

# MONTAKA GLOBAL ACCESS FUND

## MONTHLY INVESTMENT REPORT



APRIL 2016

UNIT PRICE # \$0.8726

### FUND COMMENTARY

In the month of April, the Montaka Global Access Fund declined by 3.84%, net of fees – a disappointing result for sure. Since inception, the Montaka Global Access Fund has declined 12.74%, net of fees, versus the global market<sup>2</sup> which was down by 7.49%.

April was a frustrating month for any investor that restricts their universe of investable opportunities to high quality businesses on the long side; and deteriorating businesses on the short side. We observed and experienced a period during which high quality businesses barely moved, or even declined; while low quality “junk” businesses rallied hard. These conditions, while unsustainable in nature, make for difficult temporary conditions for any strategy like Montaka’s.

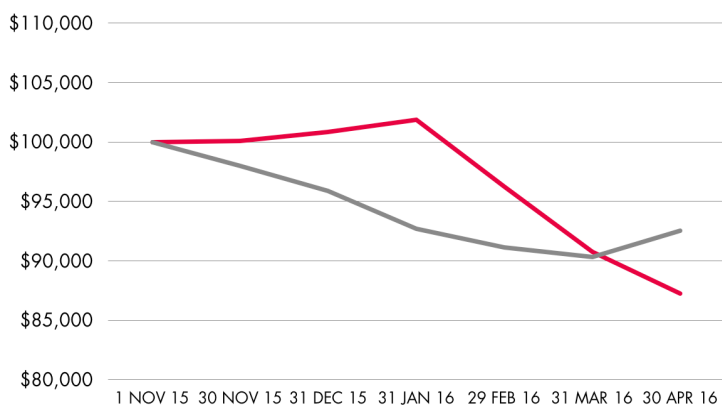
By way of example, consider the Fund’s top five holdings: these are some of the highest quality businesses on the planet, generating high returns-on-equity and strong earnings growth. They include Playtech, a near-monopolist in B2B online gambling platform software; Foot Locker, a clear beneficiary of the current “athleisure” trend; and Take-Two Interactive, owner of arguably the greatest gaming franchise the world has ever seen in Grand Theft Auto.

And yet, these five names declined in absolute terms by between two and nine percent in the month of April. No news, no change to the thesis whatsoever. Mr Market simply decided he did not like these businesses in April. We think he has got it wrong and we have been buying these businesses in response.

Investing is a long term endeavour and month-to-month movements in the market price of quality and junk can be distracting. But they also bring opportunity. We continue to follow our process with discipline. We believe the process will deliver great returns over the medium and long term – though we have no idea what it will deliver over the short term.

Interestingly, in the first week of May alone, the Fund has made back all of the losses sustained in April. Short term equity returns are volatile. We encourage investors not to be distracted by these.

### FUND PERFORMANCE<sup>1</sup>



■ Montaka Global Access Fund \$87 260 ■ MSCI World Net Total Return Index \$92 509

1) Inception: 1 November 2015

2) MSCI World Net Total Return Index in Australian dollar terms

### PERFORMANCE ATTRIBUTION (%)

	April 2016
Long portfolio contribution	-2.76
Short portfolio contribution	-1.80
Change in AUD/USD	0.72
Net return	-3.84
Since inception <sup>1</sup>	-12.74

### EXPOSURES\* (as at 30 April 2016)

	% of NAV
Long exposure	94.2
Less: short exposure	(41.6)
Net market exposure	52.6

### POSITION METRICS\* (as at 30 April 2016)

	Long Portfolio	Short Portfolio
Number of positions	23	35
Largest position size	6.2	2.0
Smallest position size	2.1	0.2
Average position size	4.1	1.2

Note: sizes shown as % of NAV

### TOP 10 LONG POSITIONS\* (as at 30 April 2016)

	% of NAV
1 Foot Locker	6.2
2 REA Group	6.0
3 Playtech	5.6
4 Take-Two Interactive	5.6
5 Ross Stores	5.3
6 Essilor	5.3
7 CVS Health	5.2
8 Insperity	4.9
9 Apple	4.8
10 Challenger	4.7
Total top 10 long positions	53.5

### FUND SIZE (NAV) (\$M) (as at 30 April 2016)

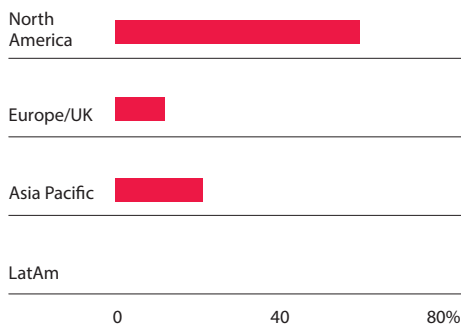
Montaka Global Fund	121
of which: Montaka Global Access Fund	49

\* all exposures, metrics & positions are derived from the underlying investment fund  
# The fund is forward priced; you will receive the price struck subsequent to the receipt of your application/ redemption request.

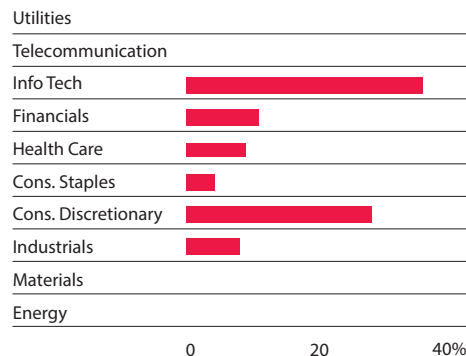
APRIL 2016

**LONG PORTFOLIO\***

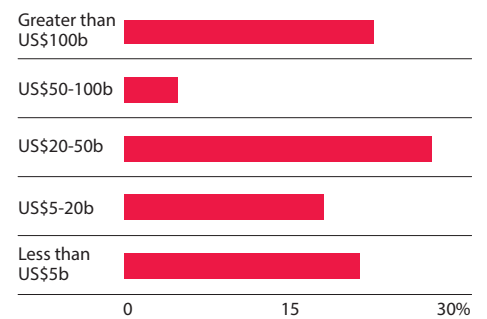
**GEOGRAPHIC EXPOSURE**  
(Country of domicile)



**INDUSTRY EXPOSURE**

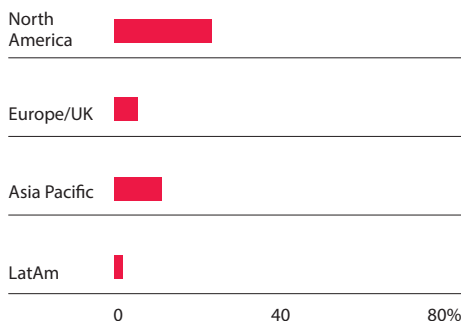


**MARKET CAP EXPOSURE**

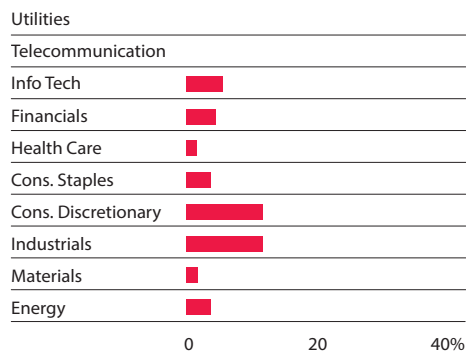


**SHORT PORTFOLIO\***

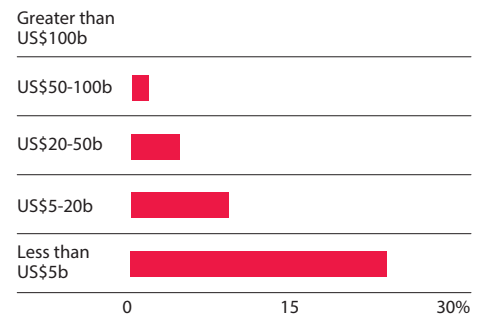
**GEOGRAPHIC EXPOSURE**  
(Country of domicile)



**INDUSTRY EXPOSURE**



**MARKET CAP EXPOSURE**



Note: exposures shown as % of NAV

\* all exposures, metrics & positions are derived from the underlying investment fund

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**DISCLAIMER**

#Fund performance is calculated after fees and costs, including the investment management fee and performance fee. All returns are on a pre-tax basis.

This report was prepared by Montgomery Global Investment Management Pty Ltd, (ACN 604 878 533) (CAR) #001 007 050 (Montgomery) the investment manager of the Montaka Global Access Fund (ARSN 607 245 643). The responsible entity of The Fund is Fundhost Limited (ABN 69 092 517 087) (AFSL No: 233 045) (Fundhost). This document has been prepared for the purpose of providing general information, without taking account your particular objectives, financial circumstances or needs. You should obtain and consider a copy of the Product Disclosure Statement (PDS) relating to The Fund before making a decision to invest. While the information in this document has been prepared with all reasonable care, neither Fundhost nor Montgomery makes any representation or warranty as to the accuracy or completeness of any statement in this document including any forecasts. Neither Fundhost nor Montgomery guarantees the performance of The Fund or the repayment of any investor's capital. To the extent permitted by law, neither Fundhost nor Montgomery, including their employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this document. Past performance is not indicative of future performance.