

## INVESTMENT REPORT

OCTOBER 2022

### 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 Long Only Equities Fund (Managed 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.

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: MOGL) 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 outperform the Index, net of fees, over the long term and targets distributions of 4.5% p.a. which can be automatically reinvested.

### TOP 10 HOLDINGS

1	Amazon	9.7%	6	Salesforce	7.3%
2	Blackstone	9.1%	7	Flutter	5.4%
3	Microsoft	8.5%	8	REA	5.1%
4	Alphabet	8.4%	9	Carlyle	4.5%
5	ServiceNow	7.7%	10	Tencent	3.9%

Total top 10 holdings 69.6%

### PERFORMANCE

	FUND	INDEX
1 month	0.6%	7.8%
3 month	-9.2%	1.7%
6 month	-9.1%	2.1%
1 year	-33.0%	-4.3%
3 years (p.a.)	-5.3%	8.8%
Since inception <sup>1</sup> (p.a.)	0.1%	9.9%
Since inception <sup>1</sup>	0.3%	57.9%
Strategy <sup>2</sup> :		
5 years (p.a.)	0.8%	10.3%
Since inception (p.a.)	4.3%	9.8%
Since inception	35.8%	99.1%

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

### FUND FACTS

Fund name	Montaka Global Long Only Equities Fund (Managed Fund)
ASX ticker	MOGL
Fund type	Global equities, long only
Fund structure	Exchange-traded managed fund; open-ended, ASX-listed
Investment manager	Montaka Global Pty Ltd
Portfolio managers	Andrew Macken, Christopher Demasi
Listing date	20 <sup>th</sup> December 2017
Unit price	A\$2.6599
Invest or redeem	Buy/sell units on the ASX or apply/redeem <a href="#">directly</a> 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 4.5% p.a. paid semi-annually
Index	MSCI World Net Total Return Index A\$
Currency hedging	Typically unhedged to A\$ (selective hedging permitted)
Website	<a href="http://www.montaka.com/mogl">www.montaka.com/mogl</a>

### TOP MEGA-TRENDS

1	Digital enterprise	33%
2	Alternative asset managers	19%
3	Digital consumer	15%
4	Digital Asia	10%
5	Data assets & digital networks	12%
6	Digital SME	8%

### CONTACT DETAILS

#### PRIVATE CLIENTS

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FUND WEBSITE: [www.montaka.com/mogl](http://www.montaka.com/mogl)

All holdings, performance, exposures and position metrics to 31<sup>st</sup> October 2022. Top 10 holdings are long positions. Performance is after all fees and costs. Past performance is not indicative of future performance.

1. Inception 20<sup>th</sup> December 2017.

2. Performance for Montaka Global Long Only Fund, previously known as Montgomery Global Fund, the unlisted fund that invests with the same underlying strategy as the Fund. Inception 1<sup>st</sup> July 2015.

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### FUND COMMENTARY

Equity market volatility of late has been significant. Not since the 2008 GFC have equity markets been moving by such large daily amounts. The Fed continues to raise interest rates to cool down the US economy and we are seeing tangible evidence from company reports this is working:

- From weak underlying US economic growth – including a sharp downturn in US residential investment, to
- Weak underlying full-time employment data embedded in the otherwise ‘strong’ US labor market statistics, to
- Increasing headlines of corporate layoffs. We note, for example, according to an October survey by KPMG, over 90% of US CEOs believe a recession is on the way, and over half said they’re planning preemptive layoffs within the next six months.

Predicting the macroeconomic future is impossible, but the data we see suggests the US economy is likely already close to recession. And leading-indicators for inflation all point to moderation commencing soon. If so, we would not be surprised to see lower US interest rates sooner than most expect. And if this happens, many of the businesses we study will likely rerate upwards.

Many high-quality businesses with strong and differentiated advantages have sold off this year and, in some cases, the selling has accelerated in recent weeks. These include several Montaka investee companies such as Amazon, Microsoft, Alphabet, Meta, Spotify, Alibaba and Tencent. All of these have detracted from the Fund’s performance of late.

This is frustrating for sure. But we have assessed, for each of these investments, that we are witnessing undervalued businesses becoming more undervalued. The stock market appears to be excessively overweighing the short-term, largely Fed-induced, weakness in financial results; and drastically underweighting the cumulative earnings these businesses will generate in all future years subsequent to the current cyclical downturn.

Offsetting the detractors to recent performance listed above are several businesses that continue to perform strongly and have experienced recent stock price appreciation. These include UnitedHealth, Visa, ServiceNow and Reliance Industries.

### FUND EXPOSURES (net, % of NAV)

Top 10 holdings	69.6%
Total equity holdings	98.7%
Cash weighting	1.3%
A\$ currency exposure <sup>3</sup>	28.8%

### POSITION METRICS

Number of positions	23
Position sizes (net, % of NAV)	
Largest	9.7%
Smallest	0.4%
Average	4.3%

**DISCLAIMER:** This fund is appropriate for investors with ‘High’ and ‘Very 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.

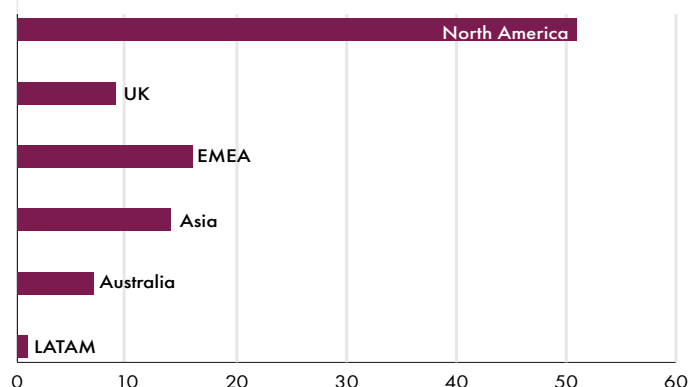
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3. A\$ currency exposure shown on look-through earnings basis and includes the effect of currency forwards.

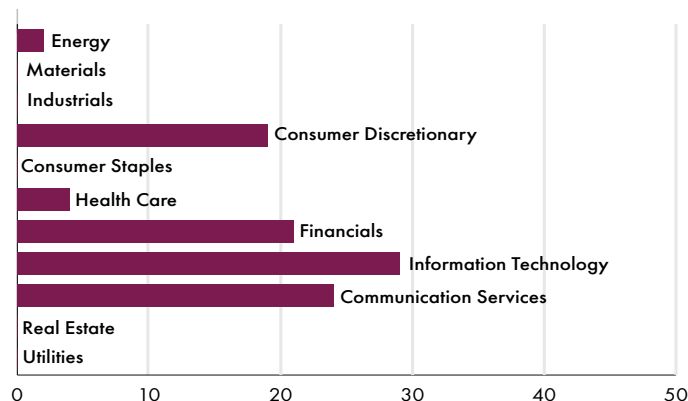
4. Shown on look-through earnings basis.

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 Long Only Equities 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<sup>4</sup> (net, % of NAV)



### INDUSTRY EXPOSURE (net, % of NAV)



### MARKET CAPITALISATION EXPOSURE

