



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

\$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

UNIT PRICE - BUY

0.8353

UNIT PRICE - MID

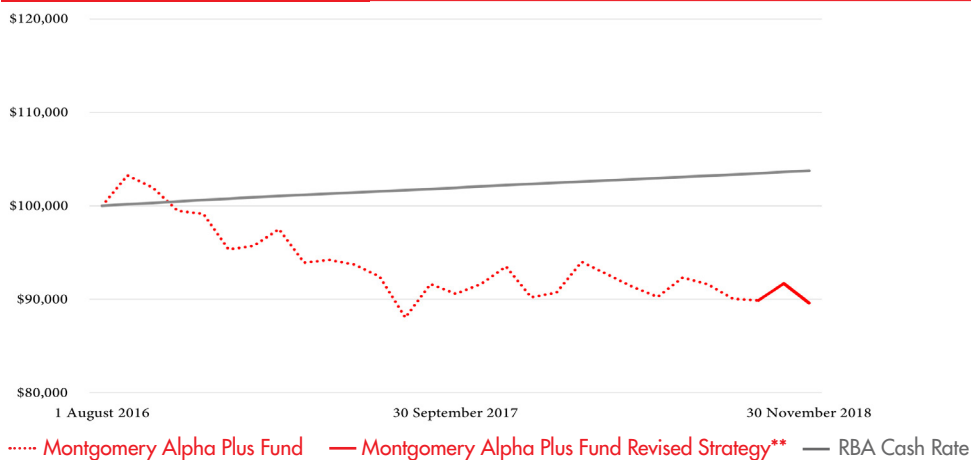
0.8332

UNIT PRICE - SELL

0.8311

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

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PORTFOLIO PERFORMANCE

(to 30 November 2018, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	-2.25%	-2.25%	0.12%	-2.37%
3 months	0.00%	-0.49%	-0.49%	0.37%	-0.86%
6 months	4.74%	-5.45%	-0.71%	0.75%	-1.46%
1 year	4.58%	-8.75%	-4.17%	1.51%	-5.68%
2 years (p.a)	3.22%	-8.14%	-4.92%	1.54%	-6.46%
Since inception*	6.48%	-16.87%	-10.39%	3.74%	-14.13%
Compound annual return (since inception)*	2.73%	-7.33%	-4.60%	1.59%	-6.19%

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

PLATFORMS WE ARE ON: None at present



FUND COMMENTARY

Following sharp declines in October for most of the global equity markets in which the Montgomery Alpha Plus Fund (The Fund) invests, November saw more benign market conditions generally, and even strong gains in the case of the Hong Kong Hang Seng Index.

This change in market fortunes corresponding with a reversal of many of the favourable price movements that drove a positive result for The Fund in October, leading to a negative 2.25 per cent return for November. The largest single detractor for the month was a short position in US-listed retailer of household consumer products, Newell Brands. This short position delivered

a positive return for The Fund in October, but during November, Newell reported 3rd quarter results which were poor in absolute terms, but which exceeded very low market expectations, resulting in a sharp share price rally. More broadly, The Fund's exposures to the US, Hong Kong, Australia and Western Europe produced net negative returns for the month, offset by a strong positive return from its Canadian exposure.

As we have noted previously, it is difficult to draw much from very short-term performance numbers, and the merits of The Fund's strategy will only become apparent over a reasonably long time frame.

GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	25.08
Canada	20.43
Hong Kong	22.19
Other	0.00
USA	33.96
Western Europe	30.14

GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	24.78
Canada	17.89
Hong Kong	22.06
Other	0.00
USA	32.03
Western Europe	31.44

MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	34.13
\$5-20b	55.28
\$20-50b	24.46
\$50-100b	4.29
Greater than \$100b	13.64

MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	48.43
\$5-20b	60.27
\$20-50b	11.86
\$50-100b	2.75
Greater than \$100b	4.89

NUMBER OF HOLDINGS

Number of Long Positions	118
Number of Short Positions	101

PORTFOLIO EXPOSURES (%)

Gross Long	131.80
Gross Short	128.20
Net Long	3.60

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Industrials	21.60	-11.49	10.12
Consumer Staples	7.80	-6.11	1.69
Materials	19.03	-18.06	0.97
Financials	14.15	-16.64	-2.48
Energy	12.13	-14.78	-2.65
Consumer Discretionary	21.81	-15.45	6.36
Real Estate	4.92	-6.43	-1.50
Health Care	8.37	-8.71	-0.34
Information Technology	16.04	-14.26	1.77
Communication Services	5.94	-15.15	-9.21

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		-0.67
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.

