

# Monash Absolute Investment Company Limited

## Monash Absolute Investment Company Limited ACN 610 290 143

### AGM Chairman's Address on 7<sup>th</sup> November 2019

Dear fellow shareholders, I'm pleased to present the fourth annual general meeting of Monash Absolute Investment Company Limited.

#### The year in review and performance update

The Company's pre-tax Net Tangible Assets (NTA) grew by 8.77% for the financial year based on the opening and closing pre-tax NTA, after fees and expenses. The Company's share price at 30 June 2019 was \$0.8150. As at the 30 June 2019, the pre-tax net tangible asset backing (NTA) of the Company was \$1.0589 per share. The post-tax NTA at the 30 June 2019 was \$1.0544 per share.

The Company has also had a positive start to the 2019/20 financial year with a positive return of +9.06% for the financial year to 31 October 2019 (after fees and expenses) and a NTA pre-tax of \$1.1348 per share.

Simon Shields will be presenting an Investment Management's update today and provide more information on the latest performance results for the Company.

#### Initiatives implemented

The Company implemented a number of initiatives during the year to address the lack of liquidity in the trading of the Company shares and reducing the discount to which the Company shares have traded. These initiatives included an off-market buy back and share purchase plan, the issue of bonus options, payment of dividends and improved shareholder communications. Nevertheless, the gap between the share price and NTA per MA1 share has persisted. Most recently the Company has announced a solution pending an expert's report and shareholder approval to the persistent discount by announcing a proposed restructure of the Company into an Exchanged Traded Managed Fund (ETMF).

#### Proposed Restructure into ETMF

We announced on 8 August 2019 the Company's intention to propose that the Company be restructured into ETMF. The proposed restructure will address the large discount to the NTA value at which the Company's shares have historically traded and provide liquidity. This proposal will be subject to a number of conditions precedent including shareholder approvals required under the Corporations Act and the ASX Listing Rules, satisfactory resolution of the current ASIC review of the ETMF sector, ASX approval for the new ETMF to be listed and a satisfactory opinion from an Independent Expert in relation to the restructure. If these conditions are not satisfied, the Proposed Restructure will not proceed.

Details of the proposal can be found on the ASX announcements page for the Company and on the Company's website including a recording of the teleconference and Q&A presented on 12 August 2019.

#### Dividend

The Board declared a fully franked dividend of 2 cent per share for the Financial Year ended 30 June 2019.

## Monash Absolute Investment Company Limited

### Corporate Governance Matters

In the past year, the Non-Executive Directors are pleased to report they have continued to monitor the performance of the Investment Manager, Monash Investors Pty Ltd, and its adherence to the Investment Management Agreement. We are confident in the integrity and reporting of the Company's financial results to shareholders.

In closing, I would like to thank my fellow Board members and the Investment Manager's team for their solid and productive effort in managing the Company's portfolio.



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**Paul Clitheroe AM**  
**Chairman**

**7 November 2019**