

# MONTHLY INVESTMENT REPORT

OCTOBER 2018

UNIT PRICE<sup>1</sup>  
**\$1.0500**

## FUND COMMENTARY

In the month of October, the Montaka Global Access Fund (the Fund) declined by 3.36 per cent, net of fees. Over the same period, the MSCI World Net Total Return Index in Australian dollar terms (the Global Market) declined by 5.41 per cent. Since inception, the Fund has increased by 14.65 per cent, net of fees, with an average net market exposure of 46 per cent. Over the same period, the Global Market increased by 26.50 per cent, with 100 per cent net market exposure.

October marked a challenging month for global equity investors. The period was characterised by significant declines in equity markets all around the world. Interestingly, however, not all sectors declined to the same extent. In the S&P 500, for example, many Utilities and Consumer Staples businesses performed relatively strongly averaging a flat return for the month. Compare this to, say, Technology and Industrials which both declined by more than nine per cent in USD terms.

On a relative basis, this inter-sector dispersion hurt the Fund in October. For example, we do not own any Utilities and are short a number of the Consumer Staples names such as Kellogg (NYSE: K) and Kraft Heinz (NASDAQ: KHC). In large part, stocks in these sectors, acting as bond-substitutes in a low-interest-rate world, have been bid up to levels of substantial overvaluation. While they may have acted as the designated "defensive safe-haven" in the month of October, we believe they will ultimately underperform in future periods.

Many of the high-quality businesses owned by the Fund became materially cheaper in the month of October. As such, we have taken the opportunity to add to these names. We expect them to materially outperform in future periods.

## FUND PERFORMANCE



PERFORMANCE (%)	1M	3M	12M	2 Yr pa	COMPOUNDED ANNUAL RETURN SINCE INCEPTION	SINCE INCEPTION
<b>Fund (AUD)<sup>2</sup></b>	<b>(3.4)</b>	<b>(4.1)</b>	<b>4.9</b>	<b>11.7</b>	<b>4.7</b>	<b>14.7</b>
Underlying Fund (AUD) <sup>4</sup>	(3.4)	(4.1)	4.9	11.7	8.5	31.4
<b>Average Net Market Exposure</b>	<b>42</b>	<b>41</b>	<b>43</b>	<b>46</b>	<b>46</b>	<b>46</b>
<b>Global Market (AUD)<sup>2,5</sup></b>	<b>(5.4)</b>	<b>(1.1)</b>	<b>9.4</b>	<b>15.5</b>	<b>8.2</b>	<b>26.5</b>
<b>Average Net Market Exposure<sup>3</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

1) The fund is forward priced; you will receive the price struck subsequent to the receipt of your application/ redemption request.

2) Inception: 1 November 2015; Ex-distribution of 1.9994 cents 30/06/2016 and 7.4407 cents 30/06/2018

3) Based on average of month-end net market exposures

4) Montaka Global Fund; inception 1 July 2015

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

\* all exposures, metrics & positions are derived from the Underlying Fund (Montaka Global Fund)

## PERFORMANCE ATTRIBUTION<sup>1\*</sup> (%)

	October 2018
Long portfolio contribution	(6.97)
Short portfolio contribution	1.38
Change in AUD/USD	2.23
Net return	(3.36)
Since inception <sup>2</sup>	14.65

## EXPOSURES (as at 31 October 2018)

	% of NAV
Long exposure	89.7
Less: short exposure	(47.4)
Net market exposure	42.2

## POSITION METRICS (as at 31 October 2018)

	Long Portfolio	Short Portfolio
Number of positions	20	34
Largest position size	6.4	4.3
Smallest position size	1.8	0.5
Average position size	4.5	1.4

Note: sizes shown as % of NAV

## TOP 10 LONG POSITIONS (as at 31 October 2018)

	% of NAV		% of NAV
1 51job	6.4	6 Swedbank	5.6
2 Vivendi	6.1	7 Facebook	5.4
3 Insperity	5.8	8 REA Group	5.0
4 St James's Place	5.7	9 Wells Fargo	4.9
5 Prudential	5.6	10 Microsoft	4.6
Total top 10 long positions			55.1

## FUND SIZE (NAV) (\$M) (as at 31 October 2018)

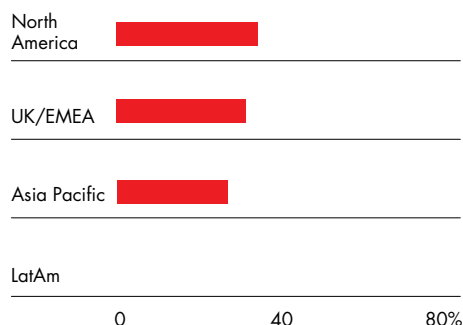
Montaka Global Fund	189.6
of which: Montaka Global Access Fund	73.7

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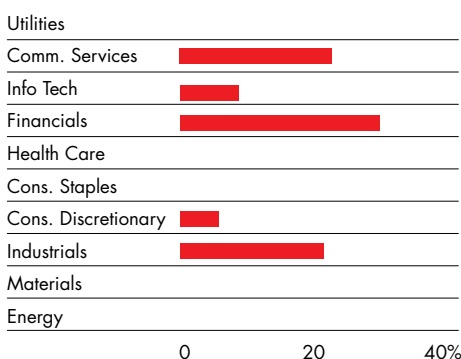
OCTOBER 2018

## LONG PORTFOLIO (as at 31 October 2018)

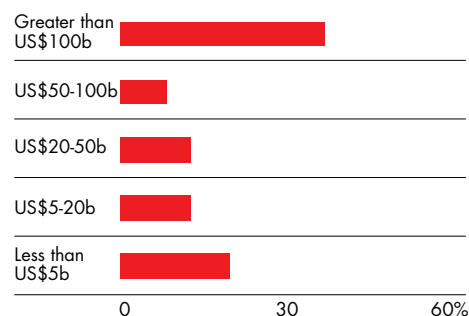
### GEOGRAPHIC EXPOSURE (Country of domicile)



### INDUSTRY EXPOSURE

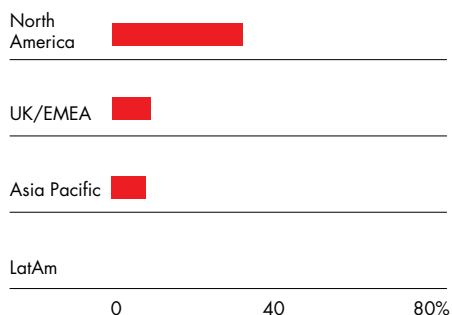


### MARKET CAP EXPOSURE

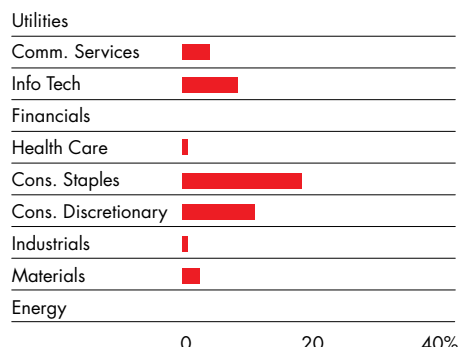


## SHORT PORTFOLIO (as at 31 October 2018)

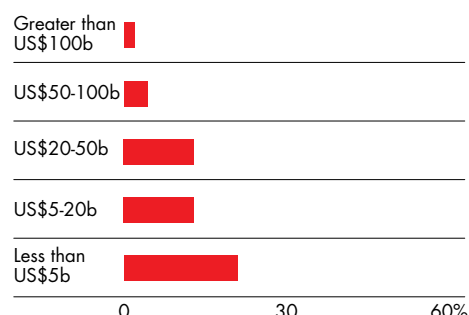
### GEOGRAPHIC EXPOSURE (Country of domicile)



### INDUSTRY EXPOSURE



### MARKET CAP EXPOSURE



Note: exposures shown as % of NAV

## INVESTMENT MANAGER

### MGIM Pty Ltd

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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 MGIM 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, of cers 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.