Monash Investors Small Companies Fund

(APIR MON0001AU)

High Conviction Fund

Australian Small Companies

Proven Track Record[1]

May 2024 Fund Update

The Fund rose 4.5% after fees in May outperforming the S&P/ASX Small Ords which fell -0.1%. Our strong performance came from a wide range of stocks and sectors, with 7 stocks, across 6 sectors contributing more than 40 basis points each to the portfolio return.

Fund performance over the last 12 months is now 17.9% after fees, well ahead of the Small Ords' 10.9%. Our longer term numbers are consistently strong with the 3 year, 5 year, 7 year and since inception (almost 12 year) returns beating the Small Ords by between 4.1% and 6.8% pa after fees.

The stocks that have driven our outperformance over the years come from across the market, but they have some attributes in common. They are typically undergoing a step change in their future results which we can confidently expect, having being able to identify, in each company, business situations similar to that we have seen in the past. We invest in these companies before the share price fully reflects the opportunity and then we exit once it does. It is our ability to consistently identify these opportunities and apply price discipline when investing and exiting, that creates our long term outperformance.

This month our top seven contributors are a good example of that diversity across sectors.

Southern Cross Electrical (ASX: SXE) +32% is an electrical contracting business that is in demand by companies that are generating, transmitting and/or using electricity. During the month it was awarded the $160m contract value Collie battery project, it made a bolt on acquisition of a Sydney based electrical company, and it upgraded its profit guidance.

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

Return Summary[1] (after all fees)

1 Month	3 Months
+4.5%	+7.6%

1 Year	3 Years
+17.9%	+4.3% 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.

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Catapult (ASX: CAT) +32% is a sports technology company that provides hardware and software for elite athletes and teams to analyse their performance during training and on the field. Catapult has a March year end so it reported its full year results in May. Sales, profit margin and cash flow were all well ahead of market and analyst expectations.

Botanix (ASX: BOT) co-incidentally was also +32% for the month. Botanix is an early stage company focusing on dermatology pharmaceuticals. Botanix released a presentation to the ASX, in anticipation of imminent FDA approval for their anti-hyperhidrosis medication. The product is already approved in Japan where it has a large market, and is distributed by an unrelated company.

Telix (ASX: TLX) + 21% once again appears in our list of top contributors for the month. Telix's cancer imaging drug sales continued growing at extraordinary rates and are in excess of $500m after two years. The main piece of news this month was additional positive data from the clinical trial of its prostate cancer therapy. Telix has now reached the 100-bagger mark for us, having first invested in the company pre-IPO at the equivalent of $0.17 back in January 2017.

Paladin (ASX: PDN) +14% rose with continued positive sentiment for uranium miners, this time as a result of the US Senate unanimously passing a bill to ban the importation of enriched uranium fuel to the US from Russia. The Bill now moves to President Biden for final approval. The Bill seeks to wean the US off Russian enriched fuel, which accounts for ~40% of global enrichment capacity.

Technology One (ASX: TNE) +9% released its half year results. TNE provides commercial software for accounting and administration used by corporates, universities, councils and government departments.

Return Summary Since Inception (after fees)[2]

	MAIF	Small Ords
CYTD	13.50%	4.21%
FYTD	14.56%	10.89%
1 month	4.48%	-0.05%
3 Month	7.56%	1.53%
6 Month	18.87%	11.74%
1 Year	17.86%	10.92%
2 Years pa	9.64%	2.24%
3 Years pa	4.27%	-0.08%
4 Years pa	10.54%	6.04%
5 Years pa	10.94%	4.18%
7 Years pa	11.12%	6.67%
10 Years pa	7.96%	6.48%
Since Inception pa	10.16%	6.08%

Revenue growth is accelerating and it has skillfully navigated the transition from legacy revenue, driven by license fees, to instead charging on the basis of SaaS (software as a service). The company provided strong guidance for FY24 and expects to continue to double in size every 5 years.

Lovisa (ASX: LOV) +7% is a jewelry retailer. It is a testament to Lovisa's successful global store roll out program that it continues to grow its revenue strongly and deliver commensurate profits in a difficult retail environment.

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

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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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