

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 1.72% during February with the Alpha Australian Blue Chip Fund lagging the benchmark. Better performing sectors were Materials and Resources, while Information Technology and Telecom's underperformed. Since inception, the Fund has achieved outperformance relative to the benchmark.

Australian equities took lead from the global equity market sell-off, ending the month in the red, although a late month rally recouped much of the intra-month losses.

The local economy appears to be largely stable with the Australian Bureau of Statistics (ABS) reporting the unemployment rate remained flat at 5.8% while the annual GDP growth rate rose by 0.3% to 3% based on the latest data release. Retail turnover also grew 0.3% month on month bringing the total annualised increase to 4%. The Reserve Bank of Australia (RBA) continues to hold rates at 2% while the Australian dollar (AUD) rose over February on the back of stronger commodity prices ending the month at 0.7138 United States (US) cents.

China's Caixin Purchasing Managers Index (PMI) fell 0.4 points in February with a reading of 48. Data coming out of China continues to support the view that the economy is slowing on aggregate.

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 - February 2016

Stock Name	Sector
CSL Limited	HealthCare
Westpac Banking Corp	Financial Services
Ramsay Health Care Limited	HealthCare
BWX Ltd	Consumer Defensive
Domino's Pizza Enterprises Ltd	Consumer Cyclical
TPG Telecom Ltd	Communication Services
IPH Ltd	Industrials
Fisher & Paykel Healthcare Corp	HealthCare
Flight Centre Travel Group Ltd	Consumer Cyclical
Aristocrat Leisure Ltd	Technology

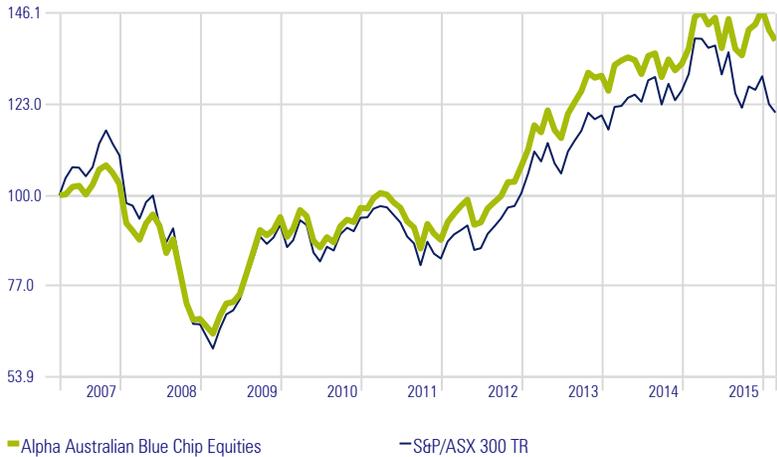
Risk Matrix

Time Period: 1/03/2011 to 29/02/2016

	Alpha Blue Chip	S&P/ASX 300 TR
Alpha	2.02	0.00
Std Dev	11.48	12.45
Sharpe Ratio	-0.02	-0.12
Sortino Ratio	-0.03	-0.16

Investment Growth (net of fees) versus Benchmark

Time Period: 3/04/2007 to 29/02/2016



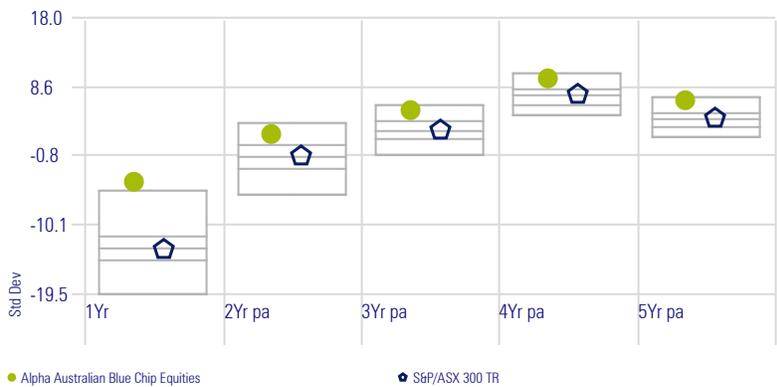
Returns (net of fees) versus Benchmark

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

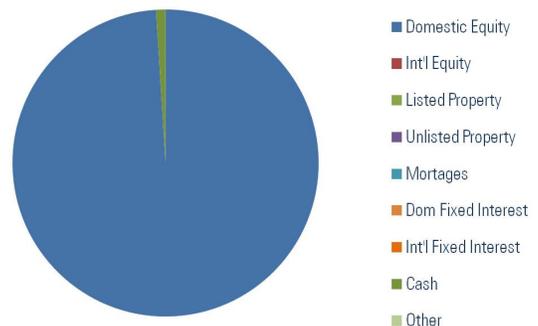
	Month	Quarter	6 Mth	1Yr	2Yr pa	3Yr pa	4Yr pa	5Yr pa
Alpha Australian Blue Chip Equities	-1.91	-2.85	1.55	-4.15	2.31	5.75	9.96	7.01
S&P/ASX 300 TR	-1.72	-4.55	-3.83	-13.45	-0.58	2.88	7.67	4.61

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

As of Date: 29/02/2016



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

Greencape Capital is a boutique investment management firm that applies a high conviction management approach. Experienced and professional, the Greencape team is focused and committed to delivering superior, repeatable performance. Greencape believes its strong focus on qualitative stock attributes increases the opportunity for fund outperformance.

Manager Style: High Conviction Australian Equity Large Growth

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 ES&G 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

UBS Halo Fund falls under the UBS funds management arm in Australia and while owned by the parent it operates under a boutique structure to better align staff with investor interests. The fund has an underlying philosophy of 'price to intrinsic value' holding a long term value bias low turnover buy and hold strategy.

Manager style: Concentrated long-only Australian equity

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	ETL0091AU
Ticker	15576
Net Assets (\$Mil)	44
Month End Price Date	29/02/2016
Month End Price	0.7258

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. 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.