



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

\$24.3M

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

0.8957

UNIT PRICE - MID

0.8935

UNIT PRICE - SELL

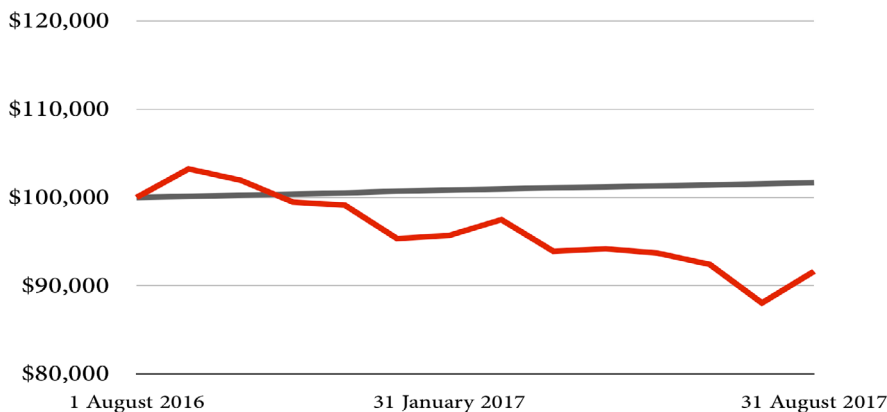
0.8912

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 31 August 2017, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	4.08%	4.08%	0.13%	3.95%
3 months	2.46%	-4.66%	-2.20%	0.37%	-2.57%
6 months	2.36%	-8.37%	-6.01%	0.70%	-6.71%
1 year	2.23%	-13.47%	-11.24%	1.52%	-12.76%
Since inception*	2.30%	-10.67%	-8.36%	1.68%	-10.04%

*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

The August reporting season saw a strong performance from the Montgomery Alpha Plus Fund (The Fund), with both long and short portfolios delivering outperformance, and the short portfolio in particular delivering good results. The top 3 contributors for the month were all short positions, being Automotive Holdings Group, Seven West Media, and Domino's Pizza. In addition, The Fund's long portfolio benefited from holdings in Cochlear, IOOF Holdings and Invocare.

This was offset to some extent by The Fund's net short exposure to the materials sector, which continued its run of relative strength. The largest negative contributors for the month were short positions in Independence Group and Newcrest Mining.

While a positive result through reporting season is very pleasing, The Fund remains focused on long-term return objectives rather than month-to-month outcomes. We anticipate that The Fund's strategy and bias to higher-quality businesses should reward patient investors over multi-year timeframes.

TOP COMPLETED HOLDINGS* (LONG)

(at 31 August 2017, out of 29 holdings)

COMPANY NAME	WEIGHT (%)
Wesfarmers Ltd	6.6
Invocare Ltd	6.5
ASX Ltd	6.4
Cochlear Ltd	6.4
Perpetual Ltd	6.1

TOP COMPLETED HOLDINGS* (SHORT)

(at 31 August 2017, out of 31 holdings)

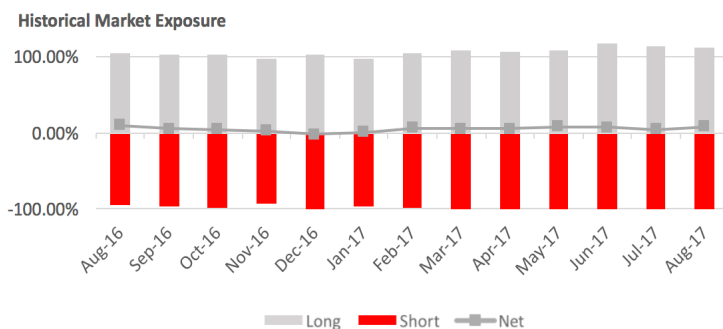
COMPANY NAME	WEIGHT (%)
Bapcor Ltd	4.9
Tassal Group Ltd	4.8
AMP Ltd	4.6
Lendlease Group	4.6
Super Retail Group Ltd	4.6

*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	13.4	-33.8	-20.3
Industrials	9.9	-7.7	2.2
Consumer Staples	11.9	-14.4	-2.6
Financials	36.1	-12.5	23.5
Real Estate	0.0	-4.6	-4.6
Information Technology	8.9	0.0	8.9
Health Care	16.0	-1.0	15.0
Materials	8.0	-22.3	-14.4
Energy	0.0	-5.6	-5.6
Telecommunications	6.8	-1.1	5.7

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.

