

Monash Absolute Investment Fund

(APIR MON001AU)



6% p.a Target
Distribution



Double Digit returns
since inception



Long/Short
Australian Equities



Proven Track
Record¹

July 2022 Fund Update

In July, the Fund rose 5.98% (after fees). This compares to an increase of 5.75% for the S&P/ASX200 and a rise of 11.43% for the Small Ords.

July is usually a very quiet month, being the “black out” period between the 30 June end of the financial year, and the reporting of annual results in August. It also coincides with school holidays, so fewer people are around and trading volumes slow down.

While there wasn't a lot of stock specific news this July, macro-economic and geo-political news made it pretty interesting with a decent rise in shares prices, which was surprising.

When prices are in free fall, it's usually foolish to call the bottom. As the saying goes, don't try to catch a falling knife. In June the ASX200 was down -8.8% and the Small Ords -13.1%. We finished June down only -1.0%, outperforming the ASX200 by 7.8% and Small Ords by 12.1%. The portfolio finished June with a net exposure to the market of only 46%, which aided by our stock picking helped us avoid most of the sell-off.

We had already begun to cover many of our shorts towards the end of June. As July progressed we continued to take advantage of the low prices in certain stocks and added them to the portfolio. Our focus was on businesses that have strong pricing power and would perhaps even benefit from inflation, while remaining resilient in an economic slow-down.

For example, we purchased Johns Lyng Group (ASX: JLG) (cost plus building repairs, ASX: JLG) and IDP Education (English language testing for students and migrants, ASX: IEL).

As a result over July the Fund's net exposure increased from 46% to 70%. It was our stock picking as well as the increased exposure that helped us keep up with the rising market. Telix Pharmaceuticals (nuclear medicine, ASX: TLX) one of the larger long positions disclosed quarterly sales well ahead of market expectations rising 60% during the month.

While we beat the ASX200 in July we did lag the small cap recovery, which was led by lower quality stocks dramatically rebounding - these were generally companies without earnings or businesses with problems that had caused share price collapses in the prior months. We continue to look through the rubble for oversold opportunities¹.

¹ Inception date is 2 July 2012. Past performance is not indicative of future performance.

Return Summary¹ (after all fees)

1 Month	3 Months
+6.00%	-0.50%
1 Year	3 Years
-3.90%	+11.40% _{pa}



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

This fund is appropriate for investors with “High” and “Very High” risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the [TMD](#) for further information.



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Monthly Portfolio Metrics

Outlook Stocks (Long)	14 Positions: 63%
Outlook Stocks (Short)	3 Position: -6%
Event, Pair and Group (Long)	2 Positions: 20%
Event, Pair and Group (Short)	3 Positions: -7%
Cash	30%
Gross Exposure	96%
Net Exposure	70%

Return Summary Since Inception (after fees)²

CYTD	-13.93%
FYTD	5.98%
1 Month	5.98%
3 Month	-0.53%
6 Month	-5.78%
1 Year	-3.85%
2 Years (p.a.)	14.96%
3 Years (p.a.)	11.42%
4 Years (p.a.)	11.70%
5 Years (p.a.)	12.28%
7 Years (p.a.)	8.24%
Since Inception (p.a.)	10.61%

Portfolio Analytics Since Inception²

Sharpe Ratio	0.56
Sortino Ratio	0.99
Standard Deviation (p.a.)	16%
Positive Months	61%
Maximum Drawdown	-29%
Avg. Gross Exposure	91%
Avg. Net Exposure	79%
Avg. Beta	0.66
Avg. VAR	1.3%

² Inception date 2 July 2012. Past performance is not indicative of future performance.

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For more information about MAIF 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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