



Monash INVESTORS

Monash Absolute Investment Fund

July 2015 – Month End Note¹

Monash Absolute Investment Fund Unit Price Performance After Fees

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
2012/13	1.46%	-1.15%	-0.20%	1.81%	1.09%	2.91%	3.90%	4.39%	2.00%	1.13%	-1.10%	1.05%	18.53%
2013/14	5.57%	1.40%	7.08%	2.96%	-0.58%	-0.47%	0.86%	2.62%	4.72%	-1.27%	-0.54%	-1.01%	23.05%
2014/15	3.06%	2.32%	-4.31%	-0.22%	-1.61%	0.55%	1.55%	2.33%	1.08%	0.08%	-0.55%	-1.86%	2.21%
2015/16	6.60%												6.60%

Returns to 31 July 2015		Return Characteristics Since Inception		Portfolio Metrics as at 31 July 2015	
3 Month	4.04%	Positive Months	65%	Outlook Driven Stocks	15 62%
Calendar YTD	9.37%	Avg Gain in Up Months	2.61%	Event, Pair & Group Trades	12 21%
1 Year	5.72%	Avg Loss in Down Months	-1.14%	Net Exposure	83%
2 Years	12.69% p.a.	Maximum Draw Down	-6.05%	Gross Exposure	95%
3 Years	16.69% p.a.			FUM \$A	28
Since Inception	16.21% p.a.	Sharpe Ratio	1.59	Beta	0.61
Standard Deviation	8.35% p.a.	Sortino Ratio	4.29	VAR	1.3%

The Fund rose 6.6% after fees in July, comfortably beating a rising market despite our low Beta. The result was mainly driven by the rerating of some of our smaller company exposures following positive news, but contributions to the return came from across the whole portfolio.

As it was such a strong month, we will just be concentrating on the stand out highlights, there were no significant low points.

The Highs

1-Page (1PG) rose 37.6%. 1PG provides a revolutionary cloud based employee recruitment platform which seems to be quickly gaining traction. It uses the online network and social media contacts of a firm's own employees to source potential candidates. This allows valuable passive candidates, which could not otherwise be reached, to be contacted, attracted and engaged at scale. They target large firms (employee numbers 1,000+) which benefit by obtaining more and higher quality candidates at a lower recruitment cost than using traditional recruiters.

During July they signed a number of new clients including two Fortune 100 companies (those two alone with a combined number of employees 320,000) and indicated 180 clients in the current sales pipeline. 1PG already has a market cap of \$360m but further significant positive announcements (which we expect to occur) would see this stock significantly appreciate given the size of its global opportunity.

¹ Inception date of Fund is 30 June 2012. All performance figures are pending unit price confirmation for this month.

Catapult (CAT) rose 34.6%. Catapult invented GPS tracking for team sports, from work done originally with the Australian Institute of Sport and the Federal Government's Cooperative Research Centres Program. It is the global leader in selling monitoring devices for elite sports/athletes.

There is a great deal of growth ahead for Catapult as it becomes a must have piece of kit for each sport, even into the lower grades. Clients are also quite "sticky" as they are loathe to lose their data history by going to a different provider. Pricing power is quite strong and it is outside any salary cap a sport may impose.

During July they announced annual unit sales had exceeded the prospectus by 24%. It is now apparent that Catapult is penetrating its market more quickly than expected.

Impedimed (IPD) rose 34.1%. IPD's system, L-Dex can detect lymphoedema in cancer survivors at its subclinical stage when the condition can be very easily managed and often reversed. The value of this unique system has been demonstrated by the fact that L-Dex has been granted its own "CPT Category 1 Code" which means it has full cost reimbursement in the USA. The only two other Australian companies granted their own CPT1 Code are Resmed and Cochlear.

During July Impedimed announced further pilot programs with major US cancer centres ahead of its full commercial launch late this year. Additionally, it was announced that for the first time the NCCN guidelines (the leading US standards for Cancer treatment) now recommend that cancer patients be educated and monitored for lymphoedema.

Yowie (YOW) rose 27.6%. Yowie continued to re-rate following the June announcement confirming Walmart will stock Yowie at checkouts across all of its 4,300 stores. We have sold some Yowie into this strength in order to keep its weight in the portfolio at an appropriate level.

We have always been confident of Yowie's success in the US because it has obvious appeal to children (like Kinder Surprise which sells 2 billion units pa globally) yet the product category is vacant in the USA. Yowie has performed well at all trials to date. Early adopter US Retailers are moving quickly to distribute Yowie, due to its high gross margin and unit sales relative to other confectionary items. The roll out by Walmart gives it greater credibility with other retailers.

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