

Monash Absolute Investment Company Limited

5 March 2021

Monash Absolute Investment Company Limited (ASX Code: MA1)

Post Reporting Season Update from Monash Investors

We look forward to you joining us today for our post reporting season investment update webinar presented by Monash Investors.

A copy of the presentation is attached.

If you haven't already registered, and would like to attend **PLEASE REGISTER FOR THE WEBINAR** [HERE](#)

During the webinar, Simon Shields and Shane Fitzgerald from Monash Investors will discuss the following:

- Key holdings within the portfolio and how they performed during the reporting season
- An overview of major changes within the portfolio
- Brief commentary on recent investment performance and outlook
- Provide an update on the proposal to restructure the Company into an ETMF
- An opportunity for Q&A

Date: Friday 5 March 2021

Time: 12pm (NSW, ACT, VIC, TAS)

11.30am (SA, NT)

11am (QLD)

9.00am (WA)

PLEASE REGISTER FOR THE WEBINAR [HERE](#)

Register on the link above and after the webinar you will also be sent an on-demand link to watch.

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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](#)

Invest With Confidence

Monash Investors

The Monash Absolute Investment Fund (MAIF)
The Monash Absolute Investment Company Ltd (MA1)

March 2021



Agenda

1. Presenters
2. About Monash Investors
3. Performance Overview
4. Top Holdings and Reporting Season
5. Portfolio Activity and Positioning
6. MA1 Dividend and Restructure
7. Q & A



Presenters



Simon Shields CFA, B.Comm (Hons), LLB, MBA

- One of Australia's leading fund managers
 - Former Head of Equities at UBS Asset Management and Colonial First State
- Member of / led multi-award winning equity teams across different investment styles
 - Monash Investors 9 years – Style Agnostic
 - UBS 5 years – DCF Style
 - Colonial First State 9 years – Growth Style
 - Rothschild/Westpac 9 years – Value Style



Shane Fitzgerald B.Comm (Hons)

- Highly rated equity analyst
 - 27 years an equity analyst, including
 - 14 years sell side experience
 - Former Head of JPMorgan Insurance and Diversified Financial Research
 - Former member of the multi award winning JPMorgan Research Team
- Broad experience
 - “Sell side” 14 years JPMorgan
 - “Buy side” 4 years UBS
 - 9 years Monash Investors



About Monash Investors

- Founded in 2012
- Portfolio managers own the firm and have large holdings in the strategy
- Absolute return focus: benchmark unaware – style & stock size agnostic
- Provides an investment strategy that investors can't implement for themselves
 - Differentiated investment philosophy
 - Proprietary fundamental stock research
 - Sophisticated DCF modelling
 - Long and Short
 - Highly Active
- Two ways to invest
 - Monash Absolute Investment Fund, APIR: MON0001AU
 - Monash Absolute Investment Company, ASX: MA1



Monash Absolute Investment Fund (Managed Fund)

Strong absolute and relative track record

Returns (After Fees) to 28 February 2021



	Monash Fund	Average Cash Held	Peer Rank	ASX200	Small Ords
1 Month	2.3%	26%		1.5%	1.6%
3 Months	5.2%	23%	10 / 22	3.0%	4.1%
1 Year	45.5%	18%	2 / 22	6.5%	17.2%
2 Years pa	28.4%	15%	1 / 20	7.6%	9.1%
3 Years pa	17.0%	18%	1 / 20	7.4%	7.2%
5 Years pa	11.3%	20%	6 / 17	10.7%	11.7%
7 Years pa	10.1%	20%	4 / 14	7.4%	8.1%
MAIF Inception pa <small>From 2 July 2012</small>	12.7%	21%	4 / 12	10.3%	7.8%

Sources

MAIF : Monthly Performance Report & Unit Prices www.monashinvestors.com MA1: Announcements www.asx.com.au
 ASX Indices: S&P Dow Jones Indices Peers: Winston Capital - Comparable Absolute Return Funds



Monash Absolute Investment Company (ASX : MA1) returns have rebounded after the initial drawdown post IPO

Returns (After Fees) to 28 February 2021



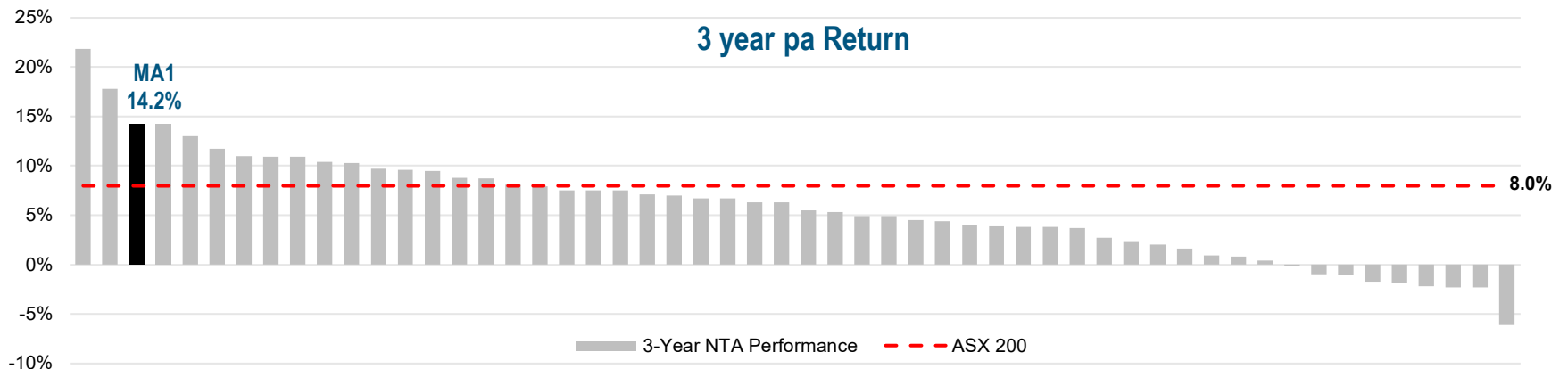
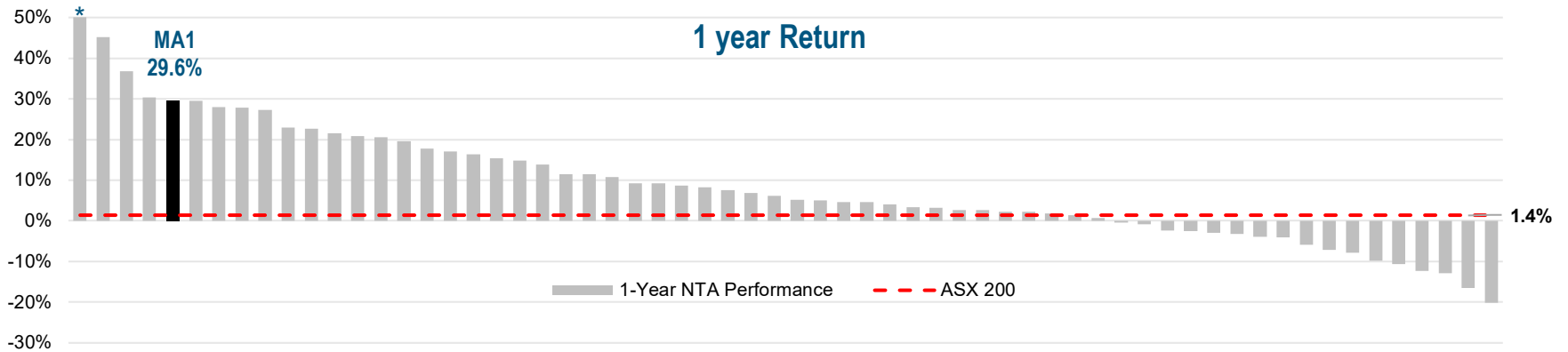
	Monash Company Pre-Tax NTA	MA1 Share Price	ASX200	Small Ords
1 Month	-0.3%	4.55%	1.5%	1.6%
3 Months	1.7%	7.8%	3.0%	4.1%
1 Year	38.8%	53.0%	6.5%	17.2%
2 Years pa	24.7%	33.7%	7.6%	9.1%
3 Years pa	14.5%	18.9%	7.4%	7.2%
4 Years pa	14.2%	11.2%	8.1%	10.5%
MA1 Inception pa From 12 April 2016	9.5%	7.7%	10.4%	11.1%

Sources

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



LIC Pre-Tax NTA returns to 31 December 2020



Sources

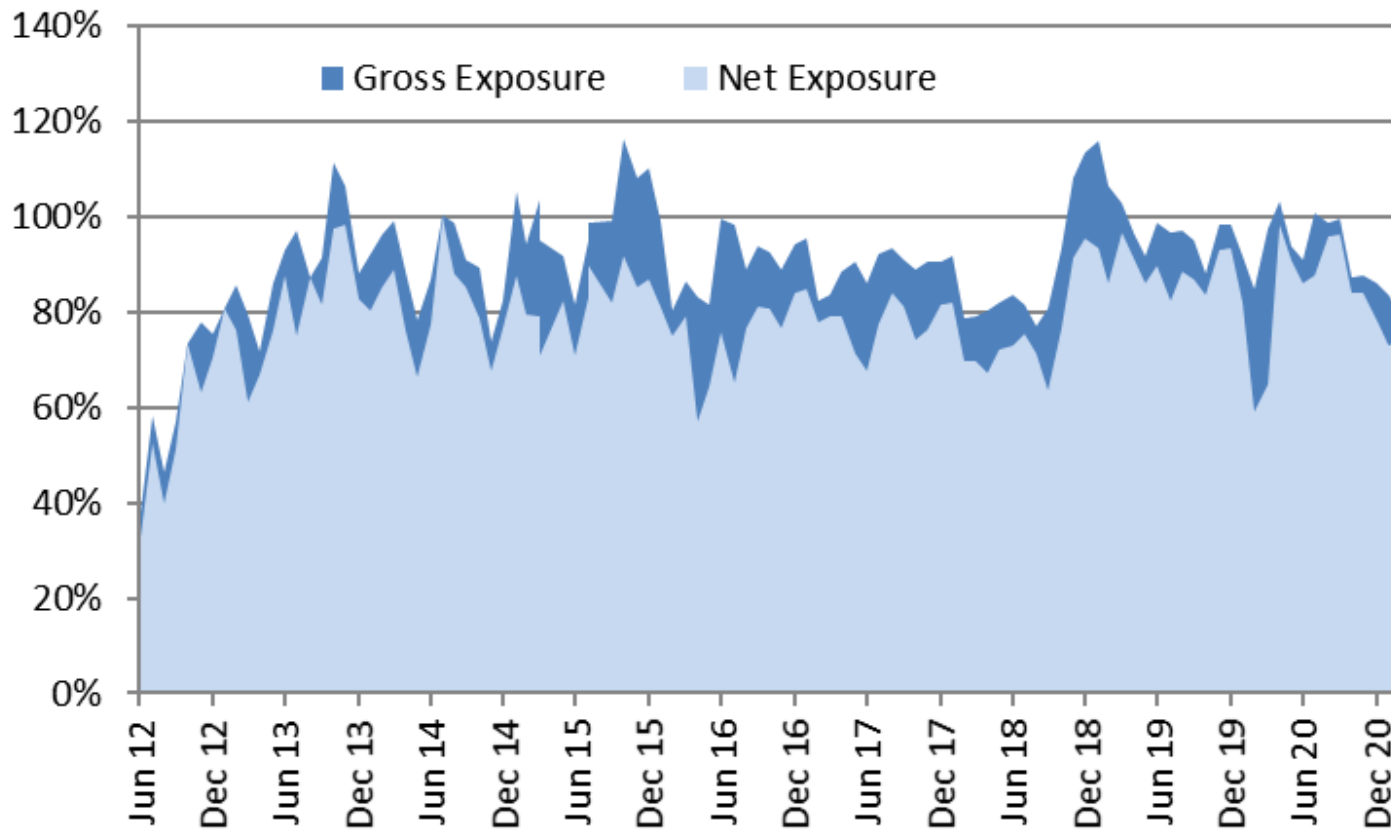
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* Capped performance at 50% for presentation purposes.



Returns not generated through leverage

Gross/Net Exposure



Contribution of Shorted Stocks to Portfolio Return

12 months to 31 January 2021

Portfolio was 5% short on average at any one time over the 12 months

Stock	Contribution	Price Move	Weight	Top Up Trades	Months Held
Flight Centre	3.5%	-67%	-2.5%	4	2.3
Corporate Travel	1.6%	-42%	-2.5%	2	5.3
Freedom Foods	1.4%	-74%	-1.8%	0	7.2
Qantas	1.1%	-40%	-2.5%	3	1.3
IDP education	0.8%	-25%	-1.5%	0	1.0
Skycity Entertainment	0.7%	-46%	-1.0%	1	1.3
Star Entertainment	0.6%	-43%	-1.0%	1	1.3
Eagers Automotive	0.5%	-13%	-2.5%	1	1.5
G8 Education	0.4%	-43%	-1.5%	1	2.0
Treasury Wines	0.4%	-16%	-2.5%	2	5.8
Crown Resorts	0.4%	-30%	-1.0%	1	1.2
Estia Health	0.2%	-31%	-1.0%	1	1.1
Regis Healthcare	-0.1%	1%	-1.0%	0	1.5
Kathmandu	-0.1%	5%	-2.5%	0	2.0
AVERAGE per stock		-33%	-1.8%	1.2	2.5
TOTAL CONTRIBUTION	11.6%				

Sources

Link Fund Solutions MAIF Monthly Contribution Report, Monash Investors



Top Holdings and Reporting Season

Long and Short ranked by weight

Top Holdings 31 August 2020	Top Holdings 28 February 2021	Business Description	Result Announcement	Month Return
People Infrastructure	Healthia	Physiotherapy and Podiatry	Beat	4%
Electro Optic Systems	Lovisa	Jewelry Retailing	Beat	36%
Citadel Group	EML Payments	Transaction Processing	Beat	30%
Kogan.com	People Infrastructure	Workforce Management	In Line	-8%
Nearmap	Telix	Nuclear Medicine	In Line	-3%
Jumbo Interactive	Electro Optic Systems	Laser Tracking Applications	Miss	-14%
Healthia	Jumbo Interactive	Lotteries	In Line	-4%
Credit Corp	Kogan.com	On-Line Retailing	Miss	-4%
Short: Freedom Foods	Short: A2 Milk	Milk and Milk Products	Miss	-22%
	Short: Freedom Foods	Food and Beverage	N/A	halted

Another good reporting season

Results ran 2 to 1 in our favour

During this reporting season there was a rotation by the market from 'COVID winners' towards 'COVID losers'



Recent Portfolio Activity

Sales

- Selling outperformers
 - Trimmed our largest holdings following price strength
 - Sold half our Afterpay at \$132 per share, Exited at \$153
- Reducing/Exiting due to signpost miss
 - Nearmap exited on second strike, unexpected capital raising
 - Exited Polynovo following disappointing sales, medium term sales outlook shaky
 - Reduced Kogan by 1/3 due to unexpected step change in marketing spend

Purchases

- Added stocks with high expected payoffs & re-opening trade
 - Bill Identity, automated checking and paying of utility bills for large businesses
 - Lend Lease, urban renewal pipeline and earnings outlook temporary hit from COVID
 - Corporate travel, recovery in travel will exceed consensus forecasts
- Shorted stocks that were recently covered
 - Flight Centre, covered ahead of re-opening rotation
 - A2 Milk, covered following a poor result



Portfolio snapshot as at 28 February 2021

Type	# of Positions	Weight MA1F	Weight MA1
Outlook Stocks – Long	13	64%	67%
Outlook Stocks - Short	1	-2%	-2%
Event, Pair and Group Trades - Long	2	12%	12%
Event, Pair and Group Trades - Short	1	-0%	-0%
Cash	N/A	26%	24%
Total	17	100%	100%
Gross Exposure		77%	78%
Net Exposure		74%	76%



MA1 Dividend

13.0 cents per share 1st half dividend

- Generated due to strong performance since COVID outbreak
- Fully Franked at 30%
- 12.75% gross yield for the half
- MA1 trades ex-dividend on Wednesday 7th April 2021
- Payment date is Wednesday 21st April 2021



MA1 Restructure

Our objectives are simple

1. Continue to provide access to our strategy
 - that is unique, and
 - has an excellent track record
2. Do so without the persistent discount to NTA
 - Market Maker at NTA with a small spread
 - Dual registry allows direct purchase and redemptions
3. Make it easy to buy/sell additional units
 - Continues to trade on ASX, but with much improved liquidity
 - Dual registry allows direct purchase and redemptions
4. Provide regular income to investors
 - Moving to quarterly distributions
 - Minimum 1.5% per quarter



MA1 Restructure

- Restructure from an LIC (MA1) to an ETMF (MAAT)
- Key agreements have been negotiated
 - Market making agent
 - Prime broker
 - Administrator
- ASIC has confirmed it has no objections
- Independent Expert (BDO) to report
- ASX to provide final approval
- Then a detailed timetable will be provided with the Notice of Meeting
 - Notice of Meeting expected to be issued by 31 March



Questions

- Q & A with Simon Shields and Shane Fitzgerald



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Independent Investment Research (IIR) has awarded a Recommended rating for the Monash Absolute Investment Company Limited (ASX: MA1). To access the IIR report, please refer to our website at www.monashinvestors.com or [click here](#)



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