



# NEWSLETTER

## MERCHANT OPPORTUNITIES FUND

Our apologies for the delay in getting this updated pricing to you – like everything in the world these days, the audit process took a lot longer than in years past.

**Well, that was a financial year to forget!**

2021/22 was a shocker in so many ways for most funds out there. We were **down 20.38%** for the Financial Year compared to the Small Ordinaries Index which was **down 21.56%** over the same period. This was the first down year for the Merchant Opportunities Fund (MOF) since 2014 so unfortunately broke our winning streak of 7 years.

Along with every Fund Manager in Australia – we will now highlight the long term.... unlike every Fund Manager in Australia, our long term numbers are still something to be proud of with our 3 year average of 11.47% pa, 5 year average of 16.03% pa and our 7 year average of 27.23% pa; putting the MOF squarely in the top quartile of Funds in Australia in comparison to the benchmarks we mark ourselves against.

I'm not big on quoting others but found this quote in the depths of the market malaise recently (when I was grinding my teeth) and I thought it a good enough one to put here **"far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in the corrections themselves"**, this was from US investor, Peter Lynch.

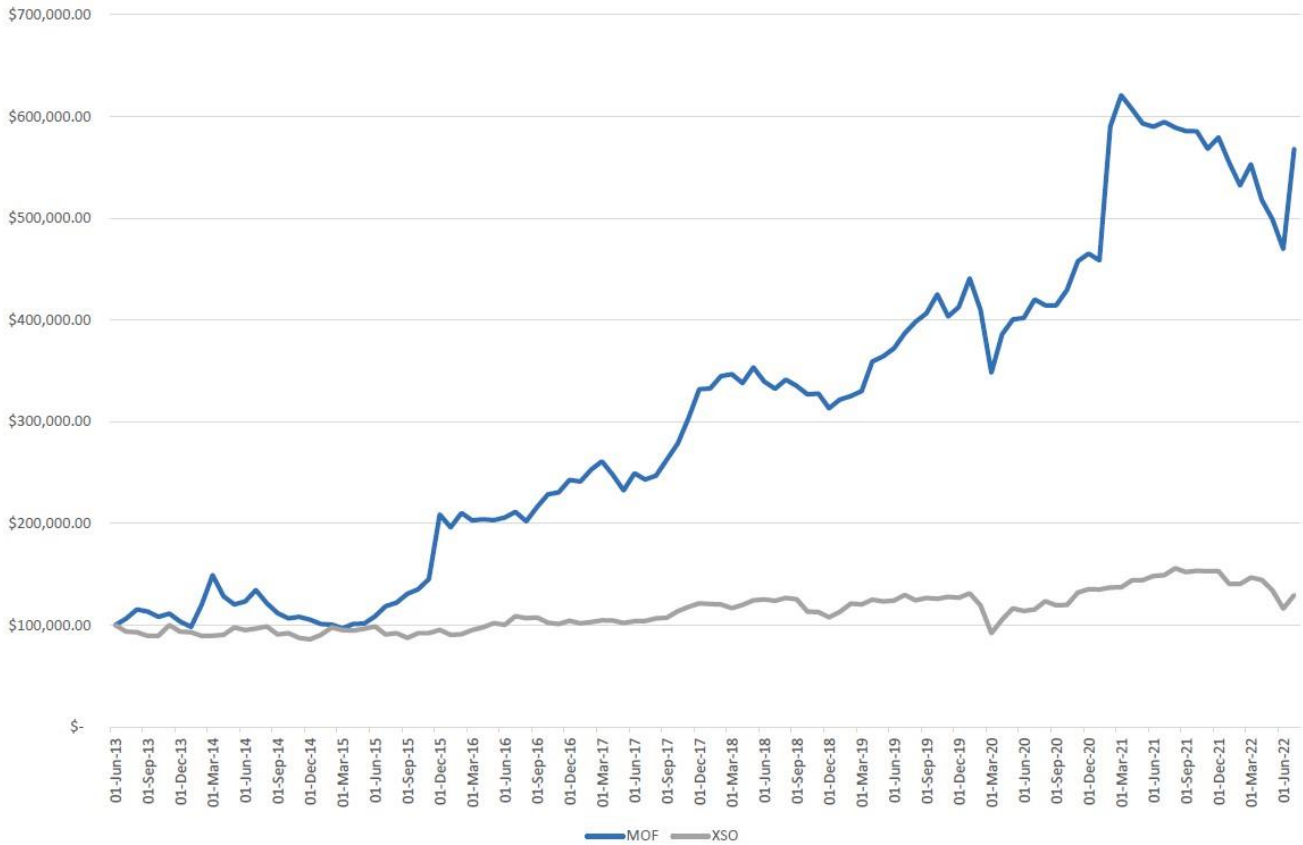
Just to prove the professionals all were caught off guard in the last 12 months, one only had to look to the disparity between oil forecasts for the next 12 months – JP Morgan \$380 per barrel compared with Goldman Sachs at \$68...I'm not a betting man but I'd bet money that the reality will be somewhere in the middle!

Enough of yesterday's news – the market is volatile, and we expect this year in year out, managing the volatility is the name of the game and we are very pleased to say that so far in the month of July both the Index and the MOF have rebounded strongly – the Small Ordinaries Index up approx. 12% and the **MOF up approx. 21% recouping almost all the losses of the last 12 months.**

**Unit Price as at  
31 July 2022**

**\$2.7440**

**MERCHANT OPPORTUNITIES FUND - PERFORMANCE**  
**MERCHANT OPPORTUNITIES FUND V ASX SMALL ORDINARIES INDEX**  
as at 31 July 2022



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