

# Monash Absolute Investment Fund

(APIR MON001AU)



6% p.a Target  
Distribution



Double Digit returns  
since inception



Long/Short  
Australian Equities



Proven Track  
Record<sup>1</sup>

## November 2022 Fund Update

In November, the Fund rose 0.95% (after fees). This compares to an increase of 6.58% for the S&P/ASX200 and a rise of 4.92% for the Small Ords.

After a strong run of months beating the market, we finally had one where we underperformed it. We are still well ahead of the market for the rolling six months where the Fund is up 7.47% (after fees) compared to the ASX200 up 3.51% and the Small Ords down -3.37%.

The difference this month was resources, which has been on a two month tear. Of the best performing ASX200 stocks this month 17 were resources, and their average rise was 29% over November. But picking swings in commodity prices, such as gold or iron ore, is not the sort of reliable recurring business situation that we look for in selecting investments. Consequently our portfolio is typically well underweight resources compared to the market, and this has served us well over time.

Most companies have their AGM in November, and this was the primary source of news that drove stock price movements within our portfolio.

Our best contributor was Johns Lyng Group (ASX: JLG), which the market feared would take the opportunity to downgrade, but rather reconfirmed its guidance. To quote the CEO "our business is flying". We also had a major contribution from a company we were short. It continues to have inventory problems and conceded for the first time that it will need to cut prices to clear stock, which will have a significant effect on its margins.

Our two biggest detractors were companies that disappointed the market with their AGM updates. James Hardie (ASX: JHX) downgraded guidance on the back of a much greater than expected reversal in new construction demand in the last 6 weeks. We subsequently exited our holding. Healthia (ASX: HLA) maintained its full year guidance but due to a contracting margin disappointed with its financial year to date results, joining the "second half club". We cut a third of our holding.

Lastly we include a link to our short article on Sydney property prices and two related stocks with great pricing power. If you like discussing property or early Australian history, I'm sure you will enjoy it. Click [HERE](#) to read the article.

<sup>1</sup> Inception date is 2 July 2012. Past performance is not indicative of future performance.

## Return Summary<sup>1</sup> (after all fees)

1 Month	3 Months
+1.00%	+0.60%
1 Year	3 Years
-9.50%	+10.60%



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)	<b>12 Positions: 63%</b>
Outlook Stocks (Short)	<b>2 Positions: -3%</b>
Event, Pair and Group (Long)	<b>2 Positions: 20%</b>
Event, Pair and Group (Short)	<b>3 Positions: -9%</b>
Cash	29%
Gross Exposure	96%
Net Exposure	71%

## Return Summary Since Inception (after fees)<sup>2</sup>

CYTD	-11.84%
FYTD	8.55%
1 Month	0.95%
3 Month	0.58%
6 Month	7.47%
1 Year	-9.53%
2 Years (p.a.)	2.90%
3 Years (p.a.)	10.58%
4 Years (p.a.)	14.27%
5 Years (p.a.)	9.94%
7 Years (p.a.)	7.70%
Since Inception (p.a.)	10.51%

## Portfolio Analytics Since Inception<sup>2</sup>

Sharpe Ratio	0.55
Sortino Ratio	0.97
Standard Deviation (p.a.)	16%
Positive Months	61%
Maximum Drawdown	-29%
Avg. Gross Exposure	91%
Avg. Net Exposure	79%
Avg. Beta	0.67

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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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