

Monash Absolute Investment Fund

(APIR MON001AU)



6% p.a Target
Distribution



Double Digit returns
since inception



Long/Short
Australian Equities



Proven Track
Record¹

February 2023 Fund Update

In February, the Fund fell 4.5% (after fees). This compares to a decrease of 2.5% for the S&P/ASX200 and a fall of 3.7% for the Small Ords.

Lower overseas markets provided a soft lead for the ASX, with the S&P500 falling 2.4% for the month. Concerns about the extent of further RBA rate rises in response to the latest inflation figures also contributed to the ASX weakness. While inflation has fallen from its peak of 8.4% for calendar year 2022, the 12 months to 31 January was still very high at 7.4%.

February was a company results reporting month. A common theme during this reporting season was weak like-for-like growth, and the impact of inflation on margins.

Over the course of last year we had tilted our portfolio towards stocks that are less exposed to the economic cycle, but rather have strong structural growth and pricing power. As a result our stocks have been doing relatively well as businesses. 9 out of our top 10 holdings reported first half results in February. Following these results, analyst consensus changes to their FY24 earnings forecasts resulted 6 upgrades, 1 downgrade and 2 had no meaningful change.

Unfortunately the positive achievements of the companies were not reflected in the overall return of the portfolio, and we somewhat underperformed the market. The portfolio consists of high-quality companies with long-standing pricing power and reputable management teams. We remain positive on their outlook and future valuations. We will provide greater details on this during our post-reporting season webinar on Tuesday the 14th of March.

We continue to identify compelling investment opportunities. We have seen in the past that as our companies execute on their business opportunities, the market will eventually recognise this in their share prices. This is what has driven our longer term investment returns namely our ability to continue to identify compelling opportunities.

Over the last 3 years our disciplined opportunistic approach to shorting stocks has been a strong contributor to portfolio returns. At any one time it is rare for us to have more than half a dozen short positions and they tend to be held for relatively short periods. The number of positions increase and decrease as we identify or close out opportunities.

Over the last month we closed out 3 short positions and now temporarily have no shorts in the portfolio but we continue to evaluate short candidates.

We look forward to catching up with you in March for our post-reporting season Webinar. Please, [click on this link to register](#).

Return Summary¹ (after all fees)

| | |
|---------|----------|
| 1 Month | 3 Months |
| -4.50% | -4.50% |
| 1 Year | 3 Years |
| -4.10% | +11.90% |

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.

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

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Monthly Portfolio Metrics

| | |
|-------------------------------|--------------------------|
| Outlook Stocks (Long) | 14 Positions: 65% |
| Outlook Stocks (Short) | 0 Positions: 0% |
| Event, Pair and Group (Long) | 3 Positions: 24% |
| Event, Pair and Group (Short) | 0 Positions: 0% |
| Cash | 12% |
| Gross Exposure | 88% |
| Net Exposure | 88% |

Return Summary Since Inception (after fees)²

| | |
|------------------------|--------|
| CYTD | -0.24% |
| FYTD | 3.68% |
| 1 Month | -4.50% |
| 3 Month | -4.49% |
| 6 Month | -3.94% |
| 1 Year | -4.06% |
| 2 Years (p.a.) | -1.95% |
| 3 Years (p.a.) | 11.85% |
| 4 Years (p.a.) | 12.20% |
| 5 Years (p.a.) | 9.01% |
| 7 Years (p.a.) | 7.33% |
| Since Inception (p.a.) | 9.78% |

Portfolio Analytics Since Inception²

| | |
|---------------------------|------|
| Sharpe Ratio | 0.50 |
| Sortino Ratio | 0.88 |
| Standard Deviation (p.a.) | 16% |
| Positive Months | 61% |
| Maximum Drawdown | -29% |
| Avg. Gross Exposure | 91% |
| Avg. Net Exposure | 79% |
| Avg. Beta | 0.68 |

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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