



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

\$17.0M

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

0.8377

UNIT PRICE - MID

0.8356

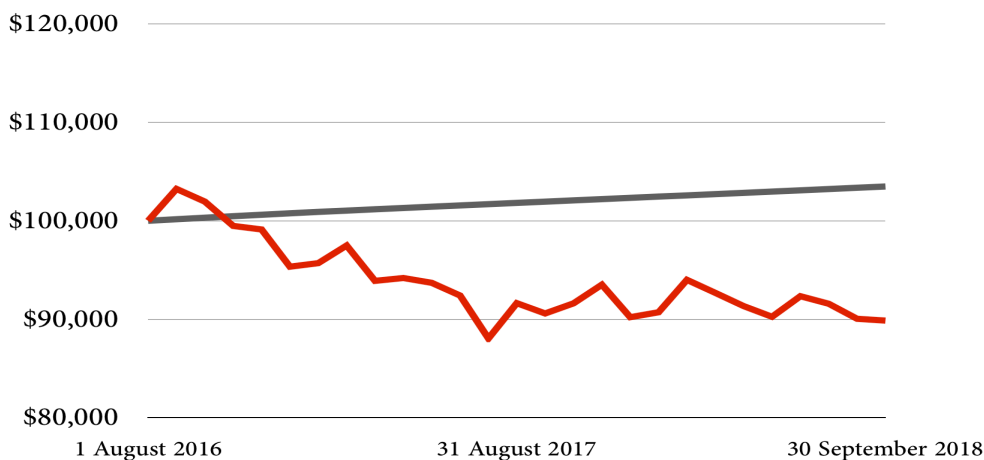
UNIT PRICE - SELL

0.8335

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 30 September 2018, after all fees)

| | INCOME | CAPITAL GROWTH | MONTGOMERY ALPHA PLUS FUND | RBA CASH RATE | OUT/UNDER PERFORMANCE |
|---|--------|----------------|----------------------------|---------------|-----------------------|
| 1 month | 0.00% | -0.20% | -0.20% | 0.12% | -0.32% |
| 3 months | 0.00% | -2.68% | -2.68% | 0.38% | -3.06% |
| 6 months | 4.62% | -7.65% | -3.03% | 0.75% | -3.78% |
| 1 year | 4.73% | -5.52% | -0.79% | 1.51% | -2.30% |
| 2 years (p.a) | 3.13% | -9.24% | -6.11% | 1.57% | -7.68% |
| Since inception* | 6.48% | -16.62% | -10.14% | 3.49% | -13.63% |
| Compound annual return (since inception)* | 2.94% | -7.75% | -4.81% | 1.59% | -6.40% |

*Inception: 1 August 2016

PLATFORMS WE ARE ON: None at present



FUND COMMENTARY

September was a relatively uneventful month for the Montgomery Alpha Plus Fund (The Fund) in terms of performance. The Fund's long and short portfolios both delivered similar returns (a modest decline, in line with the overall market) netting out to a broadly flat result for The Fund overall.

More importantly however, the end of September marks the formal adoption of The Fund's expanded investment mandate as outlined in The Fund's Annual Letter and other recent communications. At the time of writing, this transition is well advanced, with The Fund having established long and short portfolios in Hong Kong, the US, Canada and Western Europe, as well as Australia.

As set out in previous communications, we are excited about the potential of the expanded mandate, and expect that the wider universe of opportunities, improved diversification opportunities, and the corresponding ability to increase fund gross leverage without increasing risk, will all contribute to an improved and more consistent performance profile for The fund. We look forward to updating you on the results of the revised strategy in the months and years ahead.

TOP COMPLETED HOLDINGS* (LONG)

(at 30 September 2018, out of 28 holdings)

| COMPANY NAME | WEIGHT (%) |
|--------------------|------------|
| Rio Tinto | 6.73 |
| Macquarie Group | 6.60 |
| Wesfarmers | 6.37 |
| REA Group | 6.35 |
| Aristocrat Leisure | 6.01 |

TOP COMPLETED HOLDINGS* (SHORT)

(at 30 September 2018, out of 35 holdings)

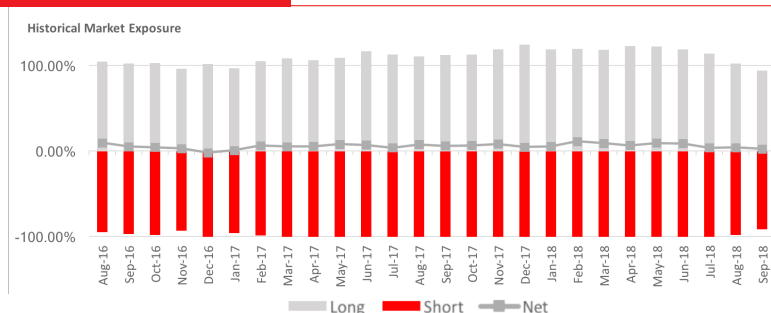
| COMPANY NAME | WEIGHT (%) |
|-----------------|------------|
| Nufarm | 5.26 |
| Wisetech Global | 5.18 |
| Amp | 5.16 |
| Boral | 5.15 |
| Orica | 5.00 |

*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 | 9.17 | -8.58 | 0.59 |
| Industrials | 10.75 | -3.55 | 7.20 |
| Consumer Staples | 14.30 | -7.68 | 6.62 |
| Financials | 16.44 | -12.96 | 3.48 |
| Real Estate | 0.00 | -4.74 | -4.74 |
| Information Technology | 0.00 | -10.53 | -10.53 |
| Health Care | 12.25 | -4.13 | 8.13 |
| Materials | 16.49 | -27.43 | -10.94 |
| Energy | 4.71 | -3.94 | 0.76 |
| Communication Services | 10.16 | -8.49 | 1.67 |

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 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.

