

# Monash Absolute Investment Fund

(APIR MON001AU)



6% p.a Target  
Distribution



Double Digit returns  
since inception



Long/Short  
Australian Equities



Proven Track  
Record

## February 2022 Fund Update

During February the Fund fell -3.93% (after fees). This compares to a return of 2.14% for the S&P/ASX200 and -0.01% for the Small Ords. February 2022 will be remembered for the Russian invasion of Ukraine, and the global condemnation and sanction response to it.

Our experience as fund managers has been that periods of negative returns or underperformance by our portfolio represent buying opportunities to our investors, given the solid anchoring of our holdings in large pay-offs to our Discounted Cash Flow (DCF) valuations. We discuss the portfolio in detail in our March post-reporting season webinar.

In times of uncertainty the equity market shortens its earnings focus and also values safety more highly. This causes higher growth and small cap businesses to be de-rated relative to slower growth and defensive larger cap companies. For example, the S&P/ASX All Technology Index fell -7.84%.

In February the portfolio benefitted from the fortuitous inclusion prior to the invasion of the oil and gas stocks Karoon, Santos and Woodside (ASX: KAR, STO, WPL). We have invested in these businesses due to the large pay-off we expect to them from the world's reluctance to develop/expand oil and gas fields.

Other commodity prices generally are also responding, and our recently acquired modest exposures to BHP, Fortescue and RIO and (ASX: BHP, FMG, RIO) were well timed. Again, these were put in place prior to the invasion and were driven by the large upgrades required to analyst forecasts as a result of their commodity price assumptions being well below spot prices.

On the other hand the portfolio suffered from a lack of exposures to the price movement of the banks and other large defensives. For example Woolworths 3%, Coles 7%, NAB 7%, Westpac 12% (ASX: WOW, COL, NAB, WBC).

<sup>1</sup> Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

## Return Summary (after all fees)

1 Month	3 Months
-3.93%	-9.94%
3 Years (p.a.) <sup>1</sup>	1 Year
18.20%	0.20%



Our Investment team: Sebastian Correia, Simon Shields and Shane Fitzgerald

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## Monthly Portfolio Metrics

Outlook Stocks (Long)	<b>18 Positions: 80%</b>
Outlook Stocks (Short)	<b>2 Positions: -5%</b>
Event, Pair and Group (Long)	<b>3 Positions: 20%</b>
Event, Pair and Group (Short)	<b>0 Positions: 0%</b>
Cash	5%
Gross Exposure	105%
Net Exposure	95%

## Return Summary Since Inception<sup>4</sup> (after fees)<sup>5</sup>

CYTD	-12.24%
FYTD	-3.64%
1 Month	-3.93%
3 Month	-9.94%
6 Month	-9.28%
1 Year	0.20%
2 Years (p.a.)	20.76%
3 Years (p.a.)	18.20%
4 Years (p.a.)	12.54%
5 Years (p.a.)	12.69%
7 Years (p.a.)	9.33%
Since Inception <sup>4</sup> (p.a.)	11.32%

## Portfolio Analytics Since Inception<sup>4</sup>

Sharpe Ratio	0.59
Sortino Ratio	1.05
Standard Deviation (p.a.)	16%
Positive Months	63%
Maximum Drawdown	-29%
Avg. Gross Exposure	91%
Avg. Net Exposure	80%
Avg. Beta	0.66
Avg. VAR	1.3%

<sup>4</sup> Inception date 2 July 2012.

<sup>5</sup> Past performance is not indicative of future performance.

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## For all business development enquiries, please contact

Cameron Harris

P: +61 400 248 435

[cameron@gsmcapital.com.au](mailto:cameron@gsmcapital.com.au)

## For all investors enquiries, please contact

Link Fund Solutions Pty Limited (Acting on behalf of the Fund)

+612 9547 4311

[LFS\\_registry@linkgroup.com](mailto:LFS_registry@linkgroup.com)

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

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