



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

\$16.4M

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

0.8396

UNIT PRICE - MID

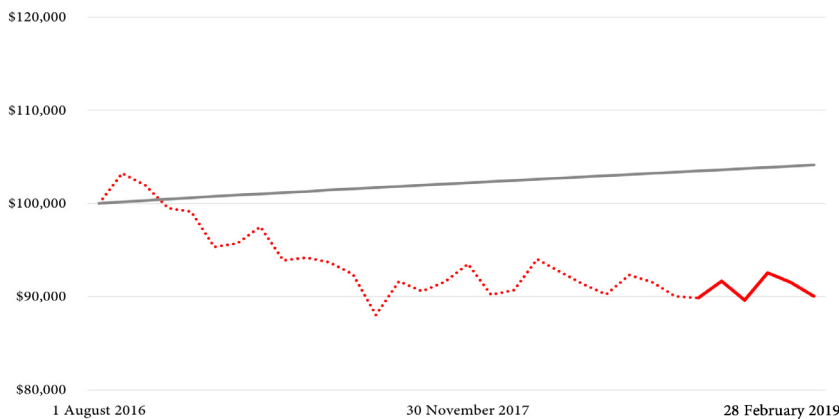
0.8375

UNIT PRICE - SELL

0.8354

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 — Montgomery Alpha Plus Fund Revised Strategy** — RBA Cash Rate

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

CONTACT DETAILS

INVESTORS

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PORTFOLIO PERFORMANCE

(to 28 February 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	-1.59%	-1.59%	0.12%	-1.71%
3 months	0.00%	0.52%	0.52%	0.37%	0.15%
6 months	0.00%	0.02%	0.02%	0.75%	-0.73%
1 year	4.56%	-8.74%	-4.18%	1.51%	-5.69%
2 years (p.a)	3.27%	-7.15%	-3.88%	1.52%	-5.40%
Compound annual return (since inception)*	2.46%	-6.43%	-3.97%	1.58%	-5.55%

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

PLATFORMS WE ARE ON:

None at present



February proved a frustrating month for the Montgomery Alpha Plus Fund (The Fund) with a very poor result from The Fund's Hong Kong/Chinese exposures (again) pulling The Fund into negative territory, despite a satisfactory performance overall from The Fund's other global exposures.

Equity market behaviour in China has been somewhat removed from fundamentals in calendar 2019, with the Shanghai Shenzhen CSI 300 Index rising by more than 23 per cent in just two months, and some of The Fund's short positions in businesses with relatively poor economics rising by much more. As always, the reasons for the market behaviour are unclear, but this coincides with a dramatic

spike in China's total social financing (a broad measure of credit and liquidity) to CNY 4.64 trillion in January 2019, from CNY 1.59 trillion in the previous month.

While the recent market dynamics in China appear neither efficient nor sustainable, that does not mean they can't continue in the near term. We note however, that with Chinese New Year (celebrated in February) now behind us, and reporting season about to get into full swing (around 80 per cent of the Fund's HK/China exposures will report in March) it is possible that we may see a change in these dynamics before long.

GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	33.30
Canada	27.70
Hong Kong	39.95
Other	0.00
USA	33.61
Western Europe	38.30

GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	32.27
Canada	23.91
Hong Kong	41.07
Other	0.00
USA	31.35
Western Europe	35.56

MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	40.61
\$5-20b	76.87
\$20-50b	29.19
\$50-100b	7.03
Greater than \$100b	19.15

MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	66.14
\$5-20b	66.15
\$20-50b	21.56
\$50-100b	2.27
Greater than \$100b	8.02

NUMBER OF HOLDINGS

Number of Long Positions	130
Number of Short Positions	111

PORTFOLIO EXPOSURES (%)

Gross Long	172.85
Gross Short	164.15
Net Long	8.70

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Information Technology	20.99	-17.33	3.66
Health Care	7.16	-19.39	-12.23
Communication Services	11.83	-16.75	-4.92
Industrials	29.04	-17.34	11.70
Consumer Discretionary	24.74	-13.36	11.39
Materials	20.13	-23.19	-3.06
Consumer Staples	11.79	-11.39	0.40
Energy	14.86	-19.55	-4.69
Real Estate	13.34	-5.82	7.51
Financials	18.98	-20.04	-1.06

FUND PERFORMANCE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	-1.14	-1.59											-2.71
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.

