



6% p.a Target
Distribution



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June 2021 Fund Update

Monash Absolute Active Trust (MAAT, Fund) is off to a good start. It was established as at 28 May, so it's been going a little over a month to 30 June. In that time its NAV has increased by 4.88% (after fees). By comparison, the S&P/ASX200 rose 2.01% and the Small Ords rose 3.00%.

The main contributors to the positive return this month were Telix (ASX: TLX) +35% and Australian Strategic Materials (ASX: ASM) + 64%. Telix applies nuclear medicine for the benefit of cancer patients. ASM is a developing "mine to manufacturer" producer of critical metals. It mines rare earths in Dubbo and will produce high-purity metals critical for a diverse range of advanced technologies.

A feature of MAAT is the target payment of regular distributions. The Fund is targeting a minimum yield of 6% p.a. As a result MAAT went ex on its first quarterly 1.5% of NAV distribution (1.6c per unit) on 1 July, which is due to be paid on 22 July.

Monthly Portfolio Metrics

Outlook Stocks (Long)	13 Positions: 62%
Outlook Stocks (Short)	2 Positions: -4%
Event, Pair and Group (Long)	3 Positions: 16%
Event, Pair and Group (Short)	1 Positions: -1%
Cash	27%
Gross Exposure	83%
Net Exposure	73%

Return Summary Since Inception¹(after all fees)

Since Inception (p.a.)	4.88%
1 Month	4.60%
3 Months	
6 Months	
FYTD	4.88%
1 Year	
3 Years	
5 Years	
Cumulative	4.88

Portfolio Analytics Since Inception²

Sharpe Ratio	0.67
Sortino Ratio	1.20
Standard Deviation (p.a.)	16%
Positive Months	64%
Maximum Drawdown	-29%
Avg. Gross Exposure	90%
Avg. Net Exposure	79%
Avg. Beta	0.63
Avg. VAR	1.2%

¹ Inception date is 28 May 2021. Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

² Due to lack of MAAT history, data from Monash Absolute Investment Fund (MAIF) (inception date 2 July 2012) has been used. Glossary of terms can be found on the Fund's website at www.monashinvestors.com/glossary/



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We are very pleased with the ease with which MAAT has been able to handle large ASX trading volumes in its units. This month there were redemptions as MA1 shareholders who wished to arbitrage the historic discount to NTA in MA1 shares sold out. However, MAAT also had a flow of new units issued too, as a number of potential investors had been waiting for MAAT to list.

Trades in MAAT have generally been transacted one (“1”) “tick” either side of its NAV. This is the minimum bid-ask spread and amounts to less than 50bp either side of the iNAV. The iNAV is updated each second and represents a very close estimate of the MAAT NAV at any point in time through the day. Many trades on market have also been done between the market maker’s bid-ask spread, with buyers and sellers meeting at the mid. As MAAT has a dual unit registry, unit holders may also invest or withdraw directly with the Fund, using end of day NAV prices, with a 30bp bid-ask spread if they prefer.

Putting the big returns of FY 2021 in perspective

The S&P/ASX200 was only established as an index in 1992. Up until then, it was the All Ords that was the go to reference for market performance. See the chart on the next page.

- FY 2021’s 27.8% return was the 2nd highest FY return for the S&P/ASX200 since it was established 29 years ago
- It was about 3x the average annual return of 9.7%
- The highest was FY 2007s 28.7% return, it was prior to the GFC and the market peaked 6 months later
- FY 2021 was the first time that the S&P/ASX200 had been up 11 months out of 12
- On only 3 previous occasions had the S&P/ASX200 been up 10 months out of 12

Looking at the All Ords, which we have on a price index basis back to 1938, FY 2021 was the 10th best year out of 83 years.

Interestingly 5 of those years were in the 1980s, prior to the ‘87 Crash.

1. 1980 60.8%
2. 1983 27.9%
3. 1985 30.6%
4. 1986 37.1%
5. 1987 49.5%

The 1980s was a time of elevated inflation levels and highly fluctuating currency and interest rates, so with hindsight it’s not surprising that there were some nominally very high returns. It’s unlikely that in the current low inflation and low interest rate environment we will see annual returns of those levels without an extended period of market weakness.

Looking into FY 2022, we continue to have an optimistic outlook, based on a strong growth outlook, low interest rates and only modest short term inflation pressure.



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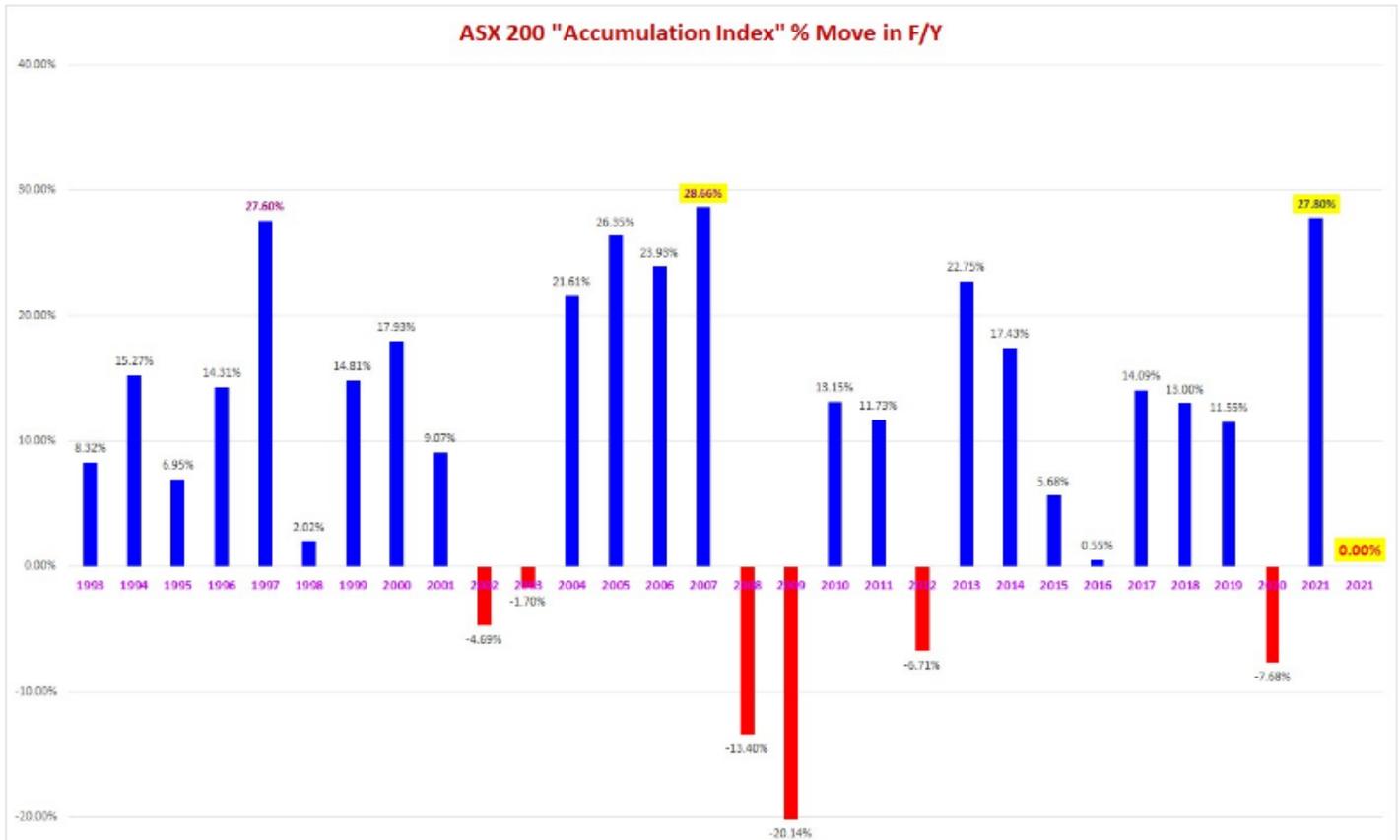
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Source: Coppo Report

This announcement has been authorised for release by Monash Investors Pty Ltd.

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For more information about MAAT and the strategy, please refer to the Monash Investors website at www.monashinvestors.com. You can also [follow us on Livewire here](#) or [subscribe to our updates here](#)

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Total returns shown for the fund have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distribution. No allowance has been made for taxation. Past performance is not a reliable indicator of future performance. Comparisons are provided for information purposes only and are not a direct comparison against benchmarks or indices that have the same characteristics as the Fund. Reference to Target Distributions, is a target return only. There is no guarantee MAAT will meet its investment objective. The payment of a quarterly distribution is a goal of MAAT only and neither Monash Investors or Perpetual provide any representations or warranty (whether express or implied) in relation to the payment of any quarterly cash income. The Trust reserves the discretion to amend its distribution policy.

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Independent Investment Research (IIR) has awarded a Recommended rating for the Monash Absolute Active Trust (Hedge Fund) (ASX: MAAT). To access the IRR report, please refer to our website at www.monashinvestors.com