

INVESTMENT REPORT

APRIL 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	10.2%	6	Salesforce	6.0%
2	Amazon	9.5%	7	ServiceNow	5.1%
3	Meta	7.9%	8	Spotify	4.2%
4	Blackstone	7.7%	9	S&P	4.2%
5	KKR	6.8%	10	Carlyle	4.1%

Total top 10 holdings 65.7%

PERFORMANCE

	FUND	INDEX
1 month	1.4%	3.1%
3 month	9.1%	9.2%
6 month	15.1%	8.6%
1 year	4.6%	11.0%
3 years (p.a.)	4.0%	12.8%
Since inception ¹ (p.a.)	2.7%	10.6%
Since inception ¹	15.4%	71.6%
Strategy ² :		
5 years (p.a.)	2.4%	11.1%
Since inception (p.a.)	5.7%	10.4%
Since inception	54.7%	116.3%

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 th December 2017
Unit price	A\$2.9861
Invest or 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 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	www.montaka.com/mogl

TOP MEGA-TRENDS

1	Digital enterprise	28%
2	Alternative asset managers	20%
3	Digital consumer	16%
4	Data assets & digital networks	10%
5	Digital SME	10%
6	Digital Asia	8%

CONTACT DETAILS

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FUND WEBSITE: www.montaka.com/mogl

All holdings, performance, exposures and position metrics to 30th April 2023. Top 10 holdings are long positions. Performance is after all fees and costs. Past performance is not indicative of future performance.
1. Inception 20th 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 1st July 2015.

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FUND COMMENTARY

As growth in the global economy continues to slow, we are really starting to see the differences in performance between those businesses which are highly advantaged and well-managed, and those that are not.

So far in the Q1 earnings season, we have been very pleased with the performance and management of Montaka's investee companies. A consistent theme is emerging across many of our investments: profit margins are expanding despite weaker economic times because of aggressive cost control. Meta is the most pronounced here: in just six months, the company slashed its 2023 total expense budget from around US\$100 billion, to less than US\$85 billion!

Importantly, the extent of this cost control has not been fully anticipated by the market ahead of time, so many stock prices have performed well as a direct result.

In addition to Meta, for example, S&P Global experienced a stock rally on the release of its Q1 results. While revenues grew by 4% per annum – slower than their longer-term expected growth rate given today's temporary lull in bond issuance, costs increased by only 1% per annum. This means that profit margins actually expanded.

Microsoft too has slowed its expense growth to around 3% per annum, while its revenues continue to grow at around 10% per annum. In addition to cost control, Microsoft is emerging as a stand-out winner in AI, which is likely why its stock rallied significantly on its result. Its software applications used by nearly every enterprise represent a valuable 'distribution channel' through which AI can be infused and monetised. And this is incremental to the value Microsoft's cloud business, Azure, accrues from the sale of compute to run these applications.

Amazon experienced a stock price decline on its result when the company disclosed that revenue growth in its cloud business, AWS, slowed from 16% per annum in Q1, down to 11% in April. Upon analysing its disclosed backlog in its SEC filing, however, AWS had one of its biggest quarters. We are not concerned about the current deceleration and continue to believe the future is bright for Amazon.

FUND EXPOSURES (net, % of NAV)

Top 10 holdings	65.7%
Total equity holdings	99.4%
Cash weighting	0.6%
A\$ currency exposure ³	25.2%

POSITION METRICS

Number of positions	26
Position sizes (net, % of NAV)	
Largest	10.2%
Smallest	0.3%
Average	3.8%

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.

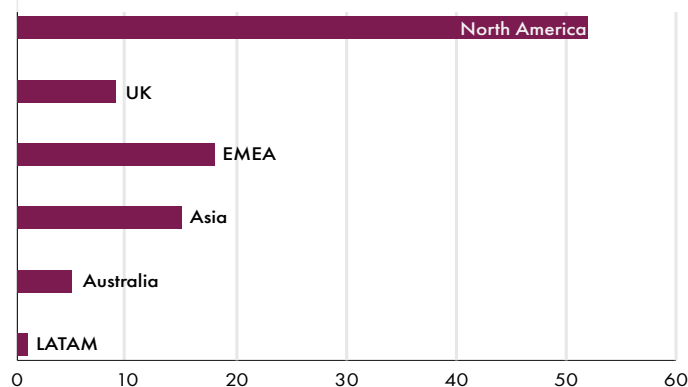
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3. A\$ currency exposure shown on look-through earnings basis and includes the effect of currency forwards.

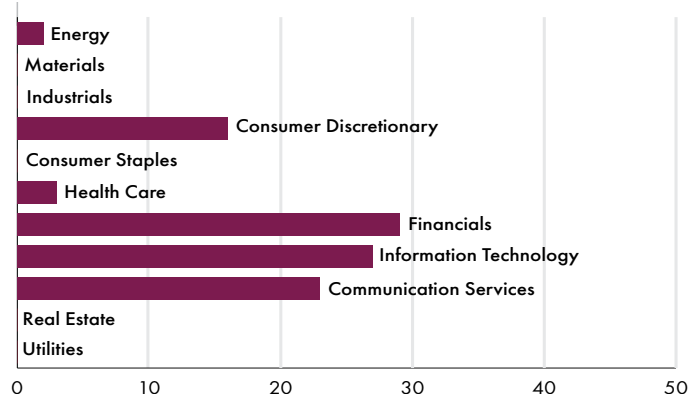
4. Shown on look-through earnings basis.

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 EXPOSURE⁴ (net, % of NAV)



INDUSTRY EXPOSURE (net, % of NAV)



MARKET CAPITALISATION EXPOSURE

(net, % of NAV)

