



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

\$17.2M

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

0.8545

UNIT PRICE - MID

0.8524

UNIT PRICE - SELL

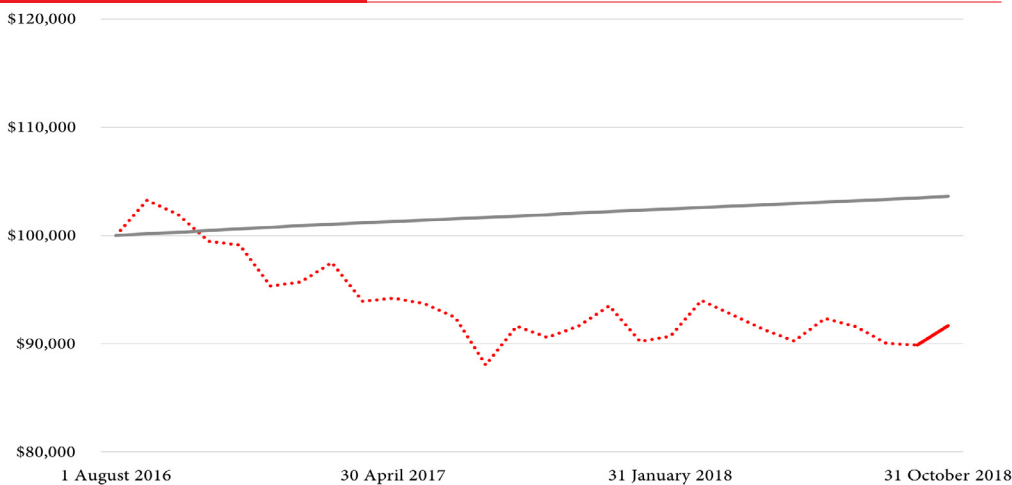
0.8503

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

INVESTORS

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PORTFOLIO PERFORMANCE

(to 31 October 2018, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	2.01%	2.01%	0.13%	1.88%
3 months	0.00%	0.11%	0.11%	0.38%	-0.27%
6 months	4.69%	-4.32%	0.37%	0.76%	-0.39%
1 year	4.67%	-4.60%	0.07%	1.51%	-1.44%
2 years (p.a)	3.21%	-7.21%	-4.00%	1.56%	-5.56%
Since inception*	6.48%	-14.81%	-8.33%	3.62%	-11.95%
Compound annual return (since inception)*	2.83%	-6.62%	-3.79%	1.59%	-5.38%

*Inception: 1 August 2016

PLATFORMS WE ARE ON:

None at present



FUND COMMENTARY

At the start of October, the Montgomery Alpha Plus Fund (The Fund) was repositioned in accordance with the revised strategy outlined in our previous investor communications. In the early part of the month, The Fund transitioned from being an Australia-only market-neutral fund with a significant bias to higher quality businesses and industry sectors, to being a global-market neutral fund with greater diversification and a more balanced position across industry sectors. As set out in the attached tables, The Fund now holds more than 100 positions in each of its long and short portfolios, spread across 5 regional markets. As previously outlined, we expect that these changes should significantly improve the consistency of performance of The Fund over time.

Shortly after this repositioning, all of the regional equity markets in which The Fund participates experienced sharp declines. However, given its market-neutral structure, The Fund has minimal exposure to the overall direction of equity markets, and delivered a positive 2.01 per cent return for October. This result reflected The Fund's short positions generally declining by more than its long positions during the month.

While a positive return is obviously pleasing, we stress that short term returns will inevitably be influenced by short term "noise" (as is the case with virtually all equity investments), and that the timeframe for a meaningful assessment of Fund performance should still be measured in years rather than weeks.

GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	25.75
Canada	21.67
Hong Kong	21.68
Other	0.00
USA	33.48
Western Europe	31.23

GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	24.81
Canada	20.46
Hong Kong	20.48
Other	0.00
USA	30.77
Western Europe	31.65

MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	34.87
\$5-20b	52.70
\$20-50b	26.95
\$50-100b	6.03
Greater than \$100b	13.28

MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	51.48
\$5-20b	53.38
\$20-50b	15.75
\$50-100b	2.80
Greater than \$100b	4.77

NUMBER OF HOLDINGS

Number of Long Positions	117
Number of Short Positions	101

PORTFOLIO EXPOSURES (%)

Gross Long	133.82
Gross Short	128.18
Net Long	5.64

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Industrials	22.04	-11.04	11.00
Consumer Staples	8.59	-6.12	2.47
Materials	20.19	-18.64	1.55
Financials	13.95	-15.96	-2.01
Energy	12.98	-16.81	-3.83
Consumer Discretionary	21.01	-15.39	5.62
Real Estate	4.82	-6.22	-1.39
Health Care	8.14	-9.06	-0.92
Information Technology	16.23	-13.73	2.50
Communication Services	5.87	-15.21	-9.34

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			1.62
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.

