



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

\$11.9M

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

0.7152

UNIT PRICE - MID

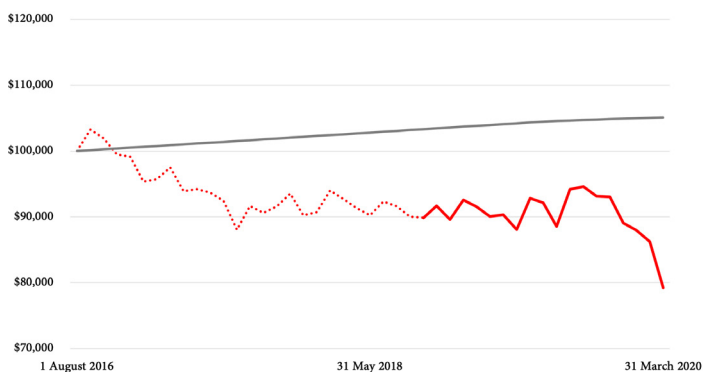
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UNIT PRICE - SELL

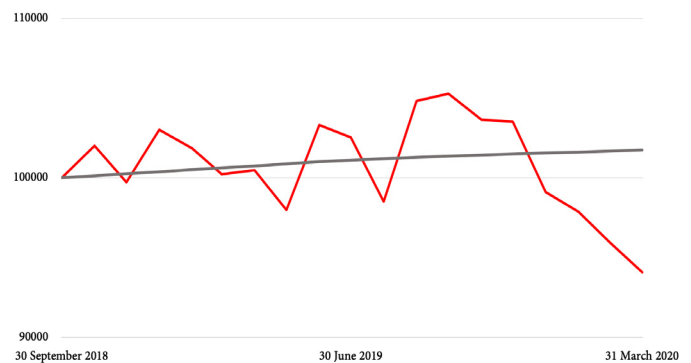
0.7116

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 March 2020, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	-8.13%	-8.13%	0.02%	-8.15%
3 months	0.00%	-11.03%	-11.03%	0.14%	-11.17%
6 months	0.00%	-16.25%	-16.25%	0.33%	-16.58%
12 months	3.23%	-15.48%	-12.25%	0.94%	-13.19%
3 years (p.a)	3.16%	-8.66%	-5.50%	1.32%	-6.82%
Since Inception	9.19%	-29.95%	-20.76%	5.06%	-25.82%
Compound annual return (since inception)*	2.43%	-8.58%	-6.15%	1.36%	-7.51%

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

PLATFORMS WE ARE ON: None at present



FUND COMMENTARY

You will not need to be told that, during March, equity markets around the world were badly rocked by the emerging picture of human and economic disaster that is COVID-19. This was the month when it became clear that, in order to contain the health crisis, governments must implement suppression measures that will devastate economies for an undefined stretch of time. The Montgomery Alpha Plus Fund (the Fund) is designed to protect its investors from equity market turbulence of this kind but, disappointingly, during March it was impacted to a surprising degree by the market turmoil. While the overall result was less severe than the falls seen in some equity markets, March was nonetheless a poor month for the Fund.

As we outlined in recent reports, the Fund has in the past one to two years suffered headwinds due to poor performance from some of the important factors that drive its stock selection models, and most notably a poor performance from the "value" factor, which has seen relatively cheap businesses (as measured by current earnings) become even cheaper relative to companies with more of a "growth" orientation. As the gap

between value and growth companies has expanded to historic levels, the Fund (which has a significant exposure to "value") has gone backwards. Somewhat surprisingly, the market turmoil in March saw a sudden further widening in the value/growth spread, contributing to negative returns for the Fund. This effect was felt widely by quantitative market neutral funds, with the Hedge Fund Research Equity Market Neutral Index moving sharply lower in March, and several comparable funds that we follow reporting very challenging performance.

Towards the end of March we saw signs of a reversal of these trends, and the Fund began to make up some lost ground. We are cautiously optimistic that further mean reversion may be in store as markets re-orient themselves, and believe that such reversion must surely come at some point. Accordingly, we have for the time being maintained the Fund's total risk level and factor exposures close to their normal levels to try to benefit fully from this. We will however, continue to monitor market conditions closely for signs of further deterioration and stand ready to reduce risk levels if warranted.

GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	32.59
Canada	26.86
Hong Kong	41.23
Other	0.00
USA	34.60
Western Europe	33.69

GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	27.83
Canada	24.31
Hong Kong	37.13
Other	0.00
USA	31.64
Western Europe	34.13

MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	87.53
\$5-20b	44.49
\$20-50b	19.84
\$50-100b	3.95
Greater than \$100b	13.15

MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	86.09
\$5-20b	52.39
\$20-50b	15.08
\$50-100b	0.00
Greater than \$100b	1.48

NUMBER OF HOLDINGS

Number of Long Positions	184
Number of Short Positions	141

PORTFOLIO EXPOSURES (%)

Gross Long	168.96
Gross Short	155.04
Net Long	13.92

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Communication Services	3.95%	-8.56%	-4.62%
Consumer Discretionary	28.86%	-13.13%	15.73%
Consumer Staples	5.54%	-4.12%	1.42%
Energy	6.79%	-3.65%	3.14%
Financials	35.23%	-19.05%	16.18%
Health Care	15.95%	-28.95%	-13.00%
Industrials	24.35%	-18.50%	5.86%
Information Technology	17.47%	-20.47%	-3.00%
Materials	21.96%	-26.02%	-4.06%
Real Estate	4.85%	-11.58%	-6.73%
Utilities	4.01%	0.00%	4.01%

CONTACT DETAILS

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FUND PERFORMANCE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2020	-1.23	-1.94	-8.13										-11.03
2019	-1.14	-1.59	0.25	-2.48	5.43	-0.75	-3.92	6.40	0.44	-1.55	-0.12	-4.27	-3.80
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.

