



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 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 the risks typically associated with extreme market gyrations.

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 of equal value.

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

FHT0041 AU

RECOMMENDED INVESTMENT TIMEFRAME

5 years

MINIMUM INITIAL INVESTMENT

\$50,000

FUND SIZE

\$17.1M

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

0.8629

UNIT PRICE - MID

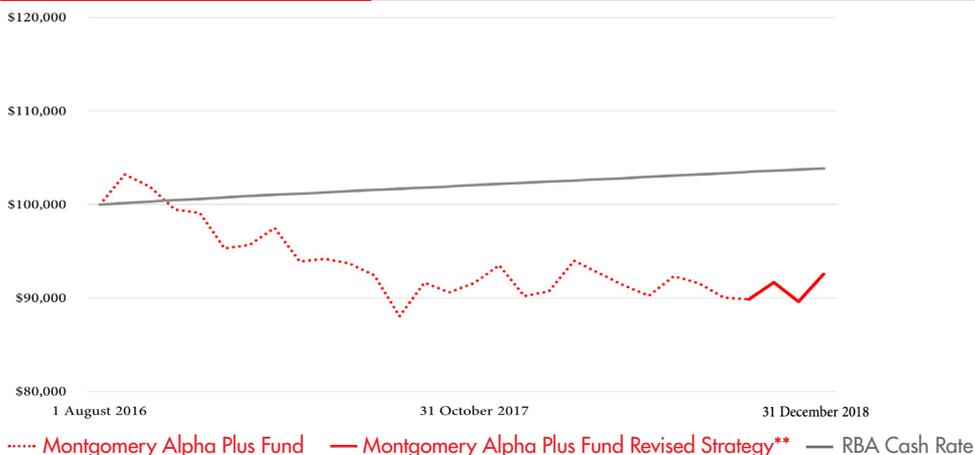
0.8608

UNIT PRICE - SELL

0.8586

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

PERFORMANCE GRAPH



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 31 December 2018, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	3.31%	3.31%	0.13%	3.18%
3 months	0.00%	3.02%	3.02%	0.38%	2.64%
6 months	0.00%	0.26%	0.26%	0.76%	-0.50%
1 year	4.75%	-2.12%	2.63%	1.51%	1.12%
2 years (p.a)	3.34%	-4.80%	-1.46%	1.53%	-2.99%
Since inception*	6.48%	-13.91%	-7.43%	3.88%	-11.31%
Compound annual return (since inception)*	2.63%	-5.77%	-3.14%	1.59%	-4.73%

*Inception: 1 August 2016 ** Revised strategy is to include global stocks effective 01/10/2018

PLATFORMS WE ARE ON: None at present



FUND COMMENTARY

In the three months following the adoption of a revised global investment strategy for the Montgomery Alpha Plus Fund (The Fund), the performance of The Fund has been pleasing in several respects. Firstly, while this timeframe is too short to make a meaningful assessment of investment returns, and performance will vary widely from month to month, it is nonetheless pleasing to see the three-month returns in line with our aspirations for The Fund.

More significantly, however, this three-month period has provided a robust test of The Fund's risk management methodology and its ability to insulate investors from broader

market risks. In particular, it is pleasing to see that while volatility in global equity markets has surged, and markets have generally turned sharply down, the volatility of The Fund's returns has remained close to target levels, and the balance of returns has been positive.

The Fund's investment strategy is built on extensive historical analysis which gives us confidence in its ability to deliver good long-term returns, albeit with alternating periods of strength and weakness. We believe that the ability to deliver these returns independent of broader equity market conditions should provide an attractive long-term proposition for investors.

GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	24.39
Canada	19.43
Hong Kong	21.34
Other	0.00
USA	31.42
Western Europe	29.38

GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	23.23
Canada	17.03
Hong Kong	20.44
Other	0.00
USA	28.11
Western Europe	30.24

MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	35.07
\$5-20b	50.45
\$20-50b	25.79
\$50-100b	3.96
Greater than \$100b	10.68

MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	51.48
\$5-20b	49.68
\$20-50b	11.03
\$50-100b	2.55
Greater than \$100b	4.31

NUMBER OF HOLDINGS

Number of Long Positions	118
Number of Short Positions	101

PORTFOLIO EXPOSURES (%)

Gross Long	125.96
Gross Short	119.04
Net Long	6.91

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Industrials	20.59	-10.15	10.44
Consumer Staples	8.02	-5.40	2.62
Materials	19.19	-17.60	1.59
Financials	13.00	-15.44	-2.44
Energy	10.78	-13.80	-3.02
Consumer Discretionary	5.72	-14.68	-8.96
Real Estate	4.76	-6.48	-1.72
Health Care	8.17	-8.03	0.14
Information Technology	14.97	-12.77	2.20
Communication Services	5.72	-14.68	-8.96

FUND PERFORMANCE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
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.

