

Alpha Infrastructure Fund - Snapshot

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

Fund and Market Commentary

The S&P Global Infrastructure benchmark rose 0.41% in February while the Alpha Infrastructure fund outperformed by 0.73%. The Fund has so far gathered limited return history and therefore no comment can be made about its long-term performance.

Global equity markets were very volatile during February given fears over the health of the banking sector, Central Banks' use of negative interest rates and the impact of a possible British exit from the European Union coined BREXIT. Given the subdued growth and inflation outlook and volatility in global markets, the consensus view is that United States Federal Reserve (FED) will not raise rates at the upcoming meeting in March. The United States (US) unemployment rate was flat in February at 4.9%, while non-farm payrolls increased by a healthy 242,000. The inflation rate reading was 0.7% higher at 1.4%.

US equity markets ended the month relatively flat in February with the Dow Jones and S&P 500 indices up by 0.30% and down by 0.41% respectively. European markets were largely lower in February with Germany's DAX down 3.13%, while Italy's MIB index fell 5.54% and the FTSE 100 rose 0.22%. Asian markets were also hit hard with Japan's Nikkei 225 index falling 8.52%, while China's Shanghai Composite was down 1.81%.

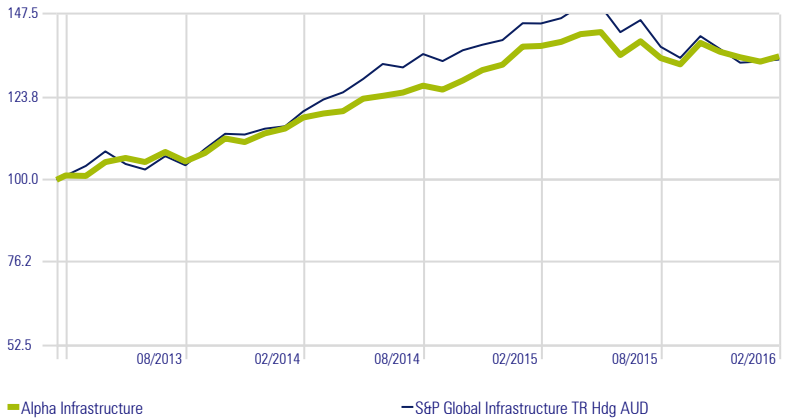
Considering the prospects for assets beyond short-term volatility, our preference is to take a longer term approach to the markets. This does not mean we are not actively managing the Fund. To the contrary, the structure of our Fund is always reflective of our current assessment of market risk. In structuring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

Stock Name	Sector
Transurban Group	Industrials
National Grid PLC	Utilities
Crown Castle International Corp	Communication
Sempra Energy	Utilities
SES SA DR	Consumer Cyclical
ITC Holdings Corp	Utilities
Atlantia	Industrials
Auckland International Airport	Industrials
American Water Works Co Inc	Utilities
Flughafen Zuerich AG	Industrials

Investment Growth (net of fees) versus Benchmark

Time Period: 15/02/2013 to 29/02/2016



Returns (net of fees) versus Benchmark

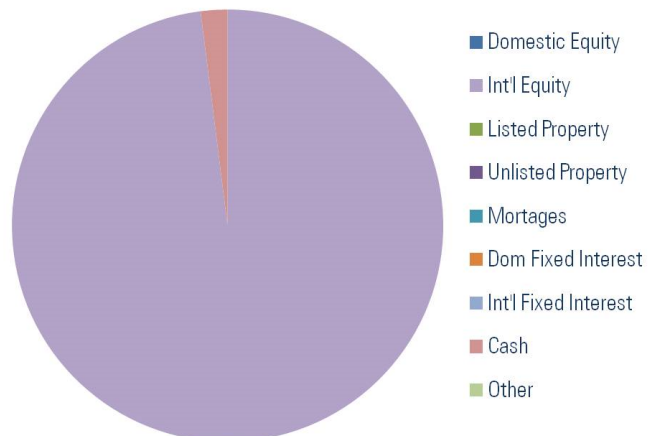
As of Date: 29/02/2016 Data Point: Return

	Month	Quarter	6 Mth	1Yr	2Yr pa	3Yr pa	4Yr pa	5Yr pa
Alpha Infrastructure	1.14	-0.96	0.37	-2.15	7.20	10.20		
S&P Global Infrastructure TR Hdg AUD	0.41	-2.21	-2.64	-7.15	6.05	9.98	10.86	9.43

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											
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 listed infrastructure assets through investing in 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. 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 combined funds management experience. As at 29 February 2012, RARE manages approximately \$4.8b 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 stands for "Risk Adjusted Returns to Equity" and is specifically focussed and reducing the chance of loss.

RARE is 37% owned by the listed Treasury Group Limited, whilst the senior staff own the remaining 63% 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 demonstrating high-level of investment conviction, unique investment processes and 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	29/02/2016
Month End Price	1.2774

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

Alpha Fund Managers Pty Ltd
Ph: 07 5458 9400
Fax: 07 5443 1995
Email: enquiry@alphafundmanagers.com.au
Website: <http://www.alphafundmanagers.com.au>
Suite 1117, Level 11
1 Queens Road, Melbourne
Victoria 3004

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. 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.

Equity Trustees Limited (EQT) (ABN 46 004 031 298) Australian Financial Services Licence 240975 is the Responsible Entity of the Fund and has consented to the inclusion and publication of general commentary, fund updates and references to itself.