

# Monash Investors Small Companies Fund

(APIR MON001AU)



High Conviction  
Fund



Australian Small  
Companies



Proven Track  
Record<sup>1</sup>

## November 2023 Fund Update

The market bounced back somewhat in November with the Fund up 7.6% after fees compared to the S&P/ASX Small Ords up 7.0% for the month.

If you recall, last month our report had us scratching our heads at the two main detractors of our performance, Impedimed and Telix (ASX: IPD, TLX). Both these stocks recovered somewhat this month with IPD up 22% and TLX up 14%. Impedimed is in the early stage of its Sozo roll out and is making good progress. This device is becoming the new standard of care for monitoring post-operative cancer patients for lymphedema.

Telix has a bigger addressable market than Impedimed, and is much more advanced in its product roll out. It provides radiopharmaceuticals for cancer patients. It is a cash flow positive business with sales already over \$500m pa for its prostate cancer imaging product and growing strongly. In the next 6-9 months it will launch its renal cancer imaging product. It has several other clinical programs underway to provide imaging for other cancers and also to assess whether its drugs may be used therapeutically using higher doses of radiation. The results so far are promising.

Despite the outsized level of volatility in these two stocks, their outlook over the next few years is strong with our valuations for both stocks well above 60% upside from here.

Our retailers were also good contributors to the return this month with Temple & Webster (ASX: TPW) up 45% and Lovisa (ASX: LOV) up 11%. Both stocks had Annual General Meetings this month where they provided post year end updates. Both stocks have strong structural growth.

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

1 Month	3 Months
+7.6%	-6.6%
1 Year	3 Years
-5.9%	-0.1% <sub>pa</sub>



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.

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

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TPW is Australia's leading online furniture retailer, and its market share of the total furniture market has been growing strongly. In the four months since June, sales were up 23% versus pcp compared to market expectations of 15%. This compared to Harvey Norman (ASX: HVN) with a sales decline of -12% and Nick Scali (ASX: NCK) with sales orders down -5% for 1Q FY 2024. The stock price of TPW rose strongly on the back of this result.

By contrast, Lovisa is undertaking a "bricks and mortar" global store rollout. Despite a challenging jewelry retailing market in the four months since June with its same store sales declining by -6%, overall sales have grown 17% versus pcp. Given the weak same store sales the stock price initially fell, but given its overall sales growth, the continued strength of its gross profit margin, and critically the announcement of the first store opening in mainland China, the price had turned around by the end of the day.

The Fund's major exposures continue to be to Healthcare, Consumer Discretionary, IT, Energy (via Uranium), and Mining Services.

Monash Investors aims to identify businesses which are likely to undergo step-changes (either positive or negative) in their business prospects which will lead to material share price movements. We draw upon our experience in order to exploit recurring business situations and patterns of behaviour, to identify and invest in a portfolio of compelling opportunities.

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

	MAIF	Small Ords
CYTD	-1.70%	0.56%
FYTD	-3.62%	-0.76%
1 month	7.63%	7.04%
3 Month	-6.58%	-2.88%
6 Month	-0.84%	-0.73%
1 Year	-5.89%	-3.19%
2 Years pa	-7.73%	-8.77%
3 Years pa	-0.12%	-0.48%
4 Years pa	6.21%	1.10%
5 Years pa	9.92%	4.03%
7 Years pa	7.15%	5.39%
Since Inception pa	8.97%	5.32%

<sup>1</sup> Inception date is 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](http://www.monashinvestors.com). You can also [follow us on Livewire here](#) or [subscribe to our updates here](#)

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