

Monash Absolute Investment Fund

(APIR MON0001AU)



6% p.a Target
Distribution



Double Digit returns
since inception



Long/Short
Australian Equities



Proven Track
Record¹

May 2023 Fund Update

In May, the Fund fell -6.3% (after fees) giving back its positive return of April. This compares to a decrease of -3.3% for the Small Ords. However, we remain ahead of the Small Ords over the last two months and very significantly ahead of it over medium to long term time periods. For the 12 months the Fund is up 2.0% compared to the Small Ords which is down -5.8%.

As a high conviction manager we do get impacted from short term swings in share prices. We have shown over the medium to long term that our investment approach rewards investors.

Monash Investors was established in 2012, and since that time on average 91% of the stocks in our portfolio have been outside the S&P/ASX 100. The Small Ords comprises the 200 stocks in the S&P/ASX 300 that excludes the largest 100.

Despite being stock size agnostic in our approach, the overwhelming number of stocks that have met our investment criteria have been small cap, and this is where we have had our best payoffs as investors. To put the size of these companies in perspective, the largest Small Ords stocks have market capitalisations of about \$4 billion and the smallest ones about \$100m.

Given our overwhelming exposure to small cap stocks, going forward we will be re-naming the portfolio to reflect this. This will help us position the fund as a product that is relevant to a larger number of investors.

We will not be changing our investment philosophy or approach, but we will be making some minor changes. To better reflect to investors what we actually do, we will be narrowing the very wide risk limits of the portfolio to ranges consistent with how the portfolio has actually operated. For the Fund we will phase out pre-IPO to bring it in line with our listed fund, Monash Absolute Active Trust (Hedge Fund) (ASX: MAAT). And we will limit our cash holdings to a maximum of 10% at any time, compared to the 20% they have averaged since our inception. For more information on these changes please refer to the [notice](#) sent to unitholders on 5 June 2023.

During May, the portfolio was impacted by regulatory news that potentially had negative impacts for a couple of our stocks.

Return Summary¹ (after all fees)

1 Month

-6.30%

3 Months

-0.60%

1 Year

+2.00%

3 Years

+8.20%_{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.

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

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In the case of Paladin Energy (ASX: PDN), a Namibian government minister speculated requiring a free carry government interest in mining and oil companies which saw the stock fall 17%. This has subsequently been walked back by the Government and in the first few days of June, PDN had fully recaptured the drop in its share price suffered from this effect.

IDP Education (ASX: IEL) fell -23% following the Canadian government allowing four new English language test providers. This has led to EPS downgrades for the stock of around 8%. Despite this EPS growth still remains well over 20% p.a. for the next three years. The key growth engine of the business – Student Placement, remains a structurally growth story and underappreciated in the current share price.

Return Summary Since Inception (after fees) ²		
	MAIF	Small Ords
CYTD	-0.87%	1.30%
FYTD	3.02%	8.42%
1 Month	-6.31%	-3.26%
3 Month	-0.63%	-1.29%
6 Month	-5.09%	-2.48%
1 Year	2.00%	-5.77%
2 Years (p.a.)	-1.92%	-5.17%
3 Years (p.a.)	8.21%	4.46%
4 Years (p.a.)	9.27%	2.56%
5 Years (p.a.)	9.35%	2.46%
7 Years (p.a.)	6.22%	5.62%
Since Inception (p.a.)	9.48%	5.64%

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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