



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

\$19.2M

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

UNIT PRICE - BUY

0.9027

UNIT PRICE - MID

0.9004

UNIT PRICE - SELL

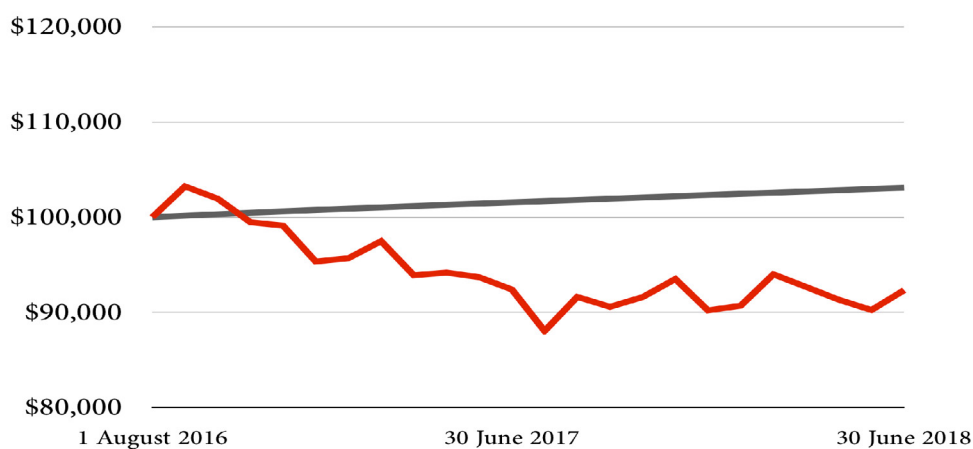
0.8982

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 June 2018, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	4.74%	-2.42%	2.32%	0.12%	2.20%
3 months	4.62%	-4.99%	-0.37%	0.37%	-0.74%
6 months	4.75%	-2.39%	2.36%	0.75%	1.61%
1 year	4.52%	-4.60%	-0.08%	1.51%	-1.59%
Since inception*	6.48%	-14.14%	-7.66%	3.09%	-10.75%
Compound annual return (since inception)*	3.34%	-7.42%	-4.08%	1.61%	-5.69%

*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

June was a positive month for the Montgomery Alpha Plus Fund (The Fund), with companies in The Fund's long portfolio delivering stronger returns than the broader equity market, and companies in The Fund's short portfolio delivering weaker returns than broader equity market, resulting in a significant positive performance for The Fund overall.

The largest positive contributors to performance included long position in Sandfire Resources, Wesfarmers and Macquarie Group, and short positions in AMP and Syrah Resources. The largest detractors came from the healthcare sector, and included a long position in Ramsay Health Care, which downgraded earnings guidance during the month, and short positions in Nanosonics and Mayne Pharma Group.

We will shortly be sending you The Fund's annual letter, which will provide a detailed analysis of the drivers of Fund performance since its inception approximately two years ago, and will introduce some changes we propose to make to improve the consistency of Fund performance going forward. We are excited about these proposed changes and think you will find the letter contains some very useful insights.

At the conclusion of the financial year The Fund goes ex distribution in the amount of 4.1753 cents per unit. Accordingly, after concluding the 2018 financial year with a unit price of 0.9004 cents per unit, we begin the 2019 financial year with a unit price of 0.8586 cents per unit.

TOP COMPLETED HOLDINGS* (LONG)

(at 30 June 2018, out of 31 holdings)

COMPANY NAME	WEIGHT (%)
Wesfarmers Ltd	6.84
CSL Ltd	6.53
Aristocrat Leisure Ltd	6.51
Rea Group Ltd	6.47
Macquarie Group Ltd	6.44

TOP COMPLETED HOLDINGS* (SHORT)

(at 30 June 2018, out of 34 holdings)

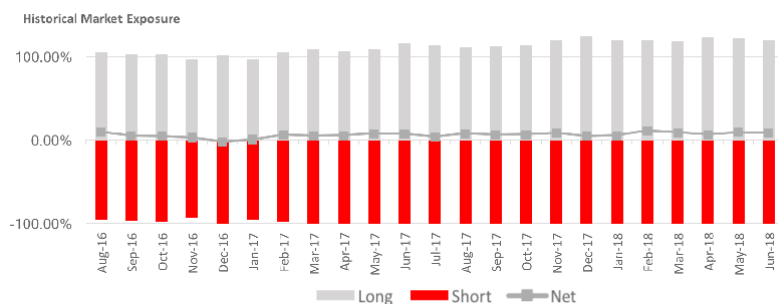
COMPANY NAME	WEIGHT (%)
Nanosonics Ltd	5.34
Lendlease Group	5.25
Seven West Media Ltd	5.25
Fletcher Building Ltd	5.14
Australian Agricultural Co	4.97

*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	12.52	-28.55	-16.03
Industrials	11.72	-1.34	10.38
Consumer Staples	19.49	-14.70	4.80
Financials	22.98	-10.15	12.82
Real Estate	0.00	-9.92	-9.92
Information Technology	17.44	0.00	17.44
Health Care	21.14	-8.29	12.85
Materials	10.90	-24.47	-13.57
Energy	0.00	-7.86	-7.86
Telecommunications	2.73	-4.83	-2.1

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.

