

## Alpha Alternatives Fund - Snapshot

Morningstar Category: Alternative Strategies - Diversified  
 Inception Date: 01/02/2012

## Fund and Market Commentary

During September, the Bloomberg AusBond Cash benchmark returned 0.14%, while the Alpha Alternatives Fund outperformed the benchmark by 0.82%. Over longer periods, the Fund's performance remains competitive to the benchmark.

Macro/CTA index strategies ended the month of September negatively with the hedge fund composite index falling 1.03%. Global equity markets were generally in the black over September. Market participants kept an eye on the international response to the hydrogen bomb test from North Korea and the escalating tension between the United States (US) and North Korea. US equities continued to perform well with the Dow Jones rising 2.08% and S&P 500 up by 1.93% and its economy is bouncing back from the impact of hurricanes. The inflation rate was boosted by 0.2% to 1.9%, which is attributed to by rising shelter and gasoline amid the shutdown of refineries along the Gulf coast caused by Hurricane Harvey. On the policy front, Republicans shifted their focus to tax plans and have finally announced an outline of the tax reform proposal to simplify tax brackets and lower tax rates, but whether the bill can be passed and how to raise the funds to offset costs of tax cuts are questionable.

In Europe, the Euro area economy stays upbeat backed by the improving economic data. German Chancellor Angela Merkel has won the election, but will have to look for potential coalition partners. The European equity markets performed strongly in September, even though the UK fell behind. Germany's DAX skyrocketed 6.41% and Italy's MIB index added 4.74%, while the UK's FTSE 100 index ended the month 0.78% lower. Turning to Asia, Japan's Prime Minister Shinzo Abe has announced his plans to dissolve Parliament and call for a snap election in October following the pickup of his popularity. Looking at Asian markets, Japan's Nikkei 225 index rose 3.61%, while China's Shanghai Composite fell a minor 0.35% and the Hong Kong Hang Seng Index dropped 1.49%.

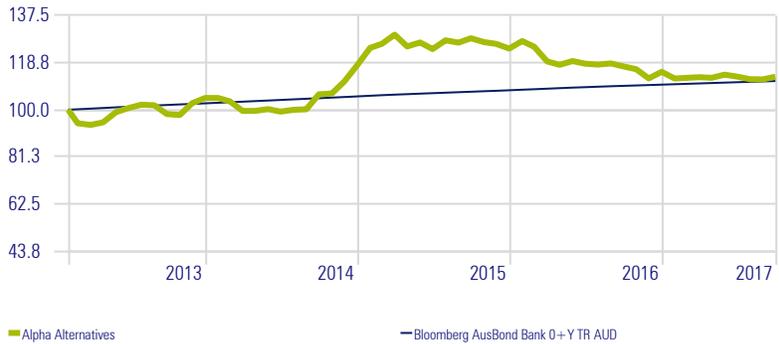
Considering the prospects for assets beyond short-term noise and volatility, our preference is to take a longer term approach to the markets. This does not mean we are not actively managing the Fund. To the contrary, the structure of our Fund is always reflective of our most current assessment of market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

## Alpha Alternatives - Monthly Returns (net of fees)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	-2.33	0.21	0.25	-0.21	1.10	-0.67	-0.92	-0.06	0.96				
2016	2.41	-1.80	-4.66	-1.16	1.28	-0.87	-0.31	0.38	-0.99	-0.97	-3.15	2.34	-7.45
2015	5.89	1.28	2.91	-3.62	1.27	-2.07	2.80	-0.72	1.38	-1.18	-0.59	-1.46	5.66
2014	-0.01	-1.27	-3.73	0.04	0.71	-0.99	0.73	0.21	5.96	0.27	4.52	5.82	12.45
2013			-0.69	1.10	4.28	1.65	1.33	-0.24	-3.42	-0.41	4.84	2.02	
2012													

## Investment Growth (net of fees) versus Benchmark\*

Time Period: 6/02/2013 to 30/09/2017



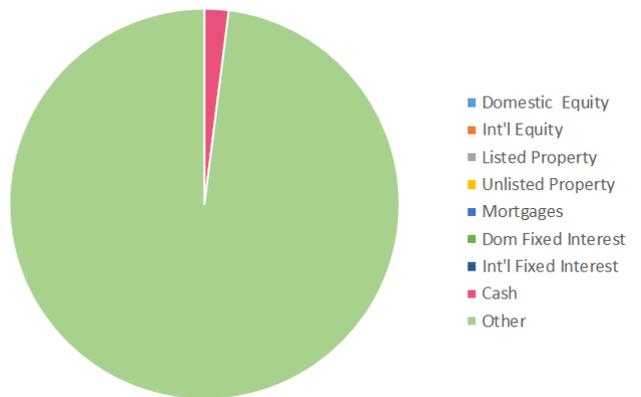
## Returns (net of fees) versus Benchmark\*

As of Date: 30/09/2017 Data Point: Return

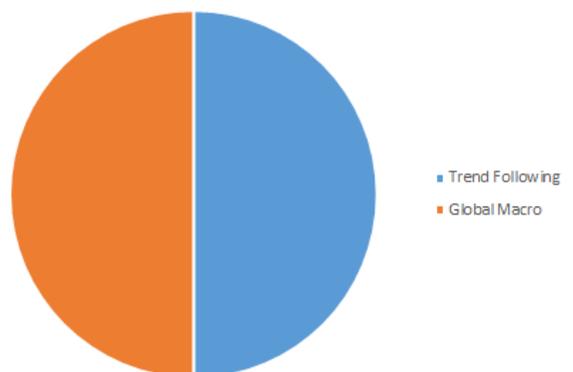
	Month	Quarter	6 Mth	1Yr	2Yr	3Yr	4Yr	5Yr
Alpha Alternatives	0.96	-0.03	0.18	-3.50	-6.15	2.16	3.59	

Bloomberg AusBond Bank 0+Y TR AUD	0.14	0.43	0.87	1.76	1.97	2.14	2.27	2.43
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## Asset Allocation



## Strategy Allocation



## Investment Objective

The Alpha Alternatives Fund is designed for investors seeking strong long-term returns by investing in underlying strategies that provide exposure to a well-diversified portfolio of specialist absolute return investment managers. The Alpha Alternatives Fund will invest in equity long-short, relative value, event driven, global macro and managed futures. The Alpha Alternatives Fund will actively seek to take advantage of strategic country and asset allocation, as well as security pricing opportunities, by investing in a diverse range of securities across the globe. The composition and performance of the fund may differ significantly from its benchmark.

*Fund Style: Actively Managed and Broadly Diversified Global Hedge Fund*

## Current Manager Line-up

**H2O Force 10** is a global macro hedge fund strategy that aims to generate returns from long and short positions in various equity, fixed income, currency, and futures markets, primarily based on overall economic and political views of various countries and macroeconomic principles. The H2O strategy aims to provide not only risk-adjusted performance at portfolio level, but also transparency and daily liquidity.

*Manager Style: Actively Managed and Broadly Diversified Macro Hedge Fund*

**The AQR Wholesale Managed Futures Fund** is a trend-following strategy which uses proprietary quantitative models. The Fund provides long and short exposure to over 100 global developed and emerging markets in equities, bonds, commodities, and currencies (using futures, swaps, forwards and options). The strategy seeks to deliver systematic and risk controlled returns in a liquid form with low correlation to the returns of traditional asset classes. An efficient diversification of exposures is an explicit goal of this product.

*Manager Style: Actively Managed and Broadly Diversified Macro Hedge Fund*

**Legg Mason Western Asset Management**, a Legg Mason affiliate, is one of the world's leading fixed income managers and provides investment services for a wide variety of global clients, with broad capabilities across the fixed income spectrum. By devoting all of its resources to fixed income, Western Asset adds unique value to this asset class through active management of fixed income portfolios, with a value-oriented investment approach that is supported by a team of fixed income specialists in every market sector. Legg Mason Western Asset Macro Opportunities Bond is an unconstrained, global macro fixed income alternative that seeks to maximize total return while being less correlated to traditional fixed income and equity markets. The fund focuses on long-term value investing and active management of duration, yield curve and volatility by identifying relative value among securities and sectors in global fixed income markets.

*Manager Style: Active Unconstrained Global Macro Fixed Income Alternative Strategy*

## 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 performance, irrespective of where we are in the market cycle.

## Investment Details

APIR Code	ETL0318AU
Ticker	19538
Net Assets (\$Mil)	29
Month End Price Date	30/09/2017
Month End Price	0.9866

## Purchase Information

Minimum Initial Investment	\$25,000
Minimum Balance	\$25,000
Minimum Additional Investment/Withdrawal	\$10,000
Buy-sell Spread	0.35%
Income Distribution	Yearly
Valuation/Unit Pricing	Daily
Management Fee	1.435%
Performance Fee	20.5% (net of GST and RITC)

For further information, please refer to the funds PDS.

## Manager Info

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There has been no material changes in the Fund's risk profile, strategy, key investment personnel or key service providers since the last monthly report.

## 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 ("Infocus") (ABN 47 097 797 049) AFSL No 236523 as Investment Manager of the Alpha Alternatives Fund ("Fund"). Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298) AFSL 240975 is the Responsible Entity of the 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.

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