

INVESTMENT REPORT

DECEMBER 2023

ABOUT MONTAKA

Montaka Global is a specialist global equities manager established in 2015 by Andrew Macken and Christopher Demasi with offices in Sydney, Melbourne and New York.

Montaka's mission is to achieve superior long-term compounding of investor capital, alongside the capital of our principals, team, and owners.

ABOUT THE FUND

The Montaka Global Extension Fund (Quoted Managed Hedge Fund) can play a leading role in achieving Montaka's mission.

Investors in the Fund benefit from our deep expertise, fundamental research and detailed analysis to identify high-conviction, long-duration opportunities through a concentrated global equities portfolio.

The Fund is highly focussed on investing in long-term winners in attractive transforming markets when they are undervalued and offer outsized return potential. The Fund also short-sells single stocks and ETFs to make additional investments in these winners with the proceeds and as an absolute profit centre. Put options can be used to hedge tail risks.

Investors benefit from an easily accessible listed structure with 'live' pricing and sufficient liquidity around 'fair value'. Investors can buy and sell units on ASX (ticker: MKAX) in the same way as other listed securities, through a broker or trading account or choose to invest [directly](#) with the Fund.

The Fund aims to provide Unitholders with long-term capital growth and targets distributions of 5% p.a. which can be automatically reinvested.

TOP 10 HOLDINGS

1	Blackstone	15.1%	6	ServiceNow	6.5%
2	KKR	15.1%	7	Salesforce	6.4%
3	Microsoft	14.5%	8	Spotify	5.8%
4	Amazon	14.1%	9	REA	5.4%
5	Meta	10.2%	10	Tencent	5.3%

Total top 10 holdings 98.5%

PERFORMANCE

	FUND
1 month	4.9%
3 months	14.1%
6 months	16.3%
1 year	63.4%
Since inception ¹ (p.a.)	2.5%
Since inception ¹	9.0%

The performance chart of the Fund can be viewed [here](#).

FUND FACTS

Fund name	Montaka Global Extension Fund (Quoted Managed Hedge Fund)
ASX ticker	MKAX
Fund type	Global equities, extension long/short
Fund structure	Exchange-traded managed fund; open-ended, ASX-listed
Investment manager	Montaka Global Pty Ltd
Portfolio managers	Andrew Macken, Christopher Demasi
Listing date	24 th June 2020
Unit price	\$3.0454
Invest/redeem	Buy/sell units on the ASX or apply/redeem directly with the Fund On-market: close to iNAV, updated every second with sufficient liquidity provided by the market maker Off-market: NAV +/-0.25%, daily
Pricing	
Distributions	Target 5% p.a. paid semi-annually
Hurdle	7% p.a.
Currency hedging	Typically 50% hedged to A\$
Website	www.montaka.com/mkax

TOP MEGA-TRENDS

1	Digital enterprise	36%
2	Alternative asset managers	30%
3	Digital consumer	21%
4	Data assets & digital networks	14%
5	Digital SME	12%
6	Digital Asia	12%

CONTACT DETAILS

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FUND WEBSITE: www.montaka.com/mkax

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FUND COMMENTARY

December rounded out an extraordinary year characterized by stock returns that were okay for the many (the median stock in the S&P 500 returned 12.7% in 2023), and extraordinary for the few (one stock in eight from the S&P 500 returned 50% or more). Montaka was fortunate to own many of the extra-ordinary performers in 2023.

This extreme skew in stock performance – particularly as it favored many megacap stocks – was not anticipated by the conventional wisdom one year ago. It's yet another example of how conventional wisdom can hinder, rather than assist, investors in their navigational decisions.

We continue to stick to our first-principles-based approach to investment analysis and monitor for high-probability long-term winners within large, attractive transformations. And we try to be ready to act at a moment's notice should stock prices move to levels that reflect significant undervaluation.

This happened in October when global luxury powerhouse, LVMH, experienced a stock price decline of nearly 30% from its peak several months prior. We have studied this business in detail over the years and were patiently waiting for a stock price attractive enough for investment. We took the opportunity to sell The Carlyle Group to fund this new investment. We have not been happy with Carlyle's management team and governance, and we believe Montaka's large continuing investments in Blackstone & KKR provide adequate exposure to the benefits we foresee in the alternative asset management space.

Beyond this, Montaka's portfolio hasn't changed much over recent months. Annualized portfolio turnover remains very low by industry standards, at just 26%. We continue to invest overwhelmingly towards 'compounder' businesses, which account for approximately 85% of Montaka's portfolio; and retain a modest allocation of around 12% to 'outlier' opportunities. We share more detail about Montaka's portfolio composition in our December [Quarterly Letter](#).

NOTE: At the end of the period to 31st of December 2023, the Fund will pay a distribution of 7.4 cents per unit. Payments will be made on the 19th of January 2024. The reinvestment unit price is \$3.0454.

FUND EXPOSURES² (net % of NAV)

Top 10 holdings	98.5%
Long exposure	129.4%
Short exposure	32.9%
Gross exposure (long+short)	162.3%
Net exposure (long-short)	96.5%
Adjusted net exposure ³	92.3%
A\$ currency exposure ⁴	38.0%

POSITION METRICS

	LONG	SHORT
Number of positions ²	22	26
Position sizes ⁵ (net, % of NAV):		
Largest	15.1%	4.6%
Smallest	0.3%	0.3%
Average	5.9%	1.3%

DISCLAIMER: This fund is appropriate for investors with 'High' risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the [TMD](#) for further information.

All holdings, performance, exposures and position metrics to 31 December 2023. Top 10 holdings are long positions. Performance is after all fees and costs. Past performance is not indicative of future performance.

2. Includes ETFs. ETF exposure shown on look-through basis, except Market Capitalisation Exposure.

3. Includes effect of put options as market hedges.

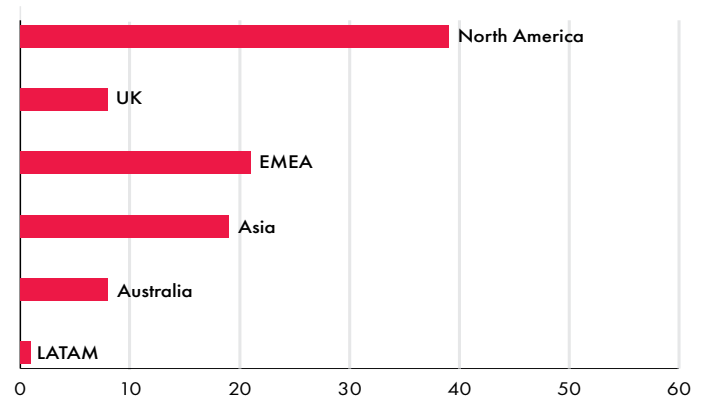
4. A\$ currency exposure shown on look-through earnings basis of portfolio holdings and includes the effect of currency forwards.

5. Excludes ETFs.

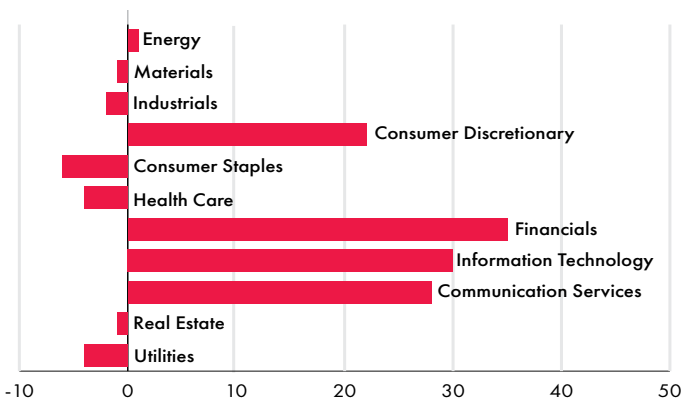
6. Shown on look-through earnings basis.

Performance is calculated after fees and costs, including the investment management fee and performance fee, but excludes the buy/sell spread. All returns are on a pre-tax basis. This report was prepared by Montaka Global Pty Ltd, (ACN 604 878 533) AFSL 516 942, the investment manager of the Montaka Global Extension Fund and is authorised for release by the responsible entity Perpetual Trust Services Limited (ACN 000 142 049) AFSL 236648, the issuer of units of the Montaka Global Long Only Equities Fund. Copies of the PDS and TMD are available on this webpage: <https://montaka.com/tmd/>. Before making any decision to make or hold any investment in the Fund you should consider the PDS in full and any ASX announcements. The information provided is general information only and does not take into account your investment objectives, financial situation or particular needs. You should consider your own investment objectives, financial situation and particular needs before acting upon any information provided and consider seeking advice from a financial advisor or stockbroker if necessary. You should not base an investment decision simply on past performance. Past performance is not an indicator of future performance. Returns are not guaranteed and so the value of an investment may rise or fall. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

GEOGRAPHIC EXPOSURE^{2,6} (net, % of NAV)



INDUSTRY EXPOSURE² (net, % of NAV)



MARKET CAPITALISATION EXPOSURE² (net, % of NAV)

