

Alpha Australian Blue Chip Equities - Snapshot

Morningstar Category: Australia OE Equity Australia Large Growth
 Inception Date: 2/04/2007

Fund and Market Commentary

The S&P/ASX300 Accumulation Index fell by 1.56% during August with the Alpha Australian Blue Chip Fund outperforming the benchmark by 0.64%. Better performing sectors were Information Technology and Energy, while Utilities and Telecoms underperformed. Since inception, the Fund has achieved outperformance relative to the benchmark.

The Standard and Poors rating agency has put Australia's triple A credit rating 'on watch', with a negative outlook due to "growing fiscal vulnerabilities". While the Coalition has won the election it is now even more difficult to pass legislation to address the budget deficit, with the Senate having the largest cross-bench in history.

The Australian annual Gross Domestic Product (GDP) growth rate expanded 0.2% from last quarter to 3.3% based on the latest data release. The Australian Bureau of Statistics (ABS) has reported the unemployment rate decreased by 0.1% to 5.7%. ABS retail turnover grew 0.1% month on month bringing the total annualised increase to 2.7%.

The Reserve Bank of Australia (RBA) decided to lower the cash rate by 0.25% to a new record low of 1.50% during its meeting on the 2nd of August. The Australian Dollar (AUD) fell 1.09% ending the month at 0.7518 United States (US) cents.

Considering the prospects for assets beyond short-term volatility, our preference is to take a longer term approach to the markets. This does not mean we are not actively managing the fund. To the contrary, the structure of our fund is always reflective of our current assessment of market risk. In structuring the fund, Alpha Fund Managers seek to select high-quality managers and blend these managers to create portfolios that can achieve consistent absolute and relative performances, irrespective of where we are in the market cycle.

Top Ten Holdings - August 2016

Stock Name	Sector
Domino's Pizza Enterprises Ltd	Consumer Cyclical
Ramsay Health Care Limited	HealthCare
CSL Limited	HealthCare
Treasury Wine Estates Ltd	Consumer Defensive
BWX Ltd	Consumer Defensive
The Star Entertainment Group Ltd	Consumer Cyclical
Aristocrat Leisure Ltd	Technology
Flight Centre Travel Group Ltd	Consumer Cyclical
Telstra Corp Ltd	Communication Services
Transurban Group	Industrials

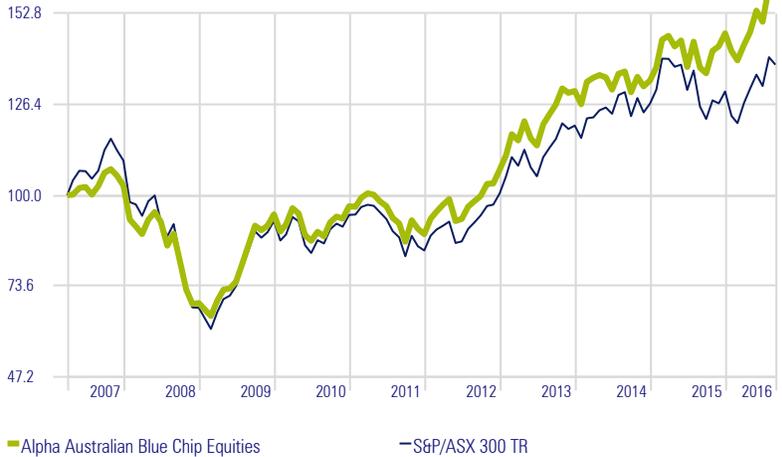
Risk Matrix

Time Period: 1/09/2011 to 31/08/2016

	Alpha Blue Chip	S&P/ASX 300 TR
Alpha	1.96	0.00
Std Dev	11.72	12.75
Sharpe Ratio	0.19	0.09
Sortino Ratio	0.26	0.12

Investment Growth (net of fees) versus Benchmark

Time Period: 3/04/2007 to 31/08/2016



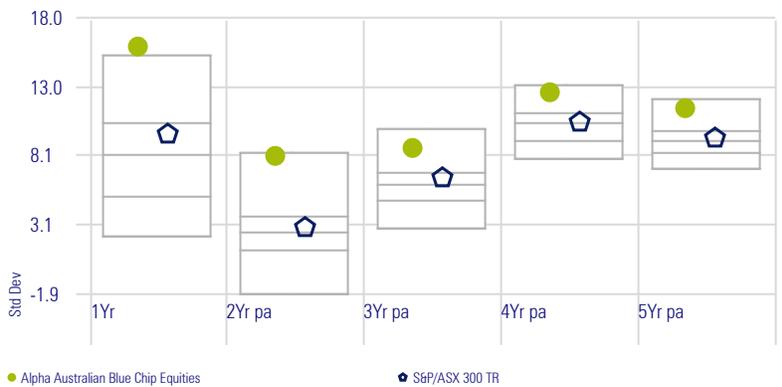
Returns (net of fees) versus Benchmark

As of Date: 31/08/2016 Data Point: Return

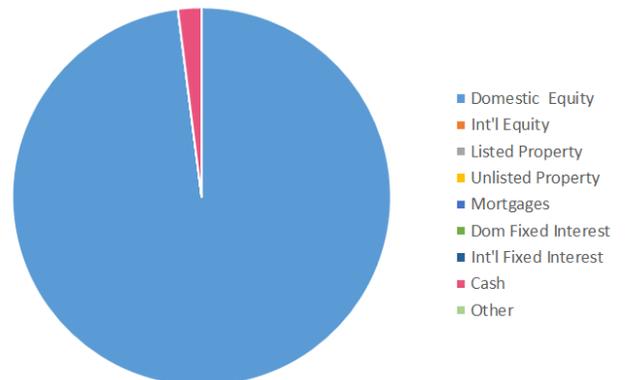
	Month	Quarter	6 Mth	1Yr	2Yr pa	3Yr pa	4Yr pa	5Yr pa
Alpha Australian Blue Chip Equities	-0.92	3.53	14.30	16.08	8.18	8.78	12.81	11.63
S&P/ASX 300 TR	-1.56	2.15	14.07	9.69	3.03	6.61	10.63	9.48

Risk (i.e. Volatility of Returns) versus Benchmark

As of Date: 31/08/2016



Asset Allocation



Investment Objective

The Alpha Blue Chip Fund aims to outperform the S&P/ASX 300 Accumulation Index (after fund fees and expenses, and before taxes) over rolling 3 to 5 year periods. The fund invests predominantly in a diversified portfolio of large market capitalisation Australian shares.

Alpha Fund Managers seek to achieve this objective by the blending of a small number of high conviction (not closet index) investment managers, each with a different investment process, in a complementary manner so as to produce consistent outperformance with similar or less risk than the benchmark.

Fund Style: Actively Managed Australian Equity Large Blend Portfolio

Current Manager Line-up

Intrinsic Investment Management is a specialist manager actively managing high quality, concentrated Australian equity portfolios for institutional and individual clients. The investment team has on average 30 years of portfolio management experience, and brings a significant record of accomplishment and seniority within the industry. Utilising a 'style neutral' investment philosophy combined with a rigorous stock selection process, the strategy can manoeuvre within different market cycles and has demonstrated superior skill in alpha generation.

Manager Style: High Conviction Australian Equity Style Neutral Fund

Bennelong Australian Equity Partners is a Sydney based boutique fund manager. The manager believes that stock prices are driven by earnings, and high quality companies deliver superior earnings/returns. The manager selects stocks based on its proprietary tools and focuses on quality companies which have higher than average profitability, earnings stability, financial strength as well as superior performance in capital management and ESG issues (i.e. Environment, Social and Corporate Governance). Technical factors, such as market sentiment, are also considered when initiating stock positions.

Manager Style: Concentrated Australian Equity Large Blend

State Street Global Advisors (SSGA) is a global leader in institutional asset management, managing more than \$2.4 trillion in assets. The firm, part of the wider State Street business, has 35 years of experience assisting clients navigate a range of market cycles and conditions. The firm employs over 2,200 people in 17 countries worldwide, with nine investment centers across the Americas, Europe and Asia.

Manager Style: Quantitative Process, Targets Lower Volatility, Benchmark Agnostic

Smallco commenced operations in April 2000 and currently manages approximately \$700m of funds spread across the Smallco Investment Fund, the Smallco Broadcap Fund and a Broadcap mandate from a family office. The firm was founded by Rob Hopkins and Bill Ryan on the premise that inefficiencies exist in the pricing of smaller companies within the Australian listed securities market.

Manager style: Style Neutral Australian Equity Fund

About Alpha Fund Managers

Alpha Fund Managers' investment philosophy is based on the premise that there are particular investment managers that have the ability to consistently generate "alpha" over the medium to long-term, and through all financial market cycles irrespective of any style bias (growth vs. value, large cap vs. small cap, etc.). "Alpha" in this context is defined as an investment manager's unique ability to select a portfolio of securities that differs from and outperforms its benchmark on a risk-adjusted basis. In other words, it is an investment manager's ability to beat the index. Alpha Fund Managers' investment process is based on a balanced approach to quantitative and qualitative research and analysis techniques to assess and select the underlying investment managers in each Alpha Fund Series fund. Alpha Fund Managers seek to add value by selecting investment managers who demonstrate a high-level of investment conviction, unique investment processes and a proven record in managing risk and generating long-term "alpha" over full market cycle. Alpha Fund Managers then blend these managers to create portfolios that can achieve consistent, absolute and relative performances, irrespective of where we are in the market cycle.

Investment Details

APIR Code	ETL0091AU
Ticker	15576
Net Assets (\$Mil)	44
Month End Price Date	31/08/2016
Month End Price	0.8075

Purchase Information

Minimum Initial Investment	\$25,000
Minimum Balance	\$25,000
Minimum Additional Investment/Withdrawal	\$10,000
Buy-sell Spread	0.35%
Income Distribution	Half Yearly
Valuation/Unit Pricing	Daily
Management Fee	1.173%
Performance Fee	Applicable - refer to PDS on Website

Manager Info

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General Advice Warning and Disclosure

This document was prepared by Alpha Fund Managers Pty Limited (Alpha)(ABN 37 124 085 883) Corporate Authorised Representative of Infocus Securities Australia Pty Ltd (ABN 47 097 797 049) AFSL No 236523 as Investment Manager of the Alpha Australian Blue Chip Fund. This information is general advice only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. You should consider the appropriateness of this information with regards to your objectives, financial situation and needs. We encourage you to read the Fund's product disclosure statement in full before making an investment decision. Past performance is not indicative of future performance.

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