

Alpha Property Securities - Snapshot

Morningstar Category: Australia Fund Equity Australia Real Estate
 Inception Date: 2/04/2007

Fund and Market Commentary

The Property Composite Index rose 1.16% during August while the Alpha Property Securities Fund underperformed the benchmark. Over longer periods, the Fund's performance remains competitive to the benchmark.

The ASX200 Listed Property Index posted a gain of 1.28% in August, while the FTSE EPRA/NAREIT Developed Listed Property Index (AUD) made a relative moderate gain of 0.86%. The CoreLogic RP Data Daily Home Value Index ended the month ahead with the 5 capital city aggregate up by 0.11%. Among the capital cities, Hobart and Canberra rose the most at 0.61% and 0.57 respectively, while Perth and Darwin had another tough month edging down further by 0.83% and 2.17% respectively.

The Australian Bureau of Statistics (ABS) reported that the seasonally adjusted unemployment rate fell to 5.6% in July from 5.7% in June. Retail turnover remained unchanged month on month, compared with a revised rise of 0.2% in the previous month. ABS seasonally adjusted building approvals were lower in July, down by 1.7% to 18,299 units following a massive increase of 11.7% in June. The Australian quarterly economic growth rate more than doubled in Q2 2017, from 0.3% in Q1 2017 to 0.8%, bringing the annual growth to 1.8%. The Reserve Bank of Australia held rates steady with no change in the monetary policy.

In the current environment, the Fund continues to be positioned towards stocks that offer stable and recurring high quality income streams, with a focus on high quality assets, robust underlying fundamentals and strong capital structures. In structuring the Fund, Alpha Fund Managers seek to select managers demonstrating a proven track record in managing risk and generating long-term outperformance.

Top Ten Holdings - August 2017

Stock Name	Sector
Scentre Group	Real Estate
Westfield Group	Real Estate
Mirvac Group	Real Estate
Goodman Group	Real Estate
GPT Group	Real Estate
Vicinity Centres	Real Estate
Stockland Corporation Limited	Real Estate
Rural Funds Group	Real Estate
Folkestone Education Trust	Real Estate
Carindale Property Trust	Real Estate

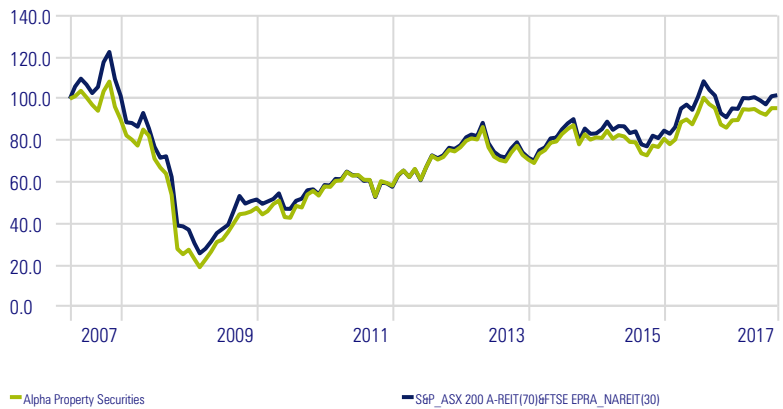
Risk Matrix

Time Period: Since Inception to 31/08/2017

	Alpha Property Securities	S&P/ASX 200 A-REIT&FTSE EPRA_NAREIT
Alpha	-0.18	0.00
Std Dev	20.13	18.75
Sharpe Ratio	-0.07	-0.10
Sortino Ratio	-0.09	-0.12

Investment Growth (net of fees) versus Benchmark*

Time Period: 3/04/2007 to 31/08/2017

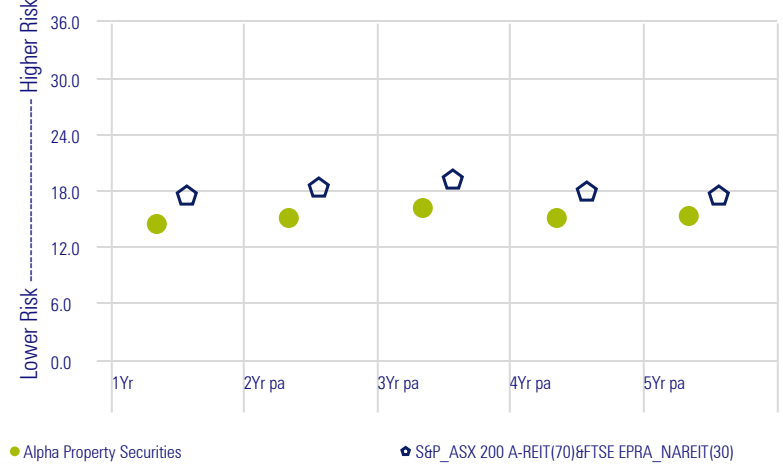


Returns (net of fees) versus Benchmark*

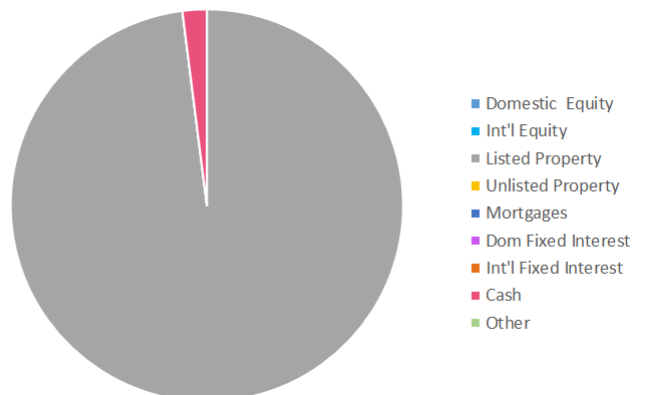
As of Date: 31/08/2017

	Month	Quarter	6 Mth	1Yr	2Yr pa	3Yr pa	4Yr pa	5Yr pa
Alpha Property Securities	0.65	-4.01	-2.54	-7.06	7.57	8.85	11.31	11.95
S&P ASX 200 A-REIT(70)&FTSE EPRA_NAREIT(30)	1.16	-3.77	-1.73	-7.53	7.90	9.96	12.32	13.17

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



Asset Allocation



Investment Objective

The Alpha Property Securities Fund invests in listed property securities that derive the bulk of their income from property rental, with a focus on greater diversification and liquidity in comparison to direct property. The fund can invest in both global and Australian markets.

Alpha Fund Managers seek to outperform the benchmark by the blending of a small number of high-conviction 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 Diversified Listed Property Securities Portfolio

Current Manager Line-up

Quay Global Investors formed a joint venture with Bennelong Funds Management as a partnership with two portfolio managers and Bennelong in May 2015. Bennelong is a reputable brand in the industry managing approximately \$6 billion across their boutique fund which complements the Quay business and offers business sustainability. The portfolio managers have extensive industry experience and demonstrable capabilities in the real estate sector. The Global Real Estate Fund adopts a long-only, high conviction approach to investing that is truly benchmark unaware and will only invest in those securities they believe will exceed real total return target. This high conviction approach in the Global REIT market is uncommon as most managers tend to construct their portfolio, starting with the benchmark, and typically manage the active risk within a narrow range.

Manager Style: Benchmark Unaware Total Return Focus

Renaissance Property Securities business was founded in 2003 and is wholly owned by co-portfolio managers of the strategy. Since its inception the team has refined the investment process and portfolio construction tools to develop a strong platform for outperformance. Renaissance Property Securities employs an active, value based investment style. Their belief is that ultimately the value of a stock will, in the long term, be determined by its income fundamentals. As a result, their approach is characterised by bottom up investment research into individual securities, with a particular focus on analysing and forecasting the present and potential future income generation of each underlying property investment.

Manager Style: Active Value Based Approach

Folkestone is an ASX listed real estate fund manager and developer comprising of a range of real estate investment products across debt, equity, public and private markets. In April 2014, Folkestone acquired 100% of Maxim Asset Management, which was subsequently renamed as Folkestone Maxim Asset Management. The business objective is to develop into a leading specialist manager of A-REIT securities, with a focus on delivering strong risk adjusted returns through fundamental analysis and adhering to its high conviction process.

Manager Style: High Conviction

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 cycles. 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	ETL0095AU
Ticker	15580
Net Assets (\$Mil)	27
Month End Price Date	31/08/2017
Month End Price	0.3572

Purchase Information

Minimum initial Investment	\$25,000
Minimum Balance	\$25,000
Minimum Additional Investment/Withdrawal	\$10,000
Buy-sell Spread	0.33%
Income Distribution	Quarterly
Valuation/Unit Pricing	Daily
Management Fee	1.286%
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 ("Infocus") (ABN 47 097 797 049) AFSL No 236523 as Investment Manager of the Alpha Property Securities 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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