

Alpha Alternatives Fund - Snapshot

Morningstar Category: Alternative Strategies - Diversified
 Inception Date: 6/02/2013

Fund and Market Commentary

During August the Bloomberg AusBond Cash benchmark returned 0.17%, while the Alpha Alternatives Fund outperformed by 0.21%. Given limited performance history no comment can be made about the Funds long-term performance.

Macro/CTA Index strategies performed poorly during August, with the hedge fund composite index returning negative 0.98%.

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%.

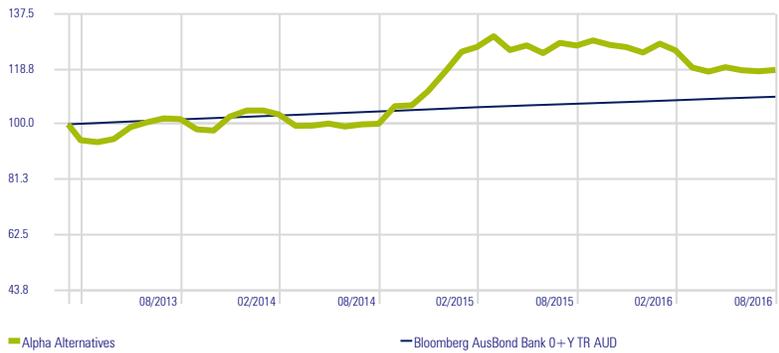
Considering the prospects for assets beyond short-term noise and volatility, our preference is to take a longer term approach to the markets. This does not mean we are not actively managing the Fund. To the contrary, the structure of our Fund is always reflective of our most current assessment of market 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
2016	2.41	-1.80	-4.66	-1.16	1.28	-0.87	-0.31	0.38					
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													
2011													

Investment Growth (net of fees) versus Benchmark

Time Period: 6/02/2013 to 31/08/2016

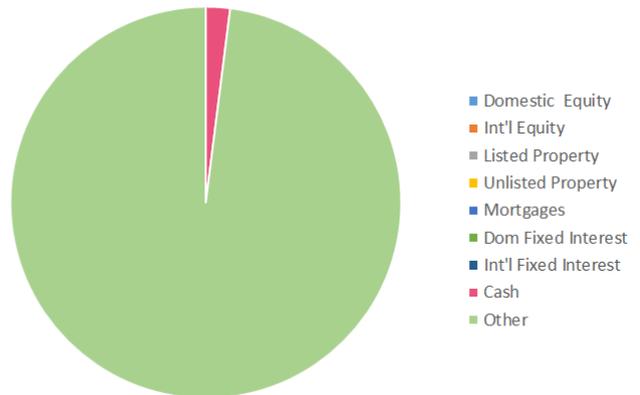


Returns (net of fees) versus Benchmark

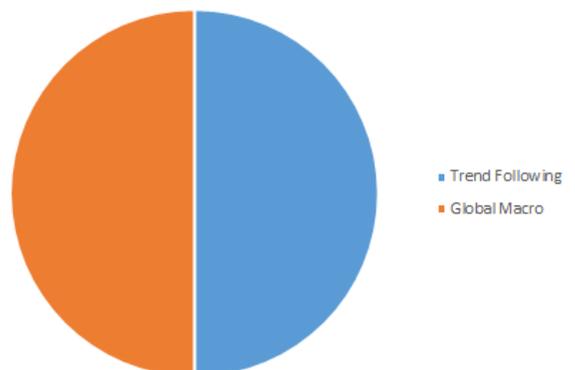
As of Date: 31/08/2016 Data Point: Return

	Month	Quarter	6 Mth	1Yr	2Yr pa	3Yr pa	4Yr pa	5Yr pa
Alpha Alternatives	0.38	-0.80	-5.32	-6.55	8.74	5.19		
Bloomberg AusBond Bank 0+Y TR AUD	0.17	0.51	1.10	2.22	2.36	2.46	2.64	2.99

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

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)	25
Month End Price Date	31/08/2016
Month End Price	1.0334

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	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 Alternatives 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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