



# 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

\$16.9M

#### 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](http://montinvest.com/map)

#### UNIT PRICE - BUY

0.8532

#### UNIT PRICE - MID

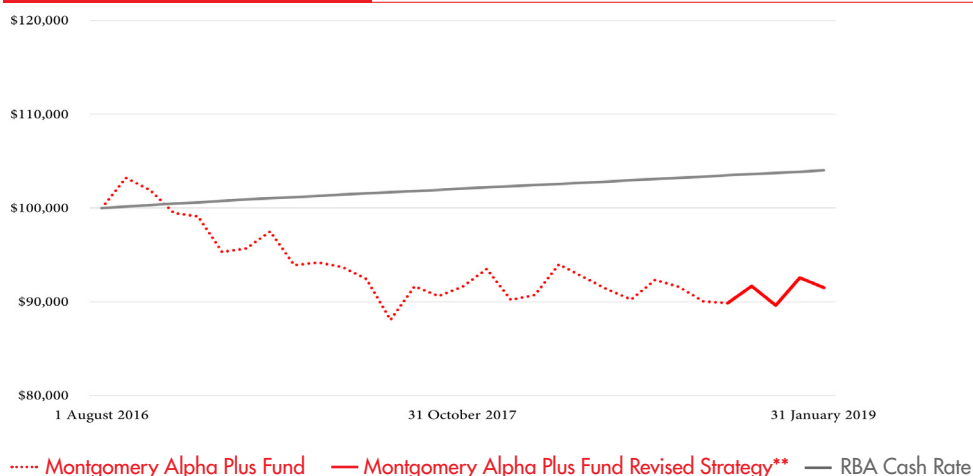
0.8510

#### UNIT PRICE - SELL

0.8489

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 January 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	-1.14%	-1.14%	0.13%	-1.27%
3 months	0.00%	-0.16%	-0.16%	0.38%	-0.54%
6 months	0.00%	-0.06%	-0.06%	0.76%	-0.82%
1 year	4.72%	-3.82%	0.90%	1.51%	-0.61%
2 years (p.a)	3.33%	-5.54%	-2.21%	1.53%	-3.74%
Since inception*	6.48%	-14.96%	-8.48%	4.01%	-12.49%
Compound annual return (since inception)*	2.54%	-6.02%	-3.48%	1.58%	-5.06%

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

#### PLATFORMS WE ARE ON:

None at present



## FUND COMMENTARY

Global Equity markets rebounded strongly in January, with regional indices for the markets in which the Montgomery Alpha Plus Fund (The Fund) invests generally rising by 5-10 per cent (Australia was the laggard at just under 4 per cent). Against this backdrop, The Fund delivered a neutral-to-positive return from its positions in most regional markets. However, some of The Fund's larger short positions in the Hong Kong market rallied very sharply in January, pulling the overall Fund return slightly into negative territory for the month.

The Fund also took the opportunity to increase gross leverage during January. The global equity market declines experienced in the last quarter of 2018 resulted in a decline in total value for both

long and short portfolios, reducing total Fund leverage (along with expected return and volatility) below target levels. Some trading costs are incurred in returning The Fund to target levels, although these are managed carefully, and are not excessive.

We now await with some interest the February reporting season, which is likely to introduce significant new information into the market and produce some large share price changes in both directions. The Fund's highly diversified portfolio and market-neutral positioning means that wild swings in Fund value are unlikely but it should be, nonetheless, an interesting period.

### GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	33.63
Canada	26.06
Hong Kong	37.03
Other	0.00
USA	31.32
Western Europe	35.52

### GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	29.18
Canada	24.68
Hong Kong	36.86
Other	0.00
USA	29.93
Western Europe	32.78

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

Less than \$5b	37.75
\$5-20b	75.31
\$20-50b	26.12
\$50-100b	6.76
Greater than \$100b	17.62

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

Less than \$5b	64.84
\$5-20b	64.96
\$20-50b	13.80
\$50-100b	2.44
Greater than \$100b	7.41

### NUMBER OF HOLDINGS

Number of Long Positions	133
Number of Short Positions	111

### PORTFOLIO EXPOSURES (%)

Gross Long	163.56
Gross Short	153.44
Net Long	10.11

### SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Industrials	27.37	-15.81	11.57
Consumer Staples	10.96	-11.05	-0.09
Materials	20.58	-21.78	-1.20
Financials	16.62	-16.73	-0.11
Energy	14.19	-17.87	-3.68
Consumer Discretionary	22.92	-14.64	8.28
Real Estate	13.28	-5.69	7.59
Health Care	6.61	-18.09	-11.48
Information Technology	18.58	-15.41	3.18
Communication Services	12.45	-16.40	-3.95

### FUND PERFORMANCE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	-1.14												-1.14
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.

