5.10%
2 years (p.a)	3.38%	-6.69%	-3.31%	1.51%	-4.82%
Compound annual return (since inception)*	2.31%	-6.84%	-4.53%	1.58%	-6.11%

*Inception: 1 August 2016 ** Refers to global version of the fund launched 01/10/2018

PLATFORMS WE ARE ON: None at present



FUND COMMENTARY

Investors who tuned in to our recent webcast will recall that quantitative and factor-based investment managers have recently been experiencing a run of weak performance, with some extremely well-regarded managers reporting uncharacteristic negative returns, and composite indices confirming this overall trend. An informal survey of the market indicates that these difficult conditions continued into April, and the Montgomery Alpha Plus Fund (The Fund) did not escape, returning negative 2.48 per cent for the month.

While difficult market conditions from time to time are inevitable in any investment style, be assured that we are making a concerted effort to sidestep as much of the current downdraft as possible, while preserving the upside that will emerge once it passes. This effort has three main parts: firstly, we have tested and implemented new stock selection factors and

other changes to our forecast models to allow them to more quickly respond to a changing market environment; secondly, we have added experienced resources to the team to further enhance and accelerate this research effort; and thirdly, we have reduced slightly the gross leverage and target risk settings of the fund for the time being, recognising that month-to-month performance tends to show some serial correlation, and it is prudent to reduce risk until we see market conditions changing.

While an extended run of negative performance is certainly frustrating, we note that this recent experience has been well and truly shared by other funds with a similar investment style, and we fully expect that it will pass. We look forward to demonstrating the Fund's ability to reward patient investors with good long-run results when it does.

GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	35.80
Canada	29.80
Hong Kong	35.39
Other	0.00
USA	35.47
Western Europe	38.93

GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	34.41
Canada	25.73
Hong Kong	33.38
Other	0.00
USA	33.01
Western Europe	36.09

MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	39.84
\$5-20b	76.96
\$20-50b	29.48
\$50-100b	8.03
Greater than \$100b	21.07

MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	68.32
\$5-20b	62.19
\$20-50b	24.20
\$50-100b	2.30
Greater than \$100b	5.61

NUMBER OF HOLDINGS

Number of Long Positions	133
Number of Short Positions	118

PORTFOLIO EXPOSURES (%)

Gross Long	175.38
Gross Short	162.62
Net Long	12.76

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Communication Services	10.11%	-17.18%	-7.07%
Consumer Discretionary	25.73%	-13.79%	11.94%
Consumer Staples	9.82%	-12.31%	-2.49%
Energy	13.07%	-19.89%	-6.81%
Financials	26.64%	-17.07%	9.57%
Health Care	6.36%	-17.22%	-10.86%
Industrials	28.31%	-16.77%	11.54%
Information Technology	21.39%	-18.21%	3.18%
Materials	21.57%	-22.14%	-0.57%
Real Estate	12.39%	-8.04%	4.34%

FUND PERFORMANCE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	-1.14	-1.59	0.25	-2.48									-4.88
2018	0.56	3.63	-1.41	-1.45	-1.19	2.32	-0.83	-1.67	-0.20	2.01	-2.25	3.31	2.63
2017	0.38	1.87	-3.68	0.31	-0.52	-1.38	-4.72	4.08	-1.14	1.13	2.07	-3.53	-5.38
2016								3.24	-1.25	-2.42	-0.36	-3.82	-4.66

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 Quantitative Management Pty Limited, CAR #001267155 of AFSL 354564 ('Montgomery') the investment manager of the Montgomery Alpha Plus Fund ('MAPF'). 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 Quantitative makes any representation or warranty as to the accuracy or completeness of any statement in this document including any forecasts. Neither Fundhost nor Montgomery Quantitative guarantees the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither Fundhost nor Montgomery Quantitative, 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.

