

FACT SHEET

FUND NAME

Montaka Global Extension Fund (Quoted Managed Hedge Fund)

ASX CODE

MKAX

LISTING DATE

24th June 2020

INVESTMENT MANAGER

Montaka Global Pty Ltd (ABN 62 604 878 533), a subsidiary of Montaka Global Investments LLC

FUND STRUCTURE

Australian registered scheme (ARSN 639 565 807), known as an open-ended unit trust. The Fund's Responsible Entity, Perpetual Trust Services Limited, (ACN 000 142 049, AFS Licence No. 236 648) has successfully applied to have the units admitted to trading status on the ASX under the AQUA Rules.

FUND DESCRIPTION

The Fund seeks to invest in long-term structural winners in attractive industries around the world, when they are undervalued. We believe these businesses will include ongoing mega-cap winners and medium-sized companies with multi-decade compounding potential. Typically the Fund holds 15 to 30 long positions. The Fund also seeks to profit from short-selling select businesses around the world that are structurally challenged, overvalued, asymmetrically at risk, and misperceived. Typically there are 10 to 40 stock-specific short positions, along with short positions in exchange-traded funds, which together can fund additional holdings of long positions. The Fund may employ capital preservation measures to manage against substantial downside risks, including listed put options with asymmetric payoffs, exchange-traded funds, and exchange-traded or over-the-counter derivatives primarily to manage foreign currency exposures.

INVESTMENT OBJECTIVE

The Fund aims to provide investors with long term capital growth, with a focus on managing downside risk.

SUGGESTED INVESTMENT PERIOD

At least 5 years

FREQUENCY OF PRICING

During each ASX trading day, an indicative NAV (iNAV) is published every second to provide investors with an intra-day view of the 'fair value' for the Fund. The iNAV will be published on the website:

<https://investors.montaka.com/Investor-Centre/>

The Net Asset Value (NAV) per unit will also be published daily on the website.

LIQUIDITY

Investors can buy and sell units in the secondary market in the same way as ASX listed securities, through a stockbroker or share trading account on every ASX trading day. In addition, a market maker has been appointed to provide liquidity by satisfying supply and demand for units on the ASX by investors at a price close to the iNAV.

DISTRIBUTIONS

The Fund will seek to deliver a target distribution of at least 5% per annum net of fees and costs, paid semi-annually.

Where there is insufficient income to deliver the target distribution in any financial year, the Fund intends to distribute capital.

FEES

Entry & Exit Fee / Penalty

There is no fee / penalty. Investors may incur brokerage costs in purchasing or selling units on the ASX.

Management Fee

Capped at 1.25% per annum.

Performance Fee

The performance fee is 20% of the amount by which the performance of the Fund exceeds a hurdle of 7% per annum, subject to a high watermark.

REPORTING

All transaction confirmations, periodic statements, holding statements, distribution and annual tax statements will be sent to you by Link Market Services, the Unit Registry of the Fund.

Montaka Global will provide monthly Fund performance updates to investors via the Fund's website and through the ASX Announcements Platform.

INVESTMENT TEAM MEMBERS

Andrew Macken, Chief Investment Officer

Christopher Demasi, Portfolio Manager

Amit Nath, Senior Research Analyst

Daniel Wu, Senior Research Analyst

George Hadjia, Research Analyst

Lachlan Mackay, Research Analyst

Phill Namara, Research Analyst

The biographies of the team members can be viewed at

<https://montaka.com/our-team>

FREQUENTLY ASKED QUESTIONS

WHY IS MONTAKA GLOBAL LAUNCHING THE MONTAKA GLOBAL EXTENSION FUND?

Montaka Global is committed to maximizing the probability of achieving multi-decade compounding of investors' wealth, alongside the wealth of its principals and its own capital. Montaka Global believes the Montaka Global Extension Fund will play a leading role in this endeavour. Investors in the Fund will benefit from the Montaka Global team's expert deep sector and market research to identify attractive multi-decade compounding opportunities; differentiated and disciplined short-selling expertise; and use of capital preservation enhancements. Investors will also benefit from easily accessing the Fund through a best-in-class structure that is ASX-quoted, open-ended, priced highly-frequently, transparent and tax-efficient.

WHAT DOES THE FUND INVEST IN?

The Fund will typically invest in 15-30 excellent businesses in attractive industries while also short-selling typically 10-40 stocks based on a proprietary framework that categorises stocks into at least one of the following: structural declines; divergent expectations; asymmetries or misperceptions.

WHERE DOES THE FUND INVEST?

The Fund will typically invest in stocks listed on major global stock exchanges with a focus on North America, Western Europe, the United Kingdom, Japan, Hong Kong, Singapore and Australia.

HOW DOES THE FUND WORK?

The Fund will typically operate in a way that provides investors with a "net market exposure" (long minus short positions) of 100%. The Fund will typically be 130% invested in long positions (typical range 100-150%), and 30% invested in short positions (typical range 0-50%).

As an example, the Fund uses cash to purchase \$100 in shares it believes to be undervalued. The Fund also borrows \$30 worth of shares it believes to be overvalued and sells them. The Fund uses the proceeds from these sales to purchase an additional \$30 in stocks the Fund judges to be undervalued. This strategy results in \$130 invested in long positions and \$30 invested in short positions, resulting in \$100 net market exposure.

The exposure targets serve as a guideline only and may be varied by the Investment Manager at its discretion.

WHO IS THE MONTAKA GLOBAL EXTENSION FUND DESIGNED FOR?

The Fund is designed for investors who want to maximize the probability of achieving multi-decade compounding by being more fully invested in long-term structural winners in attractive industries around the world; who seek to profit from selective short-selling; and using capital preservation measures when required.

WHAT DISTRIBUTIONS CAN I EXPECT FROM THE FUND?

The Fund will seek to deliver a target distribution of at least 5% per annum net of fees and costs, paid semi-annually.

Where there is insufficient income to deliver the target distribution in any financial year, the Fund intends to distribute capital.

CAN DISTRIBUTIONS BE REINVESTED?

Distributions can be reinvested in full back into the Fund or paid out entirely to the financial institution account nominated to Link Market Services.

ARE FRANKING CREDITS ACCESSIBLE WITH THE FUND?

As most investments will be outside of Australia, and the Fund is a tax-free trust, franking credits will likely be negligible.

HOW DOES THE FUND DEAL WITH FOREIGN EXCHANGE?

Units in the Fund will be issued and redeemed in AUD. While the Fund is typically 50% hedged to the AUD, this may vary at the discretion of the Investment Manager.

HOW CAN I INVEST IN THE FUND?

Investors can invest in the Fund by purchasing units on the ASX through a stockbroker or share trading account. There is no minimum number of units investors can buy on the ASX. The purchase of units on-market is settled through the CHESS settlement service, and investors will not need to complete any application form.

The cost of investing in the Fund on-market will be the price at which units are purchased on the ASX, plus any brokerage fees.

IF I WANT TO INCREASE MY INVESTMENT IN THE FUND, WHAT DO I NEED TO DO?

Investors can purchase additional units on the ASX at any time, through a stockbroker or share trading account.

IF I WANT TO SELL MY UNITS IN THE FUND, HOW DO I DO THAT?

Investors can sell units on the ASX at any time, through a stockbroker or share trading account.

WHAT IS THE NET ASSET VALUE (NAV)?

The Net Asset Value (NAV) is calculated by deducting all liabilities (including fees) from the total value of the Fund's assets, and dividing this number by the number of units on issue.

During each ASX trading day, an indicative NAV (iNAV) will be published on the website, <https://investors.montaka.com/Investor-Centre/>, and will be updated every second for foreign exchange movements in the Fund's portfolio stocks and in respect of stocks that have live market prices during the ASX trading day. The iNAV may incorporate proxy instruments where possible.

WHAT ARE THE RISKS ASSOCIATED WITH THE FUND?

Please refer to Section 5 of the Product Disclosure Statement "Risks of investing in the Fund" regarding the specific risks.

FREQUENTLY ASKED QUESTIONS

WHO DO I CONTACT IF I HAVE ANY QUESTIONS?

ADVISERS, RESEARCHERS & PLATFORMS

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RESPONSIBLE ENTITY

Perpetual Trust Services Limited
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LEGAL ADVISER

Ernst & Young
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PRIME BROKER & CUSTODIAN

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INVESTORS

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AUDITOR

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UNIT REGISTRY

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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. The issuer of units in the Montaka Global Extension Fund is the Fund's responsible entity Perpetual Trust Services Limited ACN 000 142 049 (AFSL 236648). Copies of the PDS are available from Montaka Global Pty Ltd. (02) 7202 0100. Before making any decision to make or hold any investment in the Fund you should consider the PDS in full. 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.