

MONTAKA GLOBAL ACCESS FUND

MONTHLY INVESTMENT REPORT



FEBRUARY 2016

UNIT PRICE[#] **\$0.9627**

FUND COMMENTARY

In the month of February, the Montaka Global Access Fund declined by 5.49% in Australian dollar terms, net of fees. While the global market² was also down by 1.70% over the same period, Montaka's monthly decline was disappointing - especially in light of the strong seven month period performance since the underlying fund's inception.

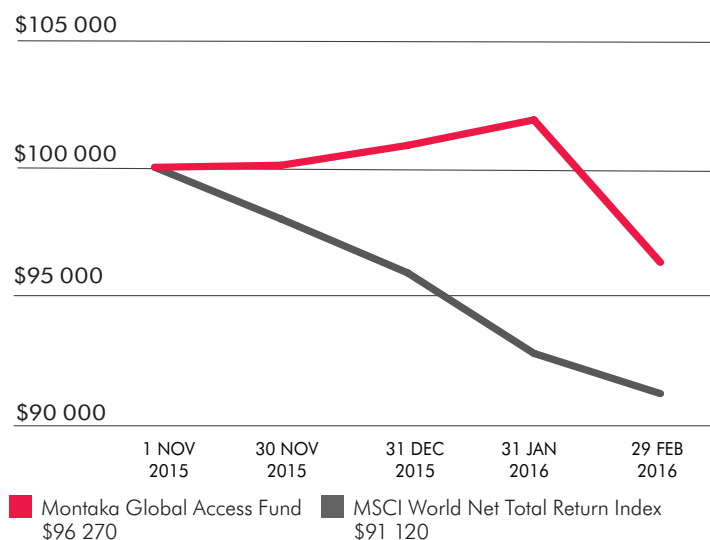
February was a volatile period in which sentiment towards China – as distinct from fundamentals – improved sharply. During the month the People's Bank of China stated that it had officially adopted "a slight easing bias" while the Bank's Governor, Zhou Xiaochuan, told journalists that "China still has some monetary policy space and multiple policy instruments to address possible downside risks."

What followed was a period in which some of the lowest quality businesses rallied hard, while high quality businesses barely moved. For example, three heavily-indebted mining companies in Montaka's short portfolio, Glencore, Teck Resources and Freeport McMoRan each rallied by more than 50% over the month. The intrinsic value of shareholders' equity in these businesses certainly did not increase by 50%, nor did future earnings expectations of these businesses. All that changed was the market's mood.

February was a meaningful test of Montaka's portfolio risk management processes. Conditions like those experienced in February demonstrate why the average short position size is kept small at around 1.5%; and why we have been keeping The Fund's gross leverage to modest levels. Investors should also take comfort in our decision to step aside from many of these Chinese-exposed short positions in the near-time while this sentiment-driven rally persists.

On a positive note, we believe many of the stocks described above are shaping up to be highly profitable shorts again at some point in the future. Furthermore, Montaka's long portfolio has delivered a stellar performance in the recent reporting period of year-end results and is well positioned to compound returns for our clients going forward.

FUND PERFORMANCE



1) Inception: 1 November 2015

2) MSCI World Total Return Index in Australian dollar terms

PERFORMANCE ATTRIBUTION (%)

	February 2016
Long portfolio contribution	-1.05
Short portfolio contribution	-3.63
Change in AUD/USD	-0.80
Net return	-5.49
Since inception ²	-3.73

EXPOSURES* (as at 29 February 2016)

	% of NAV
Long exposure	95.1
Less: short exposure	-51.7
Net market exposure	43.4
Cash holdings	56.6

POSITION METRICS* (as at 29 February 2016)

	Long Portfolio	Short Portfolio
Number of positions	23	35
Largest position size	7.4	2.3
Smallest position size	2.4	1.1
Average position size	4.1	1.5

Note: sizes shown as % of NAV

TOP 10 LONG POSITIONS* (as at 29 February 2016)

	% of NAV
1 REA Group	7.4
2 Foot Locker	7.0
3 Take-Two Interactive	5.7
4 Playtech	5.4
5 Challenger	5.4
6 Travelers	5.1
7 CVS Health	4.8
8 Apple	4.8
9 Ross Stores	4.7
10 Essilor	4.7
Total top 10 long positions	54.8

FUND SIZE (NAV) (\$M) (as at 29 February 2016)

Montaka Global Fund	128
of which: Montaka Global Access Fund	47

* 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.

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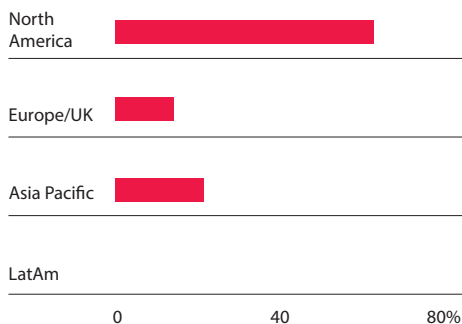
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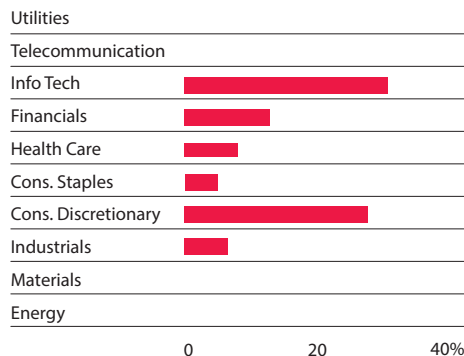
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LONG PORTFOLIO*

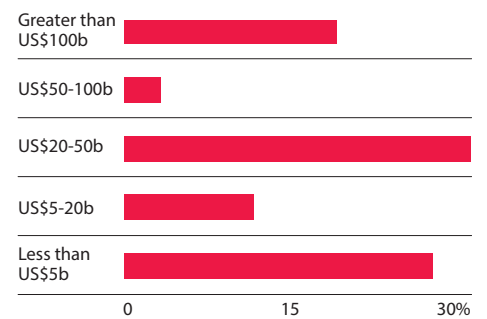
GEOGRAPHIC EXPOSURE (Country of domicile)



INDUSTRY EXPOSURE

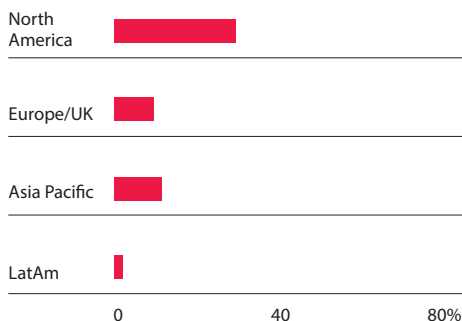


MARKET CAP EXPOSURE

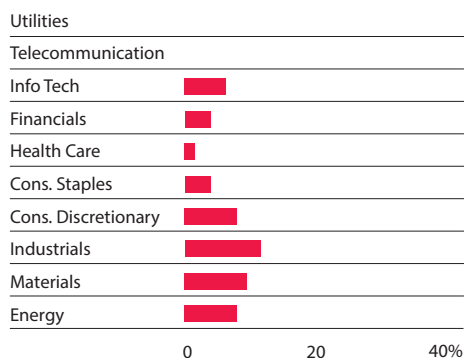


SHORT PORTFOLIO*

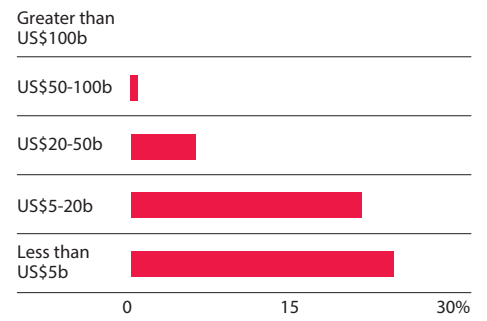
GEOGRAPHIC EXPOSURE (Country of domicile)



INDUSTRY EXPOSURE



MARKET CAP EXPOSURE



Note: exposures shown as % of NAV

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DISCLAIMER

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