

Alpha Infrastructure Fund - Snapshot

Morningstar Category: Infrastructure - Global
 Inception Date: 1/02/2012

Fund and Market Commentary

The S&P Global Infrastructure benchmark fell 1.34% in August while the Alpha Infrastructure fund outperformed by 0.06%. The Fund has so far gathered limited return history and therefore no comment can be made about its long-term performance.

Volatility in global equity markets has dropped off significantly since the Brexit (British European Referendum vote) with most indices ending the month either flat or in the black. While the United States Federal Reserve continues to review the case for higher rates, the Bank of England moved to expand monetary policy cutting the reserve rate by 0.25% to 0.25%, and increasing its Quantitative Easing (QE) programme by £60 billion, taking the total stock of purchases to £435 billion.

United States (US) equity markets were largely flat over August, with the Dow Jones and S&P 500 indices down by 0.12% and by 0.17% respectively. The US unemployment rate remained steady at 4.9% this month, while non-farm payrolls increased by 151,000. The inflation rate reading was 0.2% lower at 0.8%.

European markets performed well, with Germany's DAX up 2.47%, while Italy's MIB index rose 0.57% and the FTSE 100 lifted 0.85%. Asian markets were also stronger with Japan's Nikkei 225 index up 1.91% while China's Shanghai Composite rose 3.56%. The Australian Dollar (AUD) fell 1.09% ending the month at 0.7518 United States (US) cents.

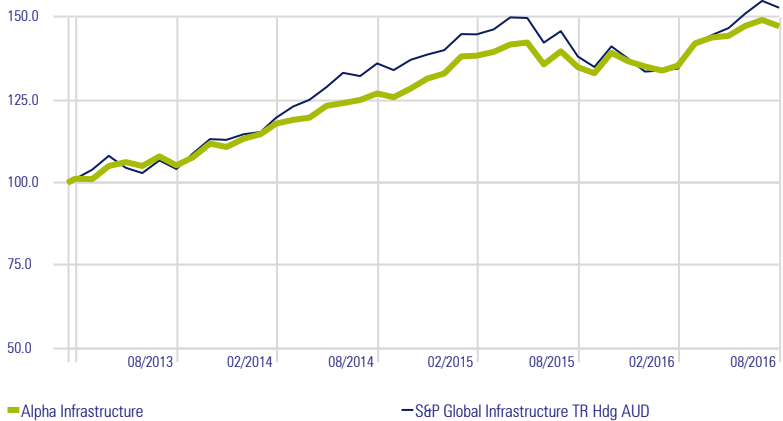
Considering the prospects for assets beyond short-term volatility, our preference is to take a longer term approach to the markets. This does not mean we are not actively managing the Fund. To the contrary, the structure of our Fund is always reflective of our current assessment of market risk. In structuring 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 10 Holdings - August 2016

Stock Name	Sector
Transurban Group	Industrials
Crown Castle International Corp	Communication
National Grid PLC	Utilities
American Tower Corp	Communication
SES SA DR	Consumer Cyclical
United Utilities Group PLC	Utilities
Enbridge Inc	Energy
Atlantia SpA	Industrials
Spark Infrastructure Group	Utilities
Sempra Energy	Utilities

Investment Growth (net of fees) versus Benchmark

Time Period: 15/02/2013 to 31/08/2016



Returns (net of fees) versus Benchmark

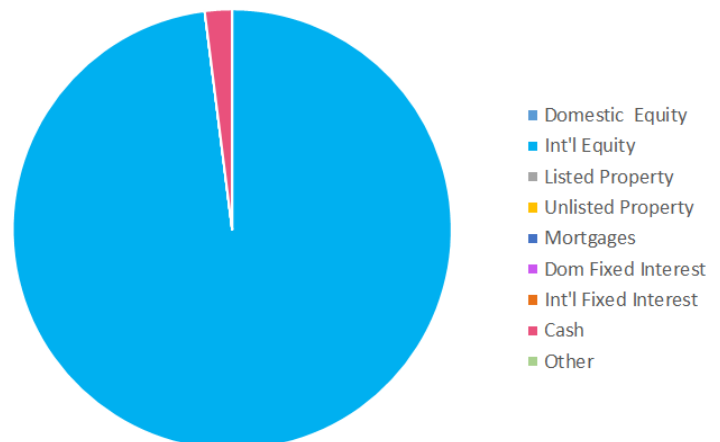
As of Date: 31/08/2016 Data Point: Return

	Month	Quarter	6 Mth	1Yr	2Yr	3Yr	pa	4Yr	pa	5Yr	pa
Alpha Infrastructure	-1.28	1.99	8.77	9.17	7.70	11.86					
S&P Global Infrastructure TR Hdq AUD	-1.34	4.19	13.69	10.69	6.01	13.67	13.62	13.84			

Alpha Infrastructure - Monthly Returns (net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-0.93	1.14	4.96	1.23	0.38	2.05	1.24	-1.28					
2015	3.90	0.14	0.85	1.59	0.42	-4.63	2.91	-3.44	-1.34	4.64	-1.83	-1.16	1.60
2014	1.22	2.77	0.98	0.57	2.99	0.66	0.76	1.58	-0.89	2.09	2.32	1.18	17.42
2013			-0.14	3.94	1.13	-1.10	2.76	-2.51	2.31	3.87	-0.92	2.25	
2012													
2011													

Asset Allocation



Investment Objective

The Alpha Infrastructure Fund is designed for investors seeking a diversified portfolio of specialist global listed Infrastructure investment managers. It aims to outperform (before fund fees and expenses, and before taxes) the S&P Global Infrastructure Total Return AUD Index on a rolling 3 to 5 year basis.

The Alpha Infrastructure Fund invests in infrastructure assets through securities listed on global stock exchanges. The fund aims to be fully invested at all times with cash exposure not exceeding 20 per cent for any length of time. The underlying funds in which the Alpha Infrastructure Fund invests may utilise approved derivative instruments subject to the specific restriction that derivative instruments cannot be used to gear the portfolio exposure.

Fund Style: Actively Managed Australian Equity Large Blend Portfolio

Current Manager Line-up

Magellan Asset Management Limited is a wholly owned subsidiary of the Australian Securities Exchange-listed Magellan Financial Group Limited. Magellan establishes and operates globally focused investment funds for retail, high net worth and institutional investors.

The Magellan Infrastructure Strategy invests in global listed infrastructure securities. Magellan believes that quality infrastructure assets have two key characteristics: the asset provides a service that is essential for the efficient functioning of a community, and the cash-flows generated by the asset are reliable and do not face external risks (such as sovereign risk, competition, commodity price movements or technological obsolescence). The Magellan Infrastructure strategy aims to provide consistent long-term absolute returns, which exceed the risk adjusted returns expected of the asset class.

Manager Style: High Conviction Global Infrastructure

RARE Infrastructure Limited was established in 2006 and is a specialist investment manager in global infrastructure securities. RARE stands for "Risk Adjusted Returns to Equity" and is specifically focused on reducing the chance of loss. The RARE investment team consists of a highly skilled group of 13 investment professionals with over 120 years of combined infrastructure experience and over 80 years of combined funds management experience. As at March 2016, RARE manages approximately USD \$6.3b for institutional and retail clients worldwide. RARE believes that a portfolio of global infrastructure securities should deliver good returns across all market cycles with relatively low volatility.

RARE is 75% owned by Legg Mason, with Treasury Group holding 10% and senior staff owning the remaining 15% of the business. RARE believes this aligns the interests of the staff with those of investors.

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	ETL0319AU
Ticker	19540
Net Assets (\$Mil)	12
Month End Price Date	31/08/2016
Month End Price	1.3675

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	1.23%
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 Infrastructure 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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