

INVESTMENT REPORT

MARCH 2024

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	KKR	15.9%	6	Salesforce	7.8%
2	Amazon	14.6%	7	ServiceNow	7.4%
3	Blackstone	14.2%	8	Spotify	7.0%
4	Microsoft	14.2%	9	Tencent	5.2%
5	Meta	8.6%	10	REA	4.6%

Total top 10 holdings 99.7%

PERFORMANCE

	FUND
1 month	(0.8%)
3 months	16.0%
6 months	32.3%
1 year	52.0%
2 years (p.a.)	12.8%
3 years (p.a.)	7.1%
Since inception ¹ (p.a.)	6.4%
Since inception ¹	26.4%

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	\$3.5311
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	41%
2	Alternative asset managers	30%
3	Digital consumer	21%
4	Data assets & digital networks	13%
5	Digital Asia	11%
6	Digital SME	10%

CONTACT DETAILS

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FUND WEBSITE: www.montaka.com/mkax

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FUND COMMENTARY

March was another strong month in what has been a solid start to the new year.

We continue to observe dispersion in performance across different sectors – as well as between individual companies within the same sector. We think this situation is the inevitable outcome of a few major structural changes – in fields like technology, finance, and geopolitics – affecting businesses in ways that are unprecedented. Complex change of this nature can continue to present great investment opportunities going forward.

Ultimately, our approach is to identify and own the high probability winners in some of these structural transformations, to the extent they remain underappreciated by the market. If we do this well, we believe superior compounding will result over the long term.

The financial results delivered by Montaka's investee companies during the quarter were generally strong. We continue to remain highly optimistic for substantial growth in earnings power for these businesses over time. And, importantly, we believe the extent of the growth that is coming for Montaka's businesses remains underappreciated by the market today.

It is clear that the US economy – the world's largest – remains quite strong. We see this in the aggregated data, where government investment is strong and consumer expenditures remain resilient. That said, we are observing pockets of weakness in company reports filed in recent weeks, particularly in the consumption by lower-income households. Here, we are seeing credit stresses build, weakness in discretionary retail, and a substantial uptick in retail 'shrink' (aka shoplifting).

The Fed held its policy interest rate steady in March, though disclosed an anticipation of three rate cuts before the end of the year combined with a reduction in the rate of its balance sheet contraction.

A resilient economy with falling interest rates is typically an attractive backdrop for equity investment. We remain optimistic for the prospects of Montaka's portfolio.

FUND EXPOSURES² (net % of NAV)

Top 10 holdings	99.7%
Long exposure	132.0%
Short exposure	30.0%
Gross exposure (long+short)	162.0%
Net exposure (long-short)	101.9%
Adjusted net exposure ³	99.8%
A\$ currency exposure ⁴	31.3%

POSITION METRICS

	LONG	SHORT
Number of positions ²	23	25
Position sizes ⁵ (net, % of NAV):		
Largest	15.9%	4.6%
Smallest	0.2%	0.3%
Average	5.7%	1.2%

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 March 2024. 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.

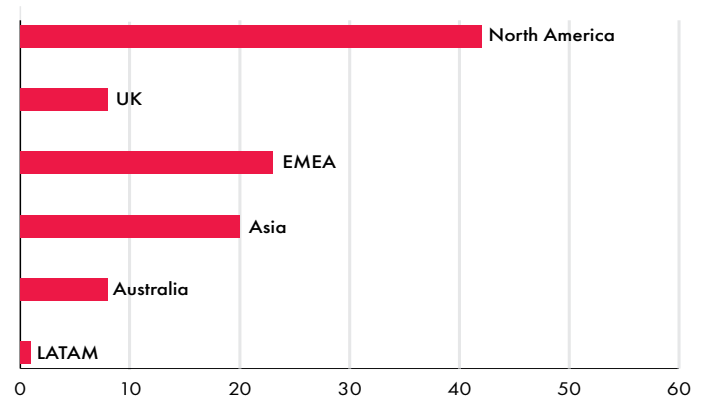
4. A\$ currency exposure shown on look-through earnings basis of portfolio holdings and includes the effect of currency forwards.

5. Excludes ETFs.

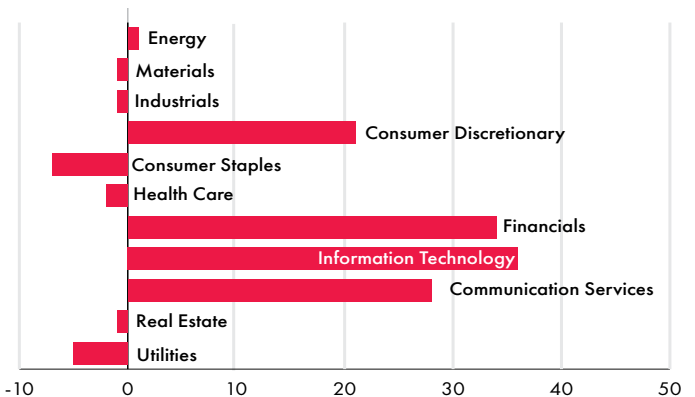
6. Shown on look-through earnings basis.

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)

