



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

\$15.8M

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

0.8539

UNIT PRICE - MID

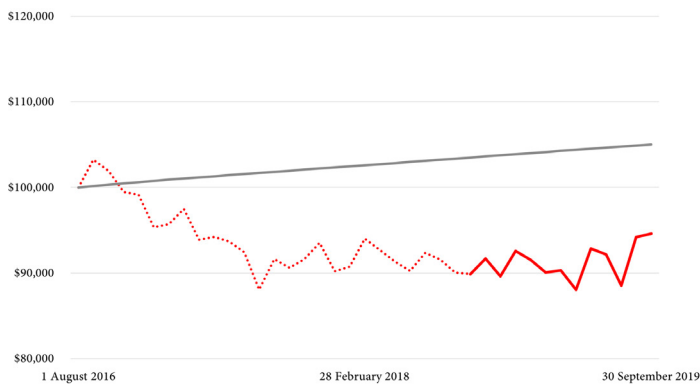
0.8518

UNIT PRICE - SELL

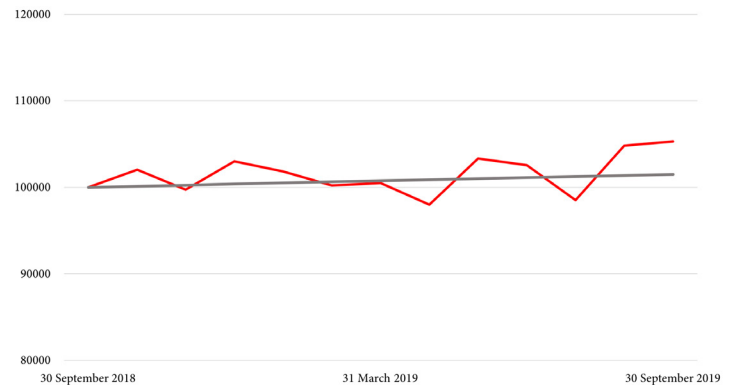
0.8497

The Fund is forward priced; you will receive the price struck subsequent to the receipt of your application / redemption request.

PERFORMANCE GRAPH SINCE INCEPTION



PERFORMANCE GRAPH REVISED STRATEGY



..... Montgomery Alpha Plus Fund

— RBA Cash Rate

— Montgomery Alpha Plus Fund Revised Strategy

PORTFOLIO PERFORMANCE

(to 30 September 2019, after all fees)

	INCOME	CAPITAL GROWTH	MONTGOMERY ALPHA PLUS FUND	RBA CASH RATE	OUT/UNDER PERFORMANCE
1 month	0.00%	0.44%	0.44%	0.11%	0.33%
3 months	0.00%	2.68%	2.68%	0.35%	2.33%
6 months	3.23%	1.55%	4.78%	0.73%	4.05%
1 year	3.25%	2.03%	5.28%	1.48%	3.80%
2 years (p.a)	3.83%	-1.63%	2.20%	1.50%	0.70%
Since Inception	9.19%	-14.58%	-5.39%	5.02%	-10.41%
Compound annual return (since inception)*	2.82%	-4.56%	-1.74%	1.56%	-3.30%

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

PLATFORMS WE ARE ON: None at present



FUND COMMENTARY

The Montgomery Alpha Plus Fund (The Fund) delivered a 0.44 per cent return in September. The Fund's Western Europe and North American portfolios delivered reasonably solid returns for the month, but this was offset by a strong negative result from the Fund's Australian portfolio. The main detractors in Australia included short positions in Bellamy's Limited, which on 16 September announced an agreed takeover by China Mengniu Dairy Company at a 59 per cent premium to the previous closing price, and IOOF Holdings which rose strongly when the Federal Court found that IOOF and its directors did not contravene the Superannuation Industry Act (as APRA had alleged).

Unpredictable good news events like these are among the occupational

hazards for investors with short positions. Pleasingly however, the Fund's diversified portfolio structure helps it absorb sudden changes in individual holdings without undue impact to the overall portfolio.

On a more positive note, September marks the first anniversary of the launch of the Fund's revised global quantitative strategy. While a year is not long in equity investing, we are pleased to see that over this time the Fund has delivered a return in excess of the benchmark rate and has met its risk objectives. While we aim for the Fund to achieve still higher returns than this, we believe the result is a creditable one in a market that has been challenging for quantitative equity market neutral strategies generally.

GEOGRAPHIC EXPOSURE (LONG) (%)

Australia	36.97
Canada	30.30
Hong Kong	35.91
Other	0.00
USA	38.01
Western Europe	35.79

GEOGRAPHIC EXPOSURE (SHORT) (%)

Australia	32.42
Canada	25.47
Hong Kong	32.82
Other	0.00
USA	30.96
Western Europe	34.35

MARKET CAP EXPOSURE (LONG) (%)

Less than \$5b	48.27
\$5-20b	71.26
\$20-50b	27.50
\$50-100b	8.02
Greater than \$100b	21.94

MARKET CAP EXPOSURE (SHORT) (%)

Less than \$5b	77.56
\$5-20b	59.84
\$20-50b	14.45
\$50-100b	2.10
Greater than \$100b	2.06

NUMBER OF HOLDINGS

Number of Long Positions	165
Number of Short Positions	146

PORTFOLIO EXPOSURES (%)

Gross Long	176.98
Gross Short	156.02
Net Long	20.96

SECTOR INDUSTRY EXPOSURE

SECTOR NAME	LONG PORTFOLIO (%)	SHORT PORTFOLIO (%)	NET (%)
Communication Services	9.30%	-10.87%	-1.57%
Consumer Discretionary	23.18%	-18.35%	4.82%
Consumer Staples	9.59%	-5.60%	3.99%
Energy	11.58%	-14.73%	-3.15%
Financials	30.37%	-18.94%	11.43%
Health Care	15.70%	-23.09%	-7.39%
Industrials	24.39%	-18.61%	5.79%
Information Technology	21.62%	-17.93%	3.69%
Materials	19.91%	-20.78%	-0.87%
Real Estate	10.53%	-7.13%	3.40%
Utilities	0.82%	0.00%	0.82%

CONTACT DETAILS

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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	-3.92	6.40	0.44				2.20
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.

