

Monash Absolute Investment Company Limited

6 March 2020

Monash Absolute Investment Company Limited (ASX Code: MA1)
Teleconference Presentation - Post Reporting Season Update

We look forward to you joining us today on the Monash Investors post reporting season teleconference update. Attached is the presentation that will be provided today at 1.30PM AEST.

During the presentation, Simon Shields from Monash Investors will discuss the following:

- Fund Details and Performance Overview
- Top Holdings and Reporting Season
- COVID-19
- Portfolio Activity and Positioning
- Update on proposal to covert the LIC into an ETMF
- Update on MA1 listed option
- An opportunity for Q&A

1. **Date:** Friday, 6th March 2020
2. **Phone details:** Australia **1300 264 803** , International **+613 8687 0650**
3. **Time:**
 - 1.30pm (NSW, VIC, TAS)
 - 1.00pm(SA)
 - 12.30pm (QLD)
 - 12.00pm(NT)
 - 10.30am (WA)

Please register for the teleconference [here](#). The presentation will be made available on the Monash Investors website for anyone who cannot make the above times, following the teleconference.

For more information, please contact:

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This announcement has been authorised for release by the Board of Monash Absolute Investment Company Limited. For more information about the Company 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](#)

Monash Investors
Post Reporting Season Teleconference
6 March 2020



Post Reporting Season Review

- **Agenda**

- Fund Details
- Performance Overview
- Top Holdings and Reporting Season
- COVID-19
- Portfolio Activity and Positioning
- Update on proposal to convert the LIC into an ETMF
- Update on MA1 listed options

- **Teleconference Details**

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- **Call details**
 - Australian Dial-in Number 1300 264 803
 - International Dial-in Number +613 8687 0650



Two ways to access the Monash investment strategy – small differences between the strategies

1. ASX Listed Investment Company

1. ASX Code : MA1, MA1O
2. 44,324,634 Shares on Issue
44,302,634 listed options expiring 15 May 2020
1. Discount reduced following restructure announcement
 - From 23% of NTA as at 30 June 2019
 - To 13% of NTA as at 29 February 2020

2. Managed Fund

1. APIR Code MON0001AU
2. Daily priced
3. Minimum Initial Investment \$20k
4. Available on key platforms



Performance Overview

After fee returns to 29 February 2020

	MAIF		MA1 NTA	MA1 Price		ASX200	Small Ords
CYTD	-7.60%		-7.44%	-10.78%		-3.08%	-5.60%
FYTD	1.37%		0.79%	13.98%		-0.12%	-1.92%
3 Months	-7.71%		-7.61%	-8.08%		-5.18%	-5.87%
1 Year	13.25%		12.08%	16.85%		8.64%	1.64%
2 Years pa	4.88%		4.05%	4.88%		7.84%	2.55%
3 Years pa	7.62%		7.01%	6.90%		8.59%	8.31%
5 Years pa	5.07%					6.17%	7.43%
7 Years pa	7.71%					7.96%	5.16%
Inception pa <small>From 2 July 2012</small>	8.98%					10.82%	6.58%

Sources

MAIF : Monthly Performance Report & Unit Prices www.monashinvestors.com MA1: Announcements www.asx.com.au
 ASX Indices: S&P Dow Jones Indices



Top Holdings and Reporting Season

Top Holdings 31 August 2019	Top Holdings 29 Feb 2020	Business Description	Result Announcement	February Return
Afterpay Touch	Service Stream	Utility Infrastructure Maintenance	In Line	-20%
EML Payments	People Infrastructure	Workforce Management and Staffing	In Line	-8%
Electro Optic Systems	EML Payments	Gift Cards and Specialty Transactions	In Line	-31%
Lovisa	Electro Optic Systems	Laser Tracking Applications	Beat	-30%
Kogan	Healthia	Physiotherapy and Podiatry	In Line	-10%
Service Stream	Afterpay Touch	Pay Later Retail Payments	In Line	-14%
Telix	Retail Food Group	Multi-brand retail food and beverage franchisor	In Line	-9%
NearMap	Telix	Radio-Pharmaceuticals for Cancer Imaging and Treatment	In Line	-11%
People Infrastructure	Lovisa	Jewelry Retailer	In Line	-14%

Stock returns for month were not indicative of February profit results

These companies are all in great shape:

- Growing Strongly
- Good Gross Margins
- Strong Balance Sheets



COVID-19

- CDC Situation Summary 25th February
 - Assessed the immediate health risk to the general American public as low
 - But then went on to state

“However, it’s important to note that current global circumstances suggest it is likely that this virus will cause a pandemic. In that case, the risk assessment would be different.”
- Connected Countries vs Isolated Countries
 - Pandemic would be widespread across Asia, Middle East, Africa, Continental Europe
 - Milder experience likely for isolated countries Australia/NZ, USA/Canada, UK
 - Has heightened awareness reduced the spread, or is it too contagious?
- Base Case impact in Isolated Countries
 - Minimal effects on domestic consumption except for outward travel

This most impacts travel agents and airlines
 - Other businesses most effected
 1. Those with supply chains through affected countries, or that rely on tourists from those countries; and that have
 2. High operational leverage (high fixed costs with low margins), and / or high financial leverage
- The most impacted businesses may need to raise equity
 - Even if this is only a one year earnings impact



Portfolio Activity

- Portfolio reaction triggered by CDC situation report of 25th February
- Sold / Shorted
 - Travel Stocks:
 - Corporate Travel
 - Flight Centre
 - Qantas
 - Serko
 - Casino Stocks:
 - Crown
 - Sky City
 - Star City
 - Logistics Chain exposed Stocks:
 - Kogan
 - Lovisa (halved weight)
 - McPherson's
- Cash weight
 - Increased from 20%
 - 80% net invested
 - To finish at 40%
 - 60% net invested



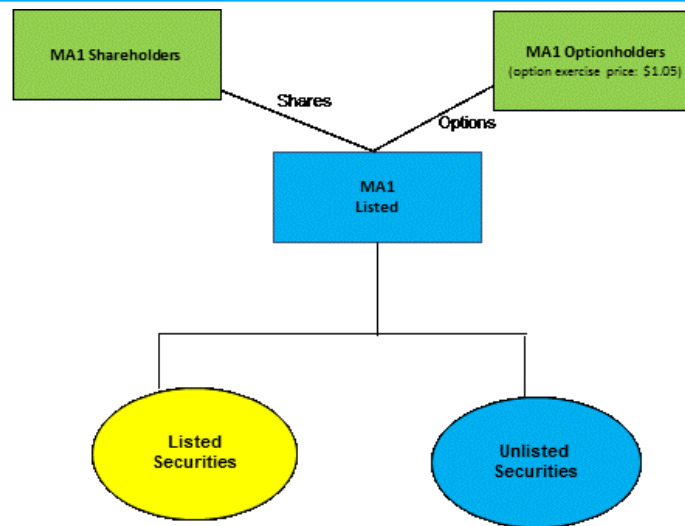
Portfolio snapshot as at 29 February 2020

Type	# of Positions	Weight MA1F	Weight MA1
Outlook Stocks – Long	17	61%	61%
Outlook Stocks - Short	1	-2%	-2%
Event, Pair and Group Trades - Long	3	11%	9%
Event, Pair and Group Trades - Short	1	-11%	-11%
Cash	N/A	41%	42%
Total	22	100%	100%
Gross Exposure		85%	83%
Net Exposure		59%	58%
Beta		0.47	0.47

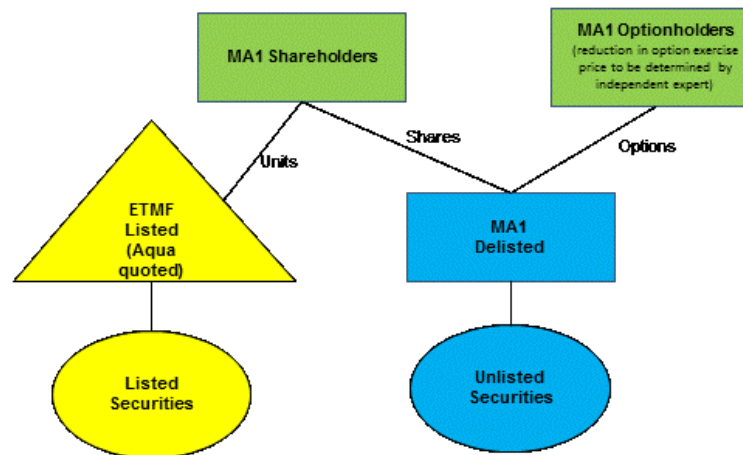


MA1 Proposed Restructure into an ETMF – Structure Diagram

BEFORE



AFTER



MA1 Listed Options Trading under ASX Code: MA1O

Key Dates:

Options cease trading on ASX: 11 May 2020

Options expiry date: 15 May 2020

By exercising your options before expiry, you are entitled to subscribe for one MA1 share at \$1.05 (the exercise price) for each option you own. Should you choose to exercise, no brokerage costs will be incurred.

Options Holders will receive a personalised 'Application for Shares on Exercise of Options' in the mail. This must be completed and returned to the Company's registry, Boardroom Limited, by 5pm (AEDT) 15 May 2020. Payment can be made by BPAY or by cheque (made payable to 'Monash Absolute Investment Company Limited' A reply-paid envelope will be provided with the Application form.

If payment is not received by 5pm (AEDT) on Friday 15 May 2020, then your options will expire with no value and no further entitlement will exist.

Once your funds have cleared, new shares in the Company will be allotted to your account and you will receive an updated holding statement to reflect your shareholding.

If you need assistance in completing the form or to enquire about alternative payment options please call 1300 737 760 or email corporateactions@boardroomlimited.com.au. If you have any further questions about your MA1 options, please call Sandra Donnarumma, Chief Operating Officer of Monash Investors Pty Ltd on Phone: 02 9237 8862.



MA1 Update on Proposed Restructure of LIC into an ETMF

- ASIC concluded their review on the ETMF sector in December 2019. The review identified market integrity risks under certain internal market-making models. ASIC has identified measures firms can implement to manage these risks. Subject to these controls, ASIC has requested that exchange market operators lift the pause on the admission of new managed funds with internal market making.
- ASIC also announced at the same time that it would be providing further information about their findings and provide an update in early 2020.
- The ASX also advised at the same time that the admission of new products can resume in an appropriate timeframe given that ASIC will provide further information about their findings and update [INFO230](#) in early 2020
- The LIC Board and Management are proceeding on the proposed restructure and will work to ensure that our proposal is compliant with ASIC's new guidance.
- We will keep you informed on the progress of the proposal and timeframes. We expect to be able to provide shareholders the notice of meeting around 2 months after ASIC guidance is provided.



Summary

- Moving forward with the restructure of MA1
- Options expire 15th of May with a \$1.05 exercise price
- Pleased with the business performance of the stocks we own
- We have acted to protect the portfolio
 - Shorted/sold: travel and logistics exposed stocks
 - 40% cash weight
- Portfolio is positioned to take advantage of the opportunity to buy shares cheaply once markets have stabilised
- Following large down draws we have typically seen a strong bounce back



Q&A

- Questions are now welcome from callers



Disclaimer

This presentation has been prepared by Monash Investors Pty Limited ABN 67 153 180 333, AFSL 417 201 ("Monash Investors") as authorised representatives of Winston Capital Partners Pty Ltd ABN 29 159 382 813, AFSL 469 556 ("Winston Capital") for the provision of general financial product advice in relation to the Monash Absolute Investment Company Limited ("MA1") and the Monash Absolute Investment Fund ARSN 606 855 501 ("Fund"). Monash Investors is the investment manager of MA1 and the Fund and is for information purposes only.

The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235 150 ("Perpetual") is responsible entity of, and issuer of units in, the Fund. The inception date of the Fund is 2nd July 2012.

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Any investment decision in connection with the Fund should only be made based on the information contained in the disclosure document for the Fund. A product disclosure statement ("PDS") issued by Perpetual dated 12 September 2017 is available for the Fund. You should obtain and consider the PDS for the Fund before deciding whether to acquire, or continue to hold, an interest in the Fund. Initial Applications for units in the Fund can only be made pursuant to the application form attached to the PDS.

Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance. Comparisons are provided for information purposes only and are not a direct comparison against benchmarks or indices that have the same characteristics as the Fund.

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