



# 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

\$16.2M

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

#### UNIT PRICE - BUY

0.8502

#### UNIT PRICE - MID

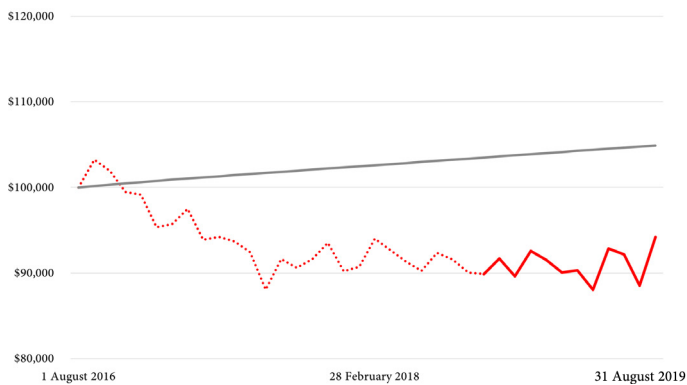
0.8481

#### UNIT PRICE - SELL

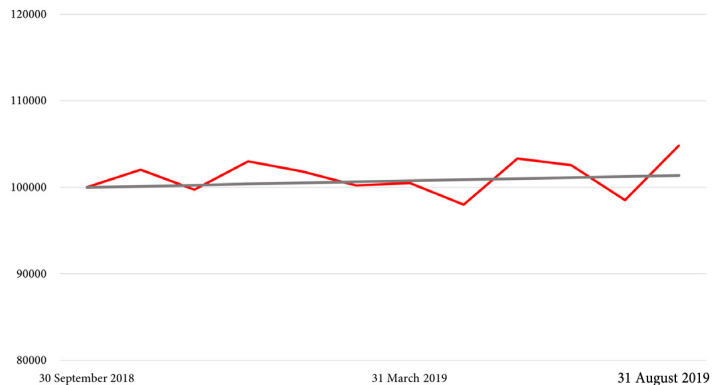
0.8460

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

### PERFORMANCE GRAPH SINCE INCEPTION



### PERFORMANCE GRAPH REVISED STRATEGY



..... Montgomery Alpha Plus Fund

— RBA Cash Rate

— Montgomery Alpha Plus Fund Revised Strategy

### PORTFOLIO PERFORMANCE

(to 31 August 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	6.40%	<b>6.40%</b>	0.12%	6.28%
3 months	3.14%	-1.68%	<b>1.46%</b>	0.36%	1.10%
6 months	3.24%	1.35%	<b>4.59%</b>	0.74%	3.85%
1 year	3.24%	1.37%	<b>4.61%</b>	1.49%	3.12%
2 years (p.a)	3.78%	-2.39%	<b>1.39%</b>	1.50%	-0.11%
Since Inception	9.19%	-14.99%	<b>-5.80%</b>	4.90%	-10.70%
Compound annual return (since inception)*	2.89%	-4.81%	<b>-1.92%</b>	1.56%	-3.48%

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

PLATFORMS WE ARE ON: None at present



## FUND COMMENTARY

After a painful string of negative daily returns in July, the Montgomery Alpha Plus Fund (The Fund) in August enjoyed solid positive results from its Australian, US, Canadian and Western European sub-portfolios, with only the Hong Kong/China sub-portfolio reporting a modest negative return. The net outcome for the month was a positive return of 6.4 per cent, more than making up for the weak July result, and setting a new monthly return record for The Fund. While this is a pleasing result, it is important to keep in mind that month-to-month results for the Fund will vary widely, and a meaningful assessment of Fund performance will require a far more extensive history.

Having said that, as we approach the first anniversary of the adoption of The Fund's revised global strategy, we see some positive indications, with the revised strategy broadly in line with its targets in terms of volatility and correlation with equity markets, and delivering a positive return during a period when many comparable funds (meaning quantitative equity market neutral funds) have tracked backwards.

### GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	34.99
Canada	27.37
Hong Kong	32.85
Other	0.00
USA	36.77
Western Europe	33.91

### GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	29.23
Canada	22.12
Hong Kong	30.04
Other	0.00
USA	32.39
Western Europe	33.34

### MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	42.80
\$5-20b	67.14
\$20-50b	27.20
\$50-100b	9.69
Greater than \$100b	19.06

### MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	66.14
\$5-20b	59.00
\$20-50b	18.22
\$50-100b	1.86
Greater than \$100b	1.89

### NUMBER OF HOLDINGS

Number of Long Positions	157
Number of Short Positions	142

### PORTFOLIO EXPOSURES (%)

Gross Long	165.89
Gross Short	147.11
Net Long	18.78

### SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Communication Services	9.68%	-12.90%	-3.22%
Consumer Discretionary	19.35%	-16.76%	2.59%
Consumer Staples	8.79%	-4.84%	3.96%
Energy	8.00%	-15.14%	-7.14%
Financials	26.84%	-16.27%	10.58%
Health Care	13.16%	-23.55%	-10.40%
Industrials	22.96%	-15.05%	7.91%
Information Technology	25.77%	-15.90%	9.87%
Materials	19.87%	-20.02%	-0.15%
Real Estate	10.67%	-6.68%	3.99%
Utilities	0.80%	0.00%	0.80%

### 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

### FUND PERFORMANCE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	-1.14	-1.59	0.25	-2.48	5.43	-0.75	-3.92	6.40					1.75
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.

