



# 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

\$16.8M

#### 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

0.8655

#### UNIT PRICE - MID

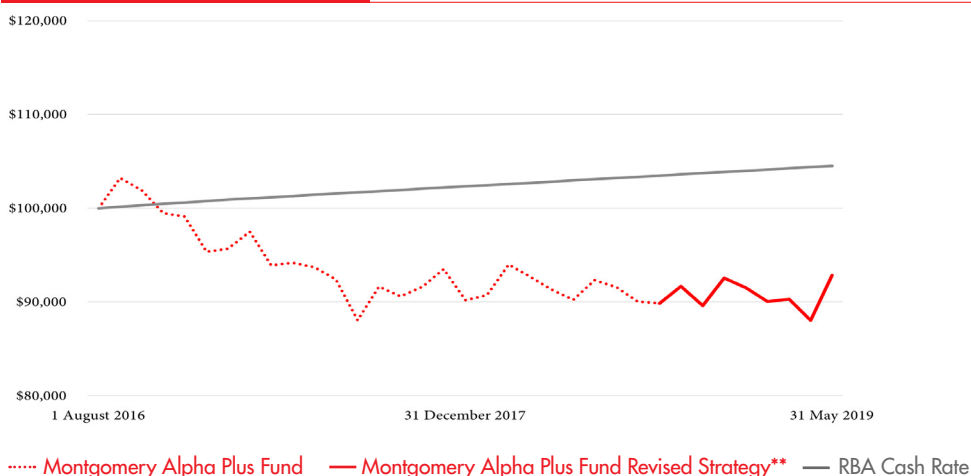
0.8633

#### UNIT PRICE - SELL

0.8612

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

### PERFORMANCE GRAPH



\*\*Annualised volatility: 9.1% Correlation with ASX200: -0.01%

### CONTACT DETAILS

#### INVESTORS

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### PORTFOLIO PERFORMANCE

(to 31 May 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	5.43%	<b>5.43%</b>	0.13%	5.30%
3 months	0.00%	3.08%	<b>3.08%</b>	0.38%	2.70%
6 months	0.00%	3.61%	<b>3.61%</b>	0.75%	2.86%
1 year	4.74%	-1.86%	<b>2.88%</b>	1.51%	1.37%
2 years (p.a)	3.40%	-3.86%	<b>-0.46%</b>	1.51%	-1.97%
Compound annual return (since inception)*	2.24%	-4.83%	<b>-2.59%</b>	1.57%	-4.16%

\*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 soft start to 2019, the Montgomery Alpha Plus Fund (the Fund) bounced back in May to record its strongest month ever. Positive results were achieved in all five of the Fund's regional markets, producing a combined return of 5.43 per cent. Pleasingly, the Fund's short portfolios - which had been a drag on performance recently - made a strong contribution to the overall result.

It is tempting to think that this turnaround could mark the end of the performance headwinds experienced recently by the Fund (along with many of its quantitative peers). However, one month is a short timeframe in investment markets, and it will take longer to see whether the wind is indeed at our back now.

In the meantime, we continue to maintain a slightly conservative positioning, keeping the Fund's expected volatility a little below the long-term target of 10 per cent p.a., and we continue our research efforts aimed at improving the Fund's stock selection methodology. On this last point, I note that we are pleased this month to put into production several methodology enhancements that we believe will make a significant contribution to Fund returns without adding to overall risk.

### GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	32.68
Canada	25.95
Hong Kong	30.85
Other	0.00
USA	30.69
Western Europe	34.73

### GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	29.11
Canada	22.16
Hong Kong	28.57
Other	0.00
USA	27.36
Western Europe	31.90

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

Less than \$5b	35.5
\$5-20b	68.15
\$20-50b	28.93
\$50-100b	4.43
Greater than \$100b	17.79

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

Less than \$5b	62.17
\$5-20b	53.67
\$20-50b	18.45
\$50-100b	0.00
Greater than \$100b	4.81

### NUMBER OF HOLDINGS

Number of Long Positions	135
Number of Short Positions	118

### PORTFOLIO EXPOSURES (%)

Gross Long	154.90
Gross Short	139.10
Net Long	15.80

### SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Communication Services	8.38%	-13.98%	-5.60%
Consumer Discretionary	17.54%	-12.24%	5.30%
Consumer Staples	9.75%	-8.93%	0.82%
Energy	10.22%	-15.24%	-5.02%
Financials	20.91%	-14.94%	5.97%
Health Care	5.64%	-16.32%	-10.69%
Industrials	27.81%	-16.70%	11.11%
Information Technology	19.83%	-14.23%	5.60%
Materials	22.38%	-16.90%	5.48%
Real Estate	12.45%	-9.63%	2.82%

### 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								0.29
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.

