

Monash Absolute Active Trust

Hedge Fund (ASX : MAAT)



6% p.a Target
Distribution



Buy and Sell on
the ASX or direct



Long/Short
Australian Equities



Proven Track
Record¹

June 2023 Fund Update

In the month of June, the Fund rose 3.0% (after fees) to close out the quarter with a positive return of also 3.0% (after fees). This compares to the Small Ords returns of 0.0% for the month and -0.5% for the quarter.

The portfolio is relatively concentrated. It is focused on companies that are experiencing step changes in their business prospects due to recurring business situations that are typically underestimated by the market. Major themes include the roll out of best in class medical products, retail concepts that are expanding despite consumer headwinds, and resource companies benefitting from the challenges of electrification and energy. Our level of exposure to technology stocks is currently low.

Monash Investors was established in 2012, and since inception 91% of the stocks in our portfolio have been Small Companies in that they have been outside the S&P/ASX 100. While this Fund has only been going for a little over two years, the strategy has been going for 12 years, through our unlisted fund. At the end of this update we include a table that shows how our strategy has gone over the 12 years since we started. We similarly also show the performance of this Fund. We have beaten Small Ords over all time periods except the last financial year.

The biggest two contributors to our returns this month were Impedimed (ASX: IPD) up 28% as it continues to be adopted by USA healthcare payors to monitor cancer patients for lymphedema, and Temple and Webster (ASX: TPW) up 24% which continued to recover from being sold down heavily during the previous month on unfounded fears of weak furniture sales.

The only significant detractor was Johns Lyng (ASX: JLG) down 16% which fell on a trading update where it upgraded its full year guidance. The problem was that the upgrade was driven by extra building work responding to catastrophes, rather than from its business as usual work (BAU) which was flat, as the market has come to expect upgrades in BAU prior to year-end.

Return Summary¹ (after all fees)

1 Month	3 Months
+3.0%	+3.0%
1 Year	Since Inception
+6.3%	-1.3% _{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 28 May 2021. Past performance is not indicative of future performance.

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Per capita discretionary consumer spending continues to be under a lot of pressure due to increasing energy prices and mortgage rate / rent increases. On the other hand there are more consumers than ever with immigration at record levels, and government spending is also increasing, funded largely by taxing record commodity revenues.

So, despite the dramatic rise in interest rates this year it may be that Australia avoids a recession, which is generally defined as two quarters of negative Gross Domestic Product (GDP) growth for the country as a whole. Australia's GDP actually rose 0.2% in the most recently reported quarter, with domestic demand the primary contributor.

Often in life things are not as bad (or as good) as they seem. The noise around the economy and what it means for stock market investors is an example of this. As investors we have to keep things in perspective when we weigh the outlook for stocks as businesses and their valuations.

This can be a hard thing to do given intentionally dramatic media stories and commentary, as well as the daily economic releases and company announcements we read. At Monash Investors we do it by focusing on stocks that we think are undergoing positive step changes in their businesses, assisted by us identifying recurring business situations or patterns of behaviour.

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. 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.

Return Summary Since Inception (after fees) ²		
	MAAT	Small Ords
CYTD	1.63%	1.32%
FYTD	6.31%	8.45%
1 month	2.96%	0.03%
3 Month	3.01%	-0.54%
6 Month	1.63%	1.32%
1 Year	6.31%	8.45%
2 Years (p.a.)	-3.73%	-6.58%
Since Inception (p.a.)	-1.30%	-5.17%

Return Summary Since Inception (after fees) ²		
	MAIF	Small Ords
CYTD	1.99%	1.32%
FYTD	6.00%	8.45%
1 month	2.88%	0.03%
3 Month	3.14%	-0.54%
6 Month	1.99%	1.32%
1 Year	6.00%	8.45%
2 Years (p.a.)	-2.78%	-6.58%
3 Years (p.a.)	11.00%	5.16%
4 Years (p.a.)	9.74%	2.34%
5 Years (p.a.)	9.98%	2.25%
7 Years (p.a.)	7.25%	5.83%
Since Inception (p.a.)	9.69%	5.60%

²Due to lack of MAAT history, data from Monash Absolute Investment Fund (MAIF) (inception date 2 July 2012) has been used. Glossary of terms can be found on the Fund's website at www.monashinvestors.com/glossary/

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For MAAT Unit Registry enquiries, please contact

Apex Fund Services Pty Limited
P: 1300 133 451 (in Australia)
+61 2 8259 8888 (international)
E: registry@apexgroup.com

For all business development enquiries, please contact

Cameron Harris
P: +61 400 248 435
cameron@gsmcapital.com.au

For more information about MAAT 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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