

## INVESTMENT REPORT

FEBRUARY 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 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	Microsoft	9.3%	6	Salesforce	6.5%
2	Amazon	9.1%	7	KKR	5.6%
3	Blackstone	8.1%	8	Tencent	5.2%
4	ServiceNow	7.1%	9	Carlyle	4.8%
5	Meta	7.0%	10	S&P	4.6%

Total top 10 holdings 67.1%

### PERFORMANCE

	FUND	INDEX
1 month	-0.7%	2.0%
3 month	2.2%	-0.6%
6 month	-2.8%	5.8%
1 year	-16.7%	-0.3%
3 years (p.a.)	-4.7%	8.3%
Since inception <sup>1</sup> (p.a.)	0.9%	9.5%
Since inception <sup>1</sup>	5.0%	60.3%
Strategy <sup>2</sup> :		
5 years (p.a.)	1.1%	10.0%
Since inception (p.a.)	4.6%	9.6%
Since inception	41.4%	102.0%

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\$2.7164
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	29%
2	Alternative asset managers	20%
3	Digital consumer	14%
4	Digital Asia	11%
5	Data assets & digital networks	11%
6	Digital SME	9%

### CONTACT DETAILS

#### PRIVATE CLIENTS

Giles Goodwill  
Private Client Manager  
E: [ggoodwill@montaka.com](mailto:ggoodwill@montaka.com)  
P: 02 7202 0097

#### INTERMEDIARIES

Matthew Briggs  
Investment Specialist  
E: [mbriggs@montaka.com](mailto:mbriggs@montaka.com)  
P: 02 7202 0093

#### INTERMEDIARIES (continued)

Damian Craven  
Hillcrest Strategic Partners  
E: [dcraven@montaka.com](mailto:dcraven@montaka.com)  
P: 0408 908 544

Alistair Dunne  
Hillcrest Strategic Partners  
E: [adunne@montaka.com](mailto:adunne@montaka.com)  
P: 0452 605 504

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

## INVESTMENT REPORT

FEBRUARY 2023

### FUND COMMENTARY

Global equity market volatility returned in the month of February. As the fourth quarter earnings period wound down, the market's attention seemed to refocus back to monthly inflation data. Simply put, if measures of core inflation remain heated, interest rates will remain high, or even go higher, causing continued short-term stock price headwinds. And vice versa if inflation moderates.

This is a very myopic focus of the market and one that appears disconnected from the fundamentals of individual operating businesses. Despite a slowing economic backdrop, we were very pleased with the financial results reported by Montaka's investee companies for the most recent quarter.

Furthermore, upon stepping back and taking a longer-term view, our analysis shows quite a startling disconnect between prevailing pessimistic market-narratives, and fundamental data-backed valuation implications. The gap between the risk-premia on offer to equity investors, and the risk-premia on offer to credit investors today, has almost never been wider. This implies that, at least relative to credit investments, equities in general appear to be offering attractive value.

A big reason for this misperception is the market's seemingly perennial focus on the near-term outlook. Upon extending one's time horizon beyond the next year or two, as per our analysis, company earnings available for shareholders grows quite significantly in most cases (while a bond's coupon, of course, is fixed and does not grow).

Last month, Montaka published its latest whitepaper called: [Why reports of tech's death are greatly exaggerated](#). We show technology's penetration into the economy has increased structurally over many decades – with above-average growth and profitability. And we analyse the drivers of this structural growth and demonstrate why this expansion will continue, driven by new, transformational waves of tech innovation, particularly in the field of AI.

Weighing up these facts, and giving consideration to the very large price draw-downs we observed in 2022, we believe the technology sector is currently offering fantastic investment opportunities today. We encourage investors to read and consider our conclusions and offer any constructive feedback that comes to mind.

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

Top 10 holdings	67.1%
Total equity holdings	97.7%
Cash weighting	2.3%
A\$ currency exposure <sup>3</sup>	29.4%

### POSITION METRICS

Number of positions	25
Position sizes (net, % of NAV)	
Largest	9.3%
Smallest	0.2%
Average	3.9%

**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.

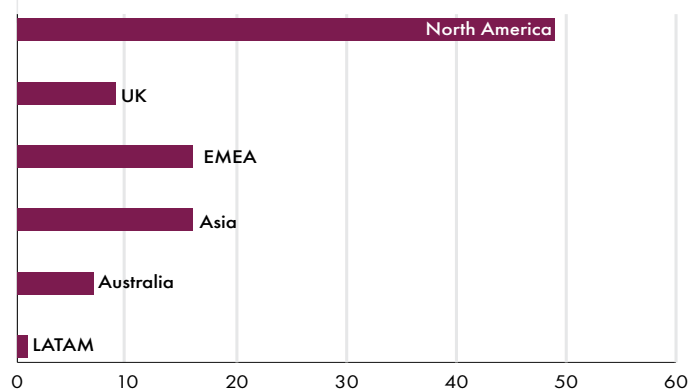
All holdings, performance, exposures and position metrics to 28<sup>th</sup> February 2023. Top 10 holdings are long positions. Performance is after all fees and costs. Past performance is not indicative of future performance.

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

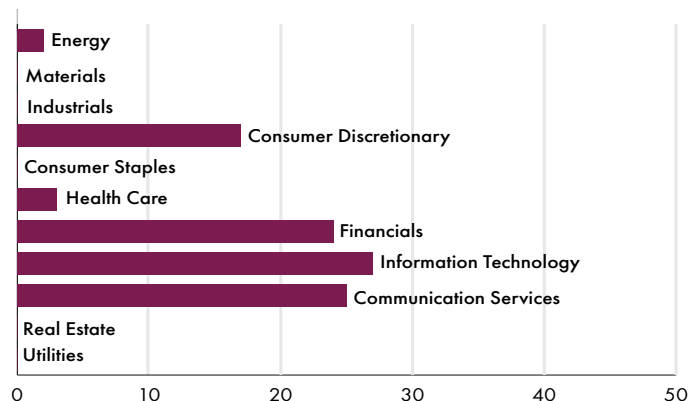
4. Shown on look-through earnings basis.

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

