



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

\$16.5M

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*

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UNIT PRICE - BUY

0.8589

UNIT PRICE - MID

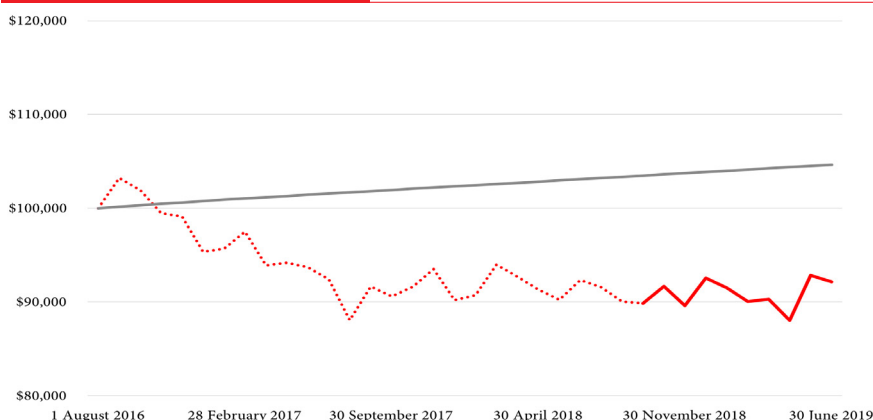
0.8568

UNIT PRICE - SELL

0.8547

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

Dean Curnow

† 02 8046 5019

e dcurnow@montinvest.com

ADVISERS, RESEARCHERS AND PLATFORMS

Scott Phillips

(NSW, ACT & QLD)

† 02 8046 5005

e sphillips@montinvest.com

David Denby

(VIC, TAS, SA & WA)

† 0455 086 484

e ddenby@montinvest.com

PORTFOLIO PERFORMANCE

(to 30 June 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	3.14%	-3.89%	-0.75%	0.12%	-0.87%
3 months	3.23%	-1.18%	2.05%	0.37%	1.68%
6 months	3.15%	-3.61%	-0.46%	0.74%	-1.20%
1 year	3.01%	-3.22%	-0.21%	1.51%	-1.72%
2 years (p.a)	3.66%	-3.80%	-0.14%	1.51%	-1.65%
Compound annual return (since inception)*	3.06%	-5.83%	-2.77%	1.57%	-4.34%

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

PLATFORMS WE ARE ON:

None at present



FUND COMMENTARY

After a very strong May, the Montgomery Alpha Plus Fund (the Fund) finished the financial year with a small negative return of 0.75 per cent. In a month where global equities generally rallied hard, performance from the Fund's regional portfolios was mixed, with positive results from Hong Kong and Western Europe offset by negative results from the US and Canada, where several short positions rose sharply as part of the broader market rally.

With the conclusion of the financial year, the Fund goes ex-distribution, paying out an amount of 2.7120 cents per unit. Accordingly, after finishing FY19 with a unit price of \$0.8568, we start FY20 with a unit price of \$0.8296.

Later in the month, investors in the Fund will receive the Fund's annual letter. You may recall that last year's letter outlined proposed changes to Fund strategy

that were subsequently implemented at the start of October, and this year's letter will reflect on the period since the new strategy was implemented. While the letter will provide more detail, based on the experience to date, we are increasingly optimistic as to the long-term performance potential for the Fund. While the results have not reached the levels we aspire to, the new strategy has so far delivered a positive return, has beaten its benchmark, and has met its risk and correlation targets. Importantly, it has done so in an environment in which other quantitative equity market neutral funds generally have gone backwards.

We will also outline in the letter work we are doing to further improve the Fund's process and performance. We believe that changes already implemented and yet to be implemented will set the Fund up for strong results going forward.

GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	35.15
Canada	26.85
Hong Kong	33.81
Other	0.00
USA	32.26
Western Europe	37.02

GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	32.09
Canada	25.17
Hong Kong	30.71
Other	0.00
USA	30.36
Western Europe	27.58

MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	38.39
\$5-20b	69.94
\$20-50b	25.21
\$50-100b	10.39
Greater than \$100b	21.13

MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	59.23
\$5-20b	66.53
\$20-50b	18.48
\$50-100b	1.68
Greater than \$100b	0.00

NUMBER OF HOLDINGS

Number of Long Positions	137
Number of Short Positions	114

PORTFOLIO EXPOSURES (%)

Gross Long	165.09
Gross Short	145.91
Net Long	19.17

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Communication Services	9.75%	-14.42%	-4.68%
Consumer Discretionary	24.79%	-17.53%	7.26%
Consumer Staples	8.82%	-3.18%	5.64%
Energy	9.44%	-13.19%	-3.75%
Financials	19.66%	-11.52%	8.14%
Health Care	14.78%	-22.82%	-8.04%
Industrials	25.98%	-17.84%	8.14%
Information Technology	21.55%	-16.37%	5.18%
Materials	18.28%	-22.13%	-3.85%
Real Estate	12.04%	-6.91%	5.13%

FUND PERFORMANCE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	-1.14	-1.59	0.25	-2.48	5.43	-0.75							-0.46
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.

