

## INVESTMENT REPORT

OCTOBER 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        | 16.9% | 6  | Spotify       | 7.9% |
| 2 | Blackstone | 15.5% | 7  | Meta          | 7.4% |
| 3 | Amazon     | 14.4% | 8  | Alphabet      | 6.8% |
| 4 | Microsoft  | 10.6% | 9  | Salesforce    | 5.8% |
| 5 | ServiceNow | 8.0%  | 10 | Floor & Decor | 5.7% |

Total top 10 holdings 99.2%

### PERFORMANCE

#### FUND

|                                     |       |
|-------------------------------------|-------|
| 1 month                             | 5.7%  |
| 3 months                            | 7.9%  |
| 6 months                            | 22.1% |
| 1 year                              | 55.3% |
| 2 years (p.a.)                      | 40.3% |
| 3 years (p.a.)                      | 3.9%  |
| Since inception <sup>1</sup> (p.a.) | 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 <sup>th</sup> June 2020   |
| Unit price         | \$3.9655   |
| Invest/redeem      | Buy/sell units on the ASX or apply/redeem <a href="#">directly</a> with the Fund<br>On-market: close to iNAV, updated every second with sufficient liquidity provided by the market maker<br>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            | <a href="http://www.montaka.com/mkax">www.montaka.com/mkax</a>   |

### TOP MEGA-TRENDS

|   |                                |     |
|---|--------------------------------|-----|
| 1 | Digital enterprise             | 35% |
| 2 | Alternative asset managers     | 32% |
| 3 | Digital consumer               | 20% |
| 4 | Data assets & digital networks | 11% |
| 5 | Digital SME                    | 11% |
| 6 | Digital Asia                   | 10% |

### CONTACT DETAILS

#### PRIVATE CLIENTS

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

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### FUND COMMENTARY

A popular narrative taking hold of late is that stocks are expensive and it's difficult to find investment opportunities. Yet we are finding dozens of stocks that are meaningfully undervalued. These opportunities are more than enough to fill Montaka's highly concentrated portfolio (our top 10 investee companies account for 75% of the portfolio). Indeed, the biggest challenge we are facing today is which attractive opportunities not to include in Montaka's portfolio.

Montaka's two largest investee companies, KKR and Blackstone, continue to grow from strength to strength. They find themselves uniquely positioned to take advantage of several large, structural tailwinds, including: (i) structural growth by expanding in the US\$40+ trillion credit markets and the US\$85 trillion private wealth channel, (ii) huge ongoing asset management partnership opportunities with the insurance sector, and (iii) structurally growing Asian allocations to alternative assets. Cyclically, KKR and Blackstone are starting to realize more investments, after a period of relative inactivity, which is helping them raise capital and deploy new assets. All of this points to strong fee growth on the horizon – and this is growth that requires little new capital investment or operating expense to capture.

In Artificial Intelligence, we continue to believe extraordinary gains will accrue to the owners of those few 'one-of-a-kind' applications that can leverage AI in a cost-effective way to deliver substantial value uplifts to users.

We are witnessing clear evidence of enormous enhancements to Meta's core social network and digital advertising business. (The same can be said for Tencent's in China.) Supported by strong capabilities in custom silicon design and AI infrastructure, Alphabet's advantages in Google Search are also strengthening thanks to AI. Finally, ServiceNow is uniquely positioned to leverage AI in a cost-effective way to offer its many thousands of enterprise clients highly valuable new features that drive internal productivity gains.

### FUND STATISTICS

(net % of NAV)

|                                    |        |
|------------------------------------|--------|
| Top 10 holdings                    | 99.2%  |
| Active share <sup>3</sup>          | 116.6% |
| Turnover <sup>4</sup>              | 38.2%  |
| Cash weighting                     | 1.3%   |
| A\$ currency exposure <sup>5</sup> | 26.6%  |
| Gross exposure (long+short)        | 157.2% |
| Net exposure (long-short)          | 98.7%  |

All fund statistics and exposures updated as on 31 October 2024.

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

3. Active share is the percentage of the Fund invested differently to the Index, or 100% less the overlapping holdings.

4. Turnover is the percentage of the Fund that has changed based on the last 12 months, and is inversely related to the hold period.

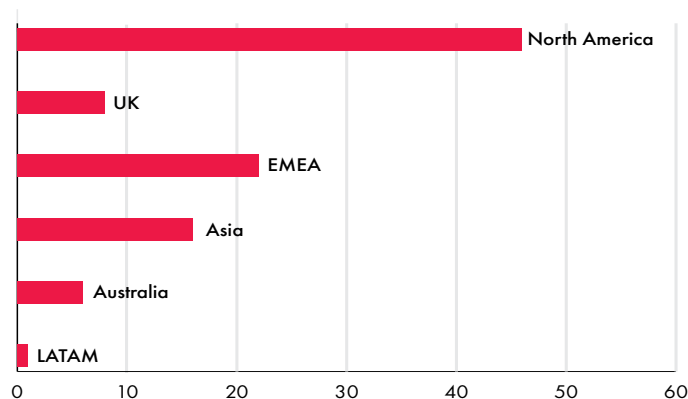
5. A\$ currency exposure shown on look-through earnings basis and includes the effect of currency forwards.

6. Shown on look-through earnings basis.

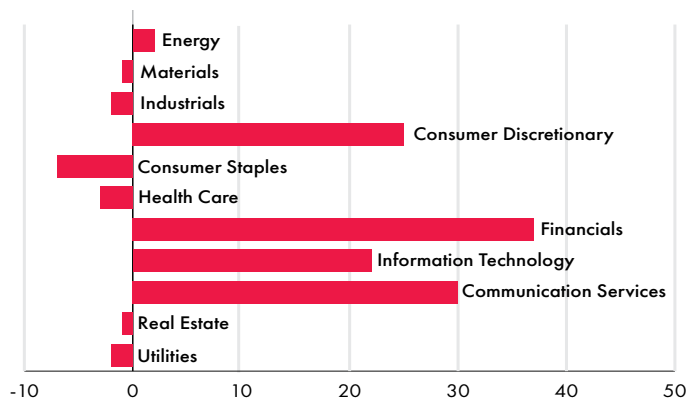
**DISCLAIMER:** This fund is appropriate for investors with 'High' risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the [TMD](#) for further information.

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<sup>2,6</sup> (net, % of NAV)



### INDUSTRY EXPOSURE<sup>2</sup> (net, % of NAV)



### MARKET CAPITALISATION EXPOSURE<sup>2</sup>

(net, % of NAV)

