



Monash Absolute Investment Company Limited

ABN 86 610 290 143

Annual Report 2017

Year Ended 30 June 2017

Level 12, Grosvenor Place,
225 George Street
Sydney NSW Australia 2000

Tel (02) 9237 8862
Email contactus@monashinvestors.com
www.monashinvestors.com



Monash Absolute Investment Company Limited

ABN 86 610 290 143

Appendix 4E for the year ended 30 June 2017

Preliminary Final Report

This preliminary final report is for the reporting year to 30 June 2017. The previous corresponding year end was 20 January 2016 (date of incorporation) to 30 June 2016. The Company commenced operations on 12 April 2016.

Results for announcement to the market

				\$		\$
Revenue/(loss) from ordinary activities	Down	934%	from	365,133	to	(3,046,354)
Loss before tax for the year	Down	9501%	from	(47,631)	to	(4,573,190)
Loss from ordinary activities after tax attributable to members	Down	16042%	from	(18,578)	to	(2,998,797)

Dividends

There were no dividends paid or proposed to be paid for the reporting period. Further information in respect of the Company's dividend policy is contained in Section 3.8 of the Company's Prospectus which was issued on 23 February 2016.

The Company has established a dividend reinvestment plan (DRP) for shareholders. The terms of this DRP are summarised in Section 10.5 of the Company Prospectus.

Net tangible assets

	30 June 2017 \$	30 June 2016 \$
Net tangible asset backing (per share) before tax	0.8743	0.9605
Net tangible asset backing (per share) after tax	0.9167	0.9724

The NTA calculations do not include the effect of any dilution that would arise from the conversion of any unexercised options.

Brief explanation of results

The gross portfolio return before all fees and expenses was approximately -6.88% for the year from 1 July 2016 to 30 June 2017.

Other information required by Listing Rule 4.3A

The Company has the ability to hedge market risk and apply hedging strategy.

Audit

This report is based on the Annual Report which has been audited. The audit report is included in The Company's Annual Report which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.

**Monash Absolute Investment
Company Limited**

ABN 86 610 290 143

**Annual Report
for the year ended 30 June 2017**

Monash Absolute Investment Company Limited
Corporate directory

Directors	Paul Clitheroe AM (Independent Chairman) Suvan de Soysa (Independent Director) Simon Shields (Non-independent Director)
Secretary	Tharun Kuppanda
Investment Manager	Monash Investors Pty Limited Level 5, 139 Macquarie Street Sydney NSW 2000
Registered office	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Phone: (02) 9290 9600
Administrator	Link Fund Solutions Pty Limited (formerly White Outsourcing Pty Limited) Level 12, 680 George Street Sydney NSW 2000 Phone: (02) 8280 7100
Prime broker	Morgan Stanley & Co. International plc Level 26, Chifley Tower 2 Chifley Square Sydney NSW 2000 Phone: 1800 808 576
Share registrar	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Phone: (02) 9290 9600 Fax: (02) 9279 0664 Email: enquiries@boardroomlimited.com.au
	For enquiries relating to shareholdings, dividends and related matters, please contact the share registrar.
Auditors	Pitcher Partners Level 22 MLC Centre 19 Martin Place Sydney NSW 2000 Phone: (02) 9221 2099
Stock exchange	Australian Securities Exchange (ASX) The home exchange is Sydney ASX code: MA1 Ordinary shares ASX code: MA1O Options \$1.00 expiring 29 September 2017
Website	www.monashinvestors.com

Monash Absolute Investment Company Limited ABN 86 610 290 143

Annual Report - For the year ended 30 June 2017

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Monash Absolute Investment Company Limited
Chairman's Letter

Dear Fellow Shareholders,

On behalf of the Board, I would like to thank you for your continued support of the Company during the year.

The Company was listed in April 2016 and has now completed its first full financial year. The Company's share price at 30 June 2017 was \$0.75. As at the 30 June 2017, the pre-tax net tangible asset backing (NTA) of the Company was \$0.8743 per share. The NTA post tax as at the 30 June 2017 was \$0.9167.

The Company's performance this financial year was impacted by the market headwind against smaller growth companies that started in October 2016. Prices of the stocks held in the portfolio weakened during the year, despite the business operations of the stocks remaining on track or exceeding expectations.

On-Market Buy-back

The Board decided that in the best interest of all shareholders to undertake an on-market buy-back of up to 10% of its shares on 22 March 2017 at a time when the share price was above a 10% discount to the pre-tax NTA. The buy-back commenced on 6th April 2017 and for the period to 30th June 2017, 524,319 shares have been bought back at a cost of approximately \$411,669 representing an average price per share of \$0.79. The Board monitors the Company's share price and the on-market buy back facility.

Investment Portfolio and Performance

The Company's portfolio structure at the end of 30th June 2017, was:

Stock	Number of Positions	(%)
Outlook Stocks (Long Stocks)	19	65%
Outlook Stocks (Short)	2	-5%
Event, Pair and Group (Long)	4	13%
Event, Pair and Group (Short)	2	-5%
Cash		31%
Total		100%
Gross Exposure		87%
Net Exposure		69%

The key outlook long position stocks were Challenger Limited (CGF), G8 Education Limited (GEM), Emerchants Limited (EML), Speedcast International Limited (SDA), Netcomm Wireless Limited (NTC) and NextDX Limited (NXT).

The two outlook short positions were Sky Network Television Limited (SKT) and Cocoa-Cola Amatil Limited (CCL).

More detailed information on the Company's investment objectives and strategy can be found in the Company Profile section and the Chief Investment Officer's report in this Annual Report.

Dividend

The Board has determined that no dividend will be paid for the year. The Board will continue to monitor the Company's dividend policy and expects to pay a dividend in the future if it believes it is prudent to do so.

Options

As all shareholders would be aware, under the IPO for the Company, shareholders were issued with options (for no additional consideration) of 1 option for every 1 share issued under the IPO. Each option is exercisable at \$1.00 at any time after the issue on or before 29 September 2017.

Your options will expire on 29th September 2017 and a letter will be sent to you in early September to advise you of the choices of action you can take.

At the time of this report, The Company shares (ASX Code: MA1) are trading at \$0.785, indicating that investors who seek to increase their exposure to the Company should consider buying MA1 shares on market, rather than exercising their options at \$1.00. However, the market price should be monitored for any significant changes and I recommend that you seek independent financial advice if you are unsure whether to exercise your options prior to 29 September 2017.

Investor Update and 2018 Company Outlook

The Investment Manager, Monash Investors Pty Ltd, is holding an investor update teleconference on 6th September 2017 and I encourage you to dial in and participate. There will also be time for Q & A. In this teleconference Monash Investors will be discussing the key actions taken within the portfolio over the past quarter and the top outlook stocks (both long and short) and the smaller 'product launch' stocks in the portfolio.

The Company has had a positive start to the 2018 financial year achieving a positive return of 0.21% (after fees) for the month of July.

Shareholder Communication

Please visit and use the subscription feature on the the Company's website at www.monashinvestors.com to obtain information on this forthcoming teleconference and obtain our regular shareholder communications for the Company including Net Tangible Assets (NTA) announcements, investor presentations and corporate governance information.

The Company's AGM and presentation will be held in Sydney on 10th November 2017 at 11am and I look forward to seeing you there.

Thank you for your ongoing support.

Yours Sincerely,



Paul Clitheroe AM

Monash Absolute Investment Company Limited
Chief Investment Officer's Report
For the year ended 30 June 2017

Monash Absolute Investment Company Limited ("the Company") invests in the Australian Equity market with an absolute return focus. The Company's objective is to achieve a targeted positive return over a market cycle (typically 5 to 7 years) while having a focus on capital preservation each financial year.

Our approach to absolute return investing involves looking for significantly mispriced stocks. Our confidence in these opportunities is improved by identifying recurring business situations or patterns of behaviour by companies, brokers and investors that have resulted in predictable outcomes.

Additionally, where we wish to buy a stock, we are looking for businesses that are underestimated by the market, have high growth in revenue or earnings, have a high payoff to our price target, and may have a near term catalyst.

We are also able to borrow shares that we don't own and then sell them – this is known as short selling. It allows us to profit from a fall in the price of a stock.

We have a number of capital preservation strategies; these include setting price targets, diversification, and reducing market exposure. However, there is no silver bullet and the NTA can fall, as it did in the year just gone, when it reduced decreased by 8.97% (NTA before tax).

The six months between October 2016 and April 2017 were the most difficult, with the share prices of many high growth smaller companies falling. Such companies tend to be well represented in our portfolio because they tend to be the area where we identify the greatest upside pay-offs. While our investments overwhelmingly remained on track as businesses, as we demonstrated following the February 2017 reporting season, there was a small number, whose share prices did not, which resulted in the fall in our NTA.

The likely explanation for the rotation away from small cap stocks that we saw over those 6 months, was the loss of mandates by many small cap managers, as their large super fund clients reweighted into larger stocks. The desire for greater exposure to larger cap stocks seems to have been driven by the perceived riskiness of the large cap stocks falling, as world growth accelerated.

Our reaction at the time was initially to cut our holdings, thereby adding cash to the portfolio, but as prices fell further, we refrained from selling too cheaply. At the same time, we avoided trying to "catch a falling knife" by not buying these very attractively priced shares until we were confident they had bottomed.

We also applied a more ruthless lens on themes/sectors which we believe are hostage to major disruptive forces – a key example being the retail sector and the Amazon effect, leading to our subsequent selling out of Greencross (one of our larger stock holdings).

Our other main reaction was to double down on research into our holdings (both long and short) to ensure we were not leaving any stone unturned and that we were getting as many different perspectives on these businesses as possible. Some of our stocks have significant operations in the USA, and I went over there to visit them. Happily, I found that the businesses were generally doing even better than I expected prior to the trip.

We saw towards the end of the financial year that the rout in small cap growth stocks, we did make some purchases at low prices and we outperformed the broader market by almost 2% in each of May and June.

We are looking forward to seeing the progress reports of the companies we hold in the August reporting season with confidence. We also are continuing to identify new opportunities.

The MA1 share price continues to trade at a large discount to NTA and to help reduce the discount we believe we need to do the following:

- Maintain our current communications program.
- Maintain the share buyback: 524,319 shares had been bought back in the period to 30 June 2017.
- Maintain our focus on working hard to deliver performance.

As it is currently positioned, the Company's portfolio has an exposure to a variety of companies that have strongly growing businesses. This is often due to store rollout, market penetration of a product, geographic expansion or cyclical recovery. We see this across a number of industries: financial services, healthcare, medical devices, mining services, retailing, sport and leisure, and telecommunications. We have also identified a much smaller number of deteriorating businesses that face an increasingly hostile competitive environment that we can utilise our short strategy.

Overall, our portfolio has a long bias and the main driver of our performance should be those companies executing on their opportunities and delivering strong growth in cash flows and earnings.

I look forward to reporting on our progress.



Simon Shields
Principal
Monash Investors

Company Profile

Investment Objective

The investment objectives of Monash Absolute Investment Company Limited ("the Company") are:

- to achieve a targeted positive return over a full investment cycle which it considers to be a minimum period of 5 to 7 years; and
- avoid a negative return each financial year.

Investment Strategy

The Company's investment strategy is to invest in a portfolio of predominantly Australian listed securities, and some Pre-IPO securities, in order to target an absolute return.

The Company's absolute return strategy seeks to achieve a targeted positive return by taking long positions in some securities and short positions in other securities. Various investment techniques are used to maximise returns including pairs trading, price targets, stop loss levels (set by reference to price or changes to circumstances), holding cash and the use of derivatives.

The Company employs an investment approach which is high conviction, benchmark unaware, security size agnostic, investment style (i.e. growth, value, discounted cash flow) agnostic and has a capital preservation focus.

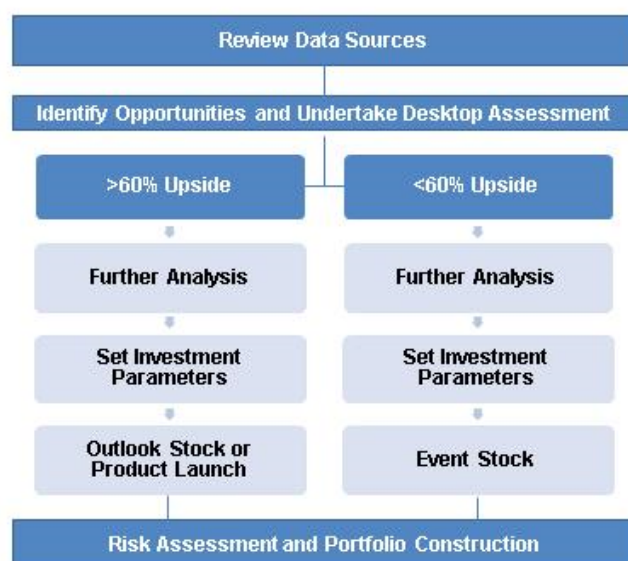
Investment Philosophy

The Company is focused on identifying securities that meet one or more of the following characteristics:

- **Insight:** securities that are considered to be underestimated or misunderstood in some way by the market;
- **Growth:** securities with high growth in revenue, cash flow or earnings per share forecast;
- **Value:** securities that represent a high expected pay-off to a target price the Company sets; and
- **Event:** securities identified with a near term event or catalyst that the Company believes should drive a share price reaction.

Investment Process

To achieve its objectives, the Company's Investment Manager employs the following investment process which generally involves the steps set out in the diagram below:



Investment Process (continued)

a) Review Data Sources (Idea Generation)

The Company's Investment Manager applies its investment philosophy to help identify securities that have one or more of the characteristics **Insight, Growth, Value** and **Event** by:

- filtering news and ideas from a number of data sources including company releases, news media, equity broking research houses and meetings with equity broking analysts;
- meeting with senior management of the companies in which the Investment manager may consider investing; and/or
- consulting with the business and professional networks of the Investment Manager.

b) Identify Opportunities and Undertake Desktop Assessment

Once a potential opportunity is found, a desktop assessment is undertaken to determine whether the security meets the hurdle rates of return.

If the anticipated return on buying the investment is greater than 60%, the security is a potential candidate to become an outlook stock or product launch stock. If the expected return on "shorting" the investment is greater than 30%, the security is a candidate to become an outlook short position.

If the expected return is less than 60% for buying or 30% for "shorting", then the security may qualify as an event Stock. Securities will only qualify as event stocks if the Company can identify an event or catalyst it believes will drive returns.

What are Outlook Stocks or Product Launch Stocks?

Outlook stocks (both long positions and short positions) and product launch stocks are securities, in the Investment Manager's view, whose current valuation does not reflect the future earnings potential of the business.

- **Long Outlook Positions** have strong business outlooks with large valuation upside and moderate to low downside risk;
- **Short Outlook Positions** have poor business outlooks with large valuation downside; and
- **Product Launch Stocks** are early stage businesses in the process of launching a new product or expanding into a new region, which the Company believes is highly attractive to the business, and may be higher risk.

What are Event Stocks (Long and Short Positions)?

Event stocks (long and short Positions) are securities that, in the Company's view, are due to experience, or have experienced, a catalyst that has not yet been factored into the value of the Company (an **Event**). An Event can be information or news about the equity investment that should have an impact on the valuation of the investment. Events fall into three broad categories:

- pre-events, for example, ahead of an earnings announcement or strategy briefing;
- post-events, for example, following an earnings announcement or strategy briefing; and
- liquidity events, for example, as a result of a share issue or sell down by an existing holder.

c) Further Analysis & Setting Investment Parameters

Further Analysis

For outlook stocks and product launch stocks, a further analysis is undertaken to confirm the expected upside to the investment opportunity. This may include:

- visits with the company, its competitors, suppliers, customers, regulators or industry experts;
- creating a detailed financial model of the company; and
- writing up an investment proposal that summarises the investment thesis, expected signposts and potential thesis violations.

c) Further Analysis & Setting Investment Parameters (continued)

For event stocks, the Investment Manager considers the effect and likelihood of an event impacting a company that may drive its share price. An event is not required for an outlook stocks or product launch stocks; it is the outlook for the underlying business and our assessment of the existing mispricing of the security if the market was fully aware of the opportunity that drives these investments. An event stock it is all about the event itself and the expected share price reaction to that event that drives the investment.

The Investment Manager continually monitors for any new information that can impact positively or negatively on each investment (the rationale for the investment in a particular security).

Setting Investment Parameters

Price targets are determined for each investment and continually monitored.

Stop loss levels are determined based on either share price movements (for outlook stocks or product launch stocks) or the occurrence of thesis violations for event stocks (for example the identified event does not impact the valuation of a security as expected).

d) Portfolio Construction based on Risk Assessment

The portfolio is constructed in accordance with investment guidelines required by the Company from time to time and it aims to diversify within the portfolio for securities, sectors, countries and investment themes.

Once an investment opportunity is identified, the risk is reviewed to determine the weight of the security in the portfolio. The risk assessment “triangulates” the following factors:

- the likelihood of the investment thesis success versus thesis violation. That is the Company's confidence that the investment thesis will play out as expected;
- the potential upside pay-off;
- the liquidity of the security; and
- the portfolio's risk exposure to similar investment themes and industries.

The Company is able to reduce exposure through holding cash, options, futures and shorting securities. The Company's portfolio may at times have a large amount of cash holdings.

Corporate Governance Statement

The Board of Directors of Monash Absolute Investment Company Limited ("the Company") is committed to maintaining high standards of Corporate Governance. This Corporate Governance Statement discloses the extent to which the Company has followed the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles and Recommendations).

The corporate governance statement adopted by the Board can be found in the Company's Corporate Governance section <http://www.monashinvestors.com/listed-company/corporate-governance/>

Directors' Report

The Directors present their report together with the financial report of Monash Absolute Investment Company Limited ("the Company") for the year ended 30 June 2017. The prior comparative period is for the period 20 January 2016 to 30 June 2016.

Directors

The following persons held office as Directors during the year or since the end of the year and up to the date of this report:

Paul Clitheroe AM (Independent Chairman)
Suvan de Soysa (Independent Director)
Simon Shields (Non-independent Director)

Principal activities

The Investment Strategy is to invest in a portfolio of Australian and international listed equity securities, Pre-IPO securities, exchange traded and over-the-counter derivatives and cash.

There was no significant change in the nature of the activity of the Company during the year.

Dividends

There were no dividends paid or proposed to be paid for the reporting period. Further information in respect of the Company's dividend policy is contained in Section 3.8 of the Company's Prospectus which was issued on 23 February 2016.

The amount of any dividend will be at the discretion of the Board. Currently, it is the Board's intention that all dividends paid to shareholders will be franked to 100% or to the maximum extent possible.

Review of operations

The operating loss before tax was \$4,573,190 for the year ended 30 June 2017 (2016: loss \$47,631). The net result after tax was a loss of \$2,998,797 (2016: loss \$18,578).

The net tangible asset backing before tax as at 30 June 2017 was \$0.8743 per share (2016: \$0.9605).

There are 52,465,000 options outstanding at year-end. No options have been exercised this financial year.

Further information on the operating and financial review of the Company is contained in the Chairman's Letter on page 1 and the Chief Investment Officer's Report on page 3 of the Annual Report.

Financial Position

The net asset value of the Company for the financial year ended 30 June 2017 was \$47,646,909 (2016: \$51,057,375).

Significant changes in the state of affairs

For the financial year, a total of 524,319 shares were bought back at an average buy-back price of \$0.79 cents per share.

On 8 May 2017, Morgan Stanley & Co. International plc was appointed as Prime Broker of the Company, replacing UBS Nominees Pty Ltd.

There were no other significant changes in the state of affairs of the Company during the year ended 30 June 2017.

Matters subsequent to the end of the financial period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Likely developments and expected results of operations

The Company will continue to pursue its investment objectives for the long term benefit of the members. This will require continual review of the investment strategies that are currently in place and may require changes to these strategies to maximise returns.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Information on directors

Paul Clitheroe AM Independent Chairman, Non-executive Independent Director

Experience and expertise

Paul Clitheroe has had an extensive career within the financial services industry as a company director, key practitioner and also educator. Paul Clitheroe has been Chairman of the Australian Government Financial Literacy Board since 2002, which sets and implements the national strategy for financial literacy with a particular focus on schools, universities and vocational education. Paul Clitheroe was host of "Money" on Channel 9 from 1993 to 2002. His Talking Money segments run on radio stations across Australia and his Money books have sold over 750,000 copies. Paul was appointed as a Member of the Order of Australia in 2008 for services to the financial services industry and the community. In 2012 he was made a Life Member by FINSIA. Paul Clitheroe holds the Chair of Financial Literacy at Macquarie University and is a Professor in the School of Business and Economics.

Paul Clitheroe holds a Bachelor of Arts from the University of NSW.

Other current directorships

Paul Clitheroe was a co-founder of Ipac Securities Limited in 1983 and remains a non-executive director. Paul is Chairman of the youth anti drink driving body RADD. He is also Chairman of the ASX listed entity, InvestSMART Group Ltd, a non-executive director of Wealth Defender Limited, an ASX listed investment company as well as Chairman of Money Magazine Australia and the Clitheroe Foundation.

Former directorships in last 3 years

Paul Clitheroe has not held any other directorships of listed companies within the last three years.

Interests in shares and options

Details of Paul Clitheroe's interests in shares of the Company are included later in this report.

Interests in contracts

Paul Clitheroe has no interests in contracts of the Company.

Information on directors (continued)

Suvan de Soysa Non-executive Independent Director, Chairman of Audit & Risk Committee

Experience and expertise

Suvan de Soysa has over 30 years' experience in wealth management. He was a co-founder of Ipac Securities Limited, which became a leading financial planning and portfolio management firm that was acquired by AXA APH in 2002. At Ipac Securities Limited, Suvan held a range of senior executive roles with accountability for financial planning, strategic partnerships, investment product and registry services, and was managing director of the private client business AXA Life subsidiary in the UK. Suvan has consulted extensively to the financial services industry and held a range of governance roles, as a director of Ipac Securities Limited and Ipac Asset Management, and director of joint ventures with several Australian financial institutions. He has served on audit and compliance committees and been a nominated responsible officer on behalf of the trustee of superannuation funds in Australia.

Suvan de Soysa holds a Bachelor of Science (Economics) Hons from University of London and Bachelor of Laws from University of Sydney. He gained his admission as a solicitor in 1985, is a Certified Financial Planner, and a Fellow of FINSIA and a Fellow of the Australian Institute of Company Directors.

Other current directorships

No current directorships.

Former directorships in last 3 years

Suvan de Soysa has not held any other directorships of listed companies within the last three years.

Interests in shares and options

Details of Suvan de Soysa's interests in shares of the Company are included later in this report.

Interests in contracts

Suvan de Soysa has no interests in contracts of the Company.

Simon Shields Executive Non-independent Director

Experience and expertise

Simon Shields is one of Australia's leading fund managers with over 27 years of industry experience including as Head of Australian Equities at UBS Asset Management (Australia) Limited (UBS) and Head of Australian Equities at Colonial First State Limited (CFS). Simon has been a member of and/or led multi-award winning equity teams across a range of investment styles. Simon commenced his career as an analyst with Westpac Investment Management Limited (now part of BT Investment Management Limited), before moving into a portfolio management role. In 1995, he moved to Rothschild Australia Asset Management Limited as a Portfolio Manager, responsible for value-style Australian equities. In March 1998, he joined CFS as a Senior Portfolio Manager, responsible for growth style Australian and New Zealand equities, before becoming the Head of Australian Equities in January 2004. In July 2007, he moved to UBS as Managing Director and Head of Australian Equities and in 2011 also took responsibility for the ING Investment Management Limited Australian equity team following its acquisition by UBS.

Simon Shields holds a Bachelor of Commerce with honours, Bachelor of Law and Masters of Business Administration and is a Chartered Financial Analyst.

Other current directorships

Simon Shields is a director and co-founder of Monash Investors Pty Limited.

Former directorships in last 3 years

Simon Shields has not held any other directorships of listed companies within the last three years.

Special responsibilities

Senior Portfolio Manager of Monash Investors Pty Limited.

Interests in shares and options

Details of Simon Shields' interests in shares of the Company are included later in this report.

Information on directors (continued)

Interests in contracts

Details of Simon Shields' interests in contracts of the Company are included later in this report.

Company secretary

Tharun Kuppanda

Trained as a corporate lawyer, Tharun Kuppanda is an experienced Company Secretary and corporate governance professional. Tharun Kuppanda has been involved in the listing of a number of entities on ASX, as well as advising entities in relation to the listing rules and the Corporations Act. Tharun Kuppanda has worked with Boards and management in both the ASX listed and the unlisted company arenas. His experience covers a range of industries including technology, gaming and mining companies.

Tharun Kuppanda holds a Bachelor of Laws, Bachelor of Business and Commerce (Accounting) and a Graduate Diploma in Legal Practice as well completing training from the Australian Institute of Company Directors in the areas of Financial Statements and Directors Duties.

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2017 and up to the date of this audit report, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Meetings of committee	
			Audit, Risk and Compliance	
	A	B	A	B
Paul Clitheroe	6	6	4	4
Suvan de Soysa	6	6	4	4
Simon Shields	6	6	4	4

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the year

Remuneration report (Audited)

This report details the nature and amount of remuneration for each Director of Monash Absolute Investment Company Limited in accordance with the *Corporations Act 2001*.

The Directors will be entitled to receive the following benefits:

- (a) Paul Clitheroe: \$50,000 p.a.
- (b) Suvan de Soysa: \$40,000 p.a.

Simon Shields is remunerated by the Investment Manager and will not receive Directors' fees or any other form of remuneration from the Company.

Details of remuneration

The following tables show details of the remuneration paid by the Company to the Directors of the Company for the current financial year.

Monash Absolute Investment Company Limited
Directors' Report
For the year ended 30 June 2017
(continued)

Remuneration report (Audited) (continued)

Details of remuneration (continued)

	Short-term employee benefits	Post-employment benefits	
	Salary and fees \$	Superannuation \$	Total \$
2017			
Non-executive Directors			
Paul Clitheroe AM	47,831	2,169	50,000
Suvan de Soysa	10,000	30,000	40,000
Sub-total non-executive Directors	57,831	32,169	90,000
Executive Director			
Simon Shields*	-	-	-
Sub-total executive Director	-	-	-
Total key management personnel compensation	57,831	32,169	90,000
2016			
	Salary and fees \$	Superannuation \$	Total \$
Non-executive Directors			
Paul Clitheroe AM	12,500	-	12,500
Suvan de Soysa	10,000	-	10,000
Sub-total non-executive Directors	22,500	-	22,500
Executive Director			
Simon Shields*	-	-	-
Sub-total executive Director	-	-	-
Total key management personnel compensation	22,500	-	22,500

* Mr Simon Shields received no fees as an individual. Mr Simon Shields is a shareholder and officer of Monash Investors Pty Limited. During the year, Monash Investors Pty Limited was entitled to receive fees of \$744,908 (2016: \$173,669) net of reduced input tax credits for the management of the Company, out of which costs of corporate and investment management are paid.

Director Related Entity Remuneration

All transactions with related entities were made on normal commercial terms and conditions.

Simon Shields is a Director and beneficial owner of Monash Investors Pty Limited, the entity appointed to manage the investment portfolio of Monash Absolute Investment Company Limited. In its capacity as Investment Manager, Monash Investors Pty Limited was paid a management fee of 1.50% p.a. (plus GST) of gross assets amounting to \$744,908 net of reduced input tax credits (2016: \$173,669).

As at 30 June 2017, the balance payable to the Investment Manager was \$61,713 (2016: \$68,482).

Remuneration report (Audited) (continued)

Details of remuneration (continued)

Director Related Entity Remuneration (continued)

In addition, Monash Investors Pty Limited is to be paid, annually in arrears, a performance fee being 20% (exclusive of GST) of the Portfolio's outperformance and subject to a high water mark. Further information in respect of the Company's performance fee calculation is contained in Section 9.1 of the Company's Prospectus which was issued 23 February 2016.

For the year ended 30 June 2017 in its capacity as Investment Manager, Monash Investors Pty Limited was not paid a performance fee (2016: \$nil).

No Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

Remuneration of Executives

There are no executives that are directly paid by the Company. However, Simon Shields is considered an Executive Director on the basis that he is a Director and a shareholder of Monash Investors Pty Limited and due to his role as an Investment Manager in that entity, is integrally involved in the operation of the Company. Monash Investors Pty Limited remunerates Simon Shields as an employee and also provides day to day management of the Company and is remunerated as outlined above.

Equity Instrument Disclosures Relating to Directors

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Ordinary Shares Held

2017

Director	Position	Balance at 28 September 2016	Acquisitions	Disposals	Balance at 22 August 2017
Paul Clitheroe	Independent Chairman	500,000	-	-	500,000
Suvan de Soysa	Independent Director	500,000	-	-	500,000
Simon Shields	Non-independent Director	200,001	-	-	200,001
		1,200,001	-	-	1,200,001

2016

Director	Position	Balance at 20 January 2016	Acquisitions	Disposals	Balance at 28 September 2016
Paul Clitheroe					
AM	Independent Chairman	-	500,000	-	500,000
Suvan de Soysa	Non-independent Director	-	500,000	-	500,000
Simon Shields	Non-independent Director	1	200,000	-	200,001
		1	1,200,000	-	1,200,001

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders.

Remuneration report (Audited) (continued)

Details of remuneration (continued)

Equity Instrument Disclosures Relating to Directors (continued)

Options Held

2017

Director	Position	Balance at 28 September 2016	Options Acquired	Options Exercised	Balance at 22 August 2017
Paul Clitheroe	Independent Chairman	500,000	-	-	500,000
Suvan de Soysa	Independent Director	500,000	-	-	500,000
Simon Shields	Non-independent Director	200,000	-	-	200,000
		1,200,000	-	-	1,200,000

2016

Director	Position	Balance at 20 January 2016	Options Acquired	Options Exercised	Balance at 28 September 2016
Paul Clitheroe					
AM	Independent Chairman	-	500,000	-	500,000
Suvan de Soysa	Non-independent Director	-	500,000	-	500,000
Simon Shields	Non-independent Director	-	200,000	-	200,000
		-	1,200,000	-	1,200,000

Directors and Director related entities acquired options in the Company on the same terms and conditions available to other shareholders.

The Directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

End of remuneration report

Insurance and indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services in Note 20 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

Non-audit services (continued)

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the financial report have been rounded to the nearest dollar, unless otherwise specified.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.

This report is made in accordance with a resolution of Directors.



Paul Clitheroe AM
Independent Chairman

Sydney
22 August 2017

Auditor's Independence Declaration
To the Directors of Monash Absolute Investment Company Limited
A.B.N. 86 610 290 143

In relation to the independent audit for the year ended 30 June 2017, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Monash Absolute Investment Company Limited during the year.



C I Chandran
Partner

Pitcher Partners
Sydney

22 August 2017

Monash Absolute Investment Company Limited
Statement of Comprehensive Income
For the year ended 30 June 2017

		Year ended 30 June 2017 \$	For the period 20 January 2016 to 30 June 2016 \$
	Notes		
Investment income from ordinary activities			
Net realised (losses)/gains on investments		(2,083,634)	194,158
Net unrealised (losses)/gains on investments		(1,789,463)	10,441
Dividend income		693,673	49,214
Interest income		140,686	111,320
Net foreign exchange loss		(7,616)	-
		<u>(3,046,354)</u>	<u>365,133</u>
Expenses			
Management fees	22	(744,908)	(173,669)
Brokerage expense		(79,889)	(97,465)
Short dividend expense		(133,038)	-
Interest expense		(6,484)	-
Stock loan fees		(21,247)	(5,611)
Accounting fees		(89,461)	(18,450)
Share registry fees		(29,863)	(11,596)
Company Secretarial fees		(50,010)	-
Tax fees	20	(18,343)	(9,900)
Legal fees		(3,432)	(416)
Directors' fees		(90,000)	(22,500)
ASX fees		(43,110)	(19,433)
Audit fees	20	(40,465)	(24,750)
Marketing expense		(84,336)	-
Other expenses		(92,250)	(28,974)
		<u>(1,526,836)</u>	<u>(412,764)</u>
Loss before income tax		(4,573,190)	(47,631)
Income tax benefit	7	1,574,393	29,053
Loss for the year after tax		<u>(2,998,797)</u>	<u>(18,578)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(2,998,797)</u>	<u>(18,578)</u>
		Cents	Cents
Losses per share for loss attributable to the ordinary equity holders of the Company:			
Basic losses per share	25	(0.06)	(0.07)
Diluted losses per share	25	(0.06)	(0.07)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Monash Absolute Investment Company Limited
Statement of Financial Position
As at 30 June 2017

		At	
	30 June		30 June
	2017		2016
	\$		\$
Notes			
ASSETS			
Current assets			
Cash and cash equivalents	8	13,474,238	20,325,794
Trade and other receivables	9	1,099,613	1,122,964
Financial assets at fair value through profit or loss	10	35,486,490	42,630,131
Other current assets		19,439	19,456
Total current assets		50,079,780	64,098,345
Non-current assets			
Deferred tax assets	12	2,202,836	632,651
Total non-current assets		2,202,836	632,651
Total assets		52,282,616	64,730,996
LIABILITIES			
Current liabilities			
Trade and other payables	13	378,039	7,644,274
Financial liabilities at fair value through profit or loss	14	4,253,584	6,021,055
Total current liabilities		4,631,623	13,665,329
Non-current liabilities			
Deferred tax liabilities	15	4,084	8,292
Total non-current liabilities		4,084	8,292
Total liabilities		4,635,707	13,673,621
Net assets		47,646,909	51,057,375
EQUITY			
Issued capital	16	50,664,284	51,075,953
Profits reserve	17(a)	1,236,026	1,236,026
Accumulated losses	17(b)	(4,253,401)	(1,254,604)
Total equity		47,646,909	51,057,375

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Monash Absolute Investment Company Limited
Statement of Changes in Equity
For the year ended 30 June 2017

	Notes	Issued capital \$	Profits reserve \$	Accumulated losses \$	Total \$
Balance at 20 January 2016		-	-	-	-
Loss for the period		-	-	(18,578)	(18,578)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(18,578)	(18,578)
Transactions with owners in their capacity as owners:					
Shares issued at incorporation	16	1	-	-	1
Shares issued under IPO	16	52,465,000	-	-	52,465,000
Costs of issued capital, net of tax	16(b)	(1,389,048)	-	-	(1,389,048)
Transfer to profits reserve	17	-	1,236,026	(1,236,026)	-
		<u>51,075,953</u>	<u>1,236,026</u>	<u>(1,236,026)</u>	<u>51,075,953</u>
Balance at 30 June 2016		51,075,953	1,236,026	(1,254,604)	51,057,375
Balance at 1 July 2016		51,075,953	1,236,026	(1,254,604)	51,057,375
Loss for the year		-	-	(2,998,797)	(2,998,797)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(2,998,797)	(2,998,797)
Transactions with owners in their capacity as owners:					
Share buy back	16(g)	(411,669)	-	-	(411,669)
		<u>(411,669)</u>	<u>-</u>	<u>-</u>	<u>(411,669)</u>
Balance at 30 June 2017		50,664,284	1,236,026	(4,253,401)	47,646,909

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Monash Absolute Investment Company Limited
Statement of Cash Flows
For the year ended 30 June 2017

	Year ended 30 June 2017 \$	For the period 20 January 2016 to 30 June 2016 \$
Notes		
Cash flows from operating activities		
Proceeds from sale of financial liabilities held at fair value through profit or loss	10,750,629	10,095,062
Payments for settlement of financial liabilities held at fair value through profit or loss	(12,519,122)	(4,544,793)
Interest paid	(6,484)	-
Dividends paid on short stocks	(127,784)	-
Proceeds from sale of financial assets held at fair value through profit or loss	37,166,266	3,396,164
Purchase of financial assets held at fair value through profit or loss	(41,011,294)	(38,760,092)
Dividends received	444,413	-
Brokerage expenses	(72,727)	(105,866)
Interest received	158,222	83,679
Investment management fees paid	(756,127)	(117,894)
Payments for other expenses	(458,263)	(88,120)
Net cash outflow from operating activities	24 (6,432,271)	(30,041,860)
Cash flows from financing activities		
Payments for shares bought back	(411,669)	-
Share issue transaction costs	-	(2,097,347)
Shares issued	-	52,465,001
Net cash (outflow)/inflow from financing activities	(411,669)	50,367,654
Net (decrease)/increase in cash and cash equivalents	(6,843,940)	20,325,794
Cash and cash equivalents at the beginning of the year	20,325,794	-
Effects of exchange rate changes on cash and cash equivalents	(7,616)	-
Cash and cash equivalents at the end of the year	8 13,474,238	20,325,794

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 General information

Monash Absolute Investment Company Limited ("the Company") is a listed public company domiciled in Australia. The address of Monash Absolute Investment Company Limited's registered office is Level 12, 225 George Street, Sydney, NSW 2000. The Company's investment strategy is to invest in a portfolio of Australian and international listed equity securities, Pre-IPO securities, exchange traded and over-the counter derivatives and cash.

The financial statements of the Company are for the year ended 30 June 2017.

The prior comparative period is for the period 20 January 2016 to 30 June 2016.

2 Significant accounting policies

The principal accounting policies adopted in the preparation of this financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Company Monash Absolute Investment Company Limited.

(a) Basis of preparation

This general purpose financial statements has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Monash Absolute Investment Company Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 August 2017.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Monash Absolute Investment Company Limited also comply with IFRS as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2016 that have a material impact on the Company.

(iii) Historical cost convention

This financial statements has been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

2 Significant accounting policies (continued)

(a) Basis of preparation (continued)

(v) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Company
AASB 9 <i>Financial Instruments</i>	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	The Company does not expect any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities as they are carried at fair value through profit or loss, the derecognition rules have not changed from previous requirements and the company does not apply hedge accounting.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Company has not yet decided whether it will early adopt AASB 9.
AASB 15 <i>Revenue from Contracts with Customers</i>	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.	The Company's main sources of income are interest, dividends and distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the Directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.	Mandatory for financial years commencing on or after 1 January 2018. The Company has not yet decided whether it will early adopt AASB 15.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2 Significant accounting policies (continued)

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

(i) Investment income

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the year they are incurred in accordance with the policies described in Note 2(g).

(ii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. Interest income is recognised on a gross basis, including any withholding tax, if any.

(iv) Other income

The Company recognises other income when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

(c) Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 Significant accounting policies (continued)

(e) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within two business days. A provision for impairment of amounts due from brokers is recognised in the Statement of Comprehensive Income when there is objective evidence that the Company will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter into bankruptcy or financial reorganisation and default in payments.

(f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

(g) Financial assets and liabilities

The Company's investments are classified as at fair value through profit or loss. They comprise:

Classification

(i) Financial instruments held for trading

These include futures, forward contracts, options and interest rate swaps. Derivative financial instruments entered into by the Company do not meet the hedge accounting requirements as defined by the accounting standards. Consequently, hedge accounting is not applied by the Company.

(ii) Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded equity instruments and unlisted trusts.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is to evaluate information about these financial instruments on a fair value basis together with other related financial information.

Recognition and derecognition

Purchases and sales of financial assets at fair value through profit or loss are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures financial assets at fair value. Transaction costs of financial assets at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is recognised as realised gains and losses from the sale of financial instruments in the Statement of Comprehensive Income.

The Company's accounting policy on fair value measurements is discussed in Note 4.

2 Significant accounting policies (continued)

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(j) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Profits reserve

A profits reserve has been created representing an amount allocated on a monthly basis from retained earnings that is preserved for future dividend payments.

(l) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

In accordance with the *Corporations Act 2001*, the Company may pay a dividend where the Company's assets exceed its liabilities, the payment of the dividend is fair and reasonable to the Company's shareholders as a whole and the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 Significant accounting policies (continued)

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where applicable, the Company qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%; hence fees for these services have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the financial report have been rounded to the nearest dollar, unless otherwise specified.

(p) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

(q) Comparatives

Where necessary, comparative information has been reclassified to be consistent with current reporting period.

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

(a) Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Other price risk

Exposure

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through profit or loss.

The Company and the Investment Manager seek to manage the risk that the Portfolio will decrease in value over each financial year.

The Investment Strategy, investment process, investment guidelines and risk measurement tools used by the Investment Manager are directed towards managing the risk that the Portfolio will fall in value whilst targeting an Absolute Return.

3 Financial risk management (continued)

(a) Market risk (continued)

The Company's investment sector breakdown as at 30 June is as below:

Sector	2017 (%)	2016 (%)
Information technology	15.64	13.94
Financial services	26.76	25.68
Health care	18.84	14.75
Consumer staples	(3.51)	14.59
Industrials	0.96	4.77
Consumer discretionary	15.70	17.76
Materials	2.33	5.31
Telecommunications services	23.28	3.20
Total	100.00	100.00

As at 30 June 2017 four securities (2016: eight securities) represented over 5% of the long or short investment portfolio.

Sensitivity

The following table illustrates the effect on the Company's equity from possible changes in market risk that were reasonably possible based on the risk the Company was exposed to at reporting date, assuming a flat tax rate of 30 per cent. The analysis is based on the assumption that the equity index had increased by 5% and 10% or decreased by 5% and 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

	Impact on post-tax loss 2017 \$	2016 \$
Decrease 5%	(1,561,645)	(1,702,791)
Increase 5%	1,561,645	1,702,791
Decrease 10%	(3,123,291)	(3,405,583)
Increase 10%	3,123,291	3,405,583

Post-tax loss for the year would increase/decrease as a result of (losses)/gains on equity securities classified as at fair value through profit or loss.

At balance date, the net portfolio position was \$31,232,906 (2016: \$36,609,076).

(i) Cash flow and fair value interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

3 Financial risk management (continued)

(a) Market risk (continued)

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

At 30 June 2017

	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	13,474,238	-	-	13,474,238
Trade and other receivables	-	-	1,099,613	1,099,613
Financial assets held at fair value through profit or loss	-	-	35,486,490	35,486,490
	<u>13,474,238</u>	-	<u>36,586,103</u>	<u>50,060,341</u>
Financial liabilities				
Trade and other payables	-	-	(378,039)	(378,039)
Financial liabilities held at fair value through profit or loss	-	-	(4,253,584)	(4,253,584)
	-	-	<u>(4,631,623)</u>	<u>(4,631,623)</u>
Net exposure to interest rate risk	<u>13,474,238</u>	-	<u>31,954,480</u>	<u>45,428,718</u>

At 30 June 2016

	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	20,325,794	-	-	20,325,794
Trade and other receivables	-	-	1,122,964	1,122,964
Financial assets held at fair value through profit or loss	-	-	42,630,131	42,630,131
	<u>20,325,794</u>	-	<u>43,753,095</u>	<u>64,078,889</u>
Financial liabilities				
Trade and other payables	-	-	(7,644,274)	(7,644,274)
Financial liabilities held at fair value through profit or loss	-	-	(6,021,055)	(6,021,055)
	-	-	<u>(13,665,329)</u>	<u>(13,665,329)</u>
Net exposure to interest rate risk	<u>20,325,794</u>	-	<u>30,087,766</u>	<u>50,413,560</u>

Sensitivity

At 30 June 2017, if interest rates had increased or decreased by 75 basis points ("bps") from the year end rates with all other variables held constant, post-tax loss for the year would have been \$101,057 lower/\$101,057 higher (2016 changes of 75 bps: \$106,710 lower/\$106,710 higher on post-tax loss), mainly as a result of higher/lower interest income from cash and cash equivalents.

3 Financial risk management (continued)

(b) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements. The Company is also exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivables.

None of these assets are overdue or considered to be impaired.

The Company manages credit risk by only entering into agreements with credit worthy parties.

(c) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Investment Manager manages liquidity risk by monitoring the asset size of the Company as a whole on executing transactions.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary. Accordingly, the Company is not considered to be exposed to material liquidity risk.

Maturities of financial liabilities

All non-derivative financial liabilities of the Company have maturities of less than 1 month.

4 Fair value measurements

The Company measures and recognises the following assets at fair value on a recurring basis:

- Financial assets designated and financial liabilities at fair value through profit or loss (FVTPL)
- Derivative financial instruments

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 30 June 2017				
Financial assets				
Listed options	31,872	-	-	31,872
Listed equity securities	33,305,298	-	-	33,305,298
Unlisted equity securities	-	1,691,983	-	1,691,983
International unlisted equity securities	-	457,337	-	457,337
Total financial assets	33,337,170	2,149,320	-	35,486,490
Financial liabilities				
Listed equity securities short sale	(4,253,584)	-	-	(4,253,584)
Total financial liabilities	(4,253,584)	-	-	(4,253,584)
At 30 June 2016				
Financial assets				
Listed equity securities	41,577,007	-	-	41,577,007
Unlisted equity securities	-	581,999	-	581,999
International unlisted equity securities	-	471,125	-	471,125
Total financial assets	41,577,007	1,053,124	-	42,630,131
Financial liabilities				
Listed equity securities short sale	(6,021,055)	-	-	(6,021,055)
Total financial liabilities	(6,021,055)	-	-	(6,021,055)

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets have been based on the last sale prices at the end of the reporting year, excluding transaction costs.

The investments included in Level 2 of the hierarchy include amounts in relation to Initial Public Offerings and Placements in which the Company has subscribed to during the year. These investments are not listed on the Australian Securities Exchange as at year end and therefore represent investments not in an active market. In valuing these unlisted investments, included in Level 2 of the hierarchy, the fair value has been determined using the valuation technique of the subscription price and the amount of securities subscribed for by the Company under the relevant offers without any deduction for estimated future selling costs.

During the year, investments amounting to \$41,997 were transferred between levels 1 and 2 relating to the listing of the prior year unlisted equity securities. There were no other transfers between levels 1 and 2 for recurring fair value measurements during the year. There were no transfers in and out of level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are reasonable approximations of their fair values due to their short-term nature.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Income taxes

The Company has recognised deferred tax assets relating to current year tax losses, capitalised share issue costs, carried forward tax losses and unrealised losses on investments of \$2,202,836 at 30 June 2017 (30 June 2016: \$632,651). The utilisation of tax losses depends on the ability of the Company to generate future taxable profits. The Company considers that it is probable that future taxable profits will be available to utilise those deferred tax assets. However, utilisation of the tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped. The Company may fail to satisfy the continuity of ownership test and therefore would have to rely on the same business test. If the Company fails to satisfy the test, the deferred tax asset of \$1,248,081 (30 June 2016: \$125,383) that are currently recognised would be written off to income tax expense. Refer to Note 12 for further discussion of accounting for deferred tax assets.

Financial instruments

For the majority of the Company's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the responsible entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For more information on how fair value is calculated please see Note 4 to the financial statements.

6 Segment information

The Company has only one reportable segment. The Company is engaged in investment activities primarily conducted in Australia, deriving revenue from dividend income, interest income and from the sale of its investments.

7 Income tax benefit

(a) Income tax benefit through profit or loss

	Year ended 30 June 2017 \$	For the period 20 January 2016 to 30 June 2016 \$
Deferred tax on temporary differences	(446,216)	88,038
	(446,216)	88,038
<i>Income tax benefit is attributable to:</i>		
Loss from continuing operations	(446,216)	88,038

7 Income tax benefit (continued)

(b) Numerical reconciliation of income tax benefit to prima facie tax payable

	Year ended 30 June 2017 \$	For the period 20 January 2016 to 30 June 2016 \$
Loss from continuing operations before income tax benefit	(4,573,190)	(47,631)
Tax at the Australian tax rate of 30.0% (2016 - 30.0%)	(1,371,957)	(14,289)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(292,151)	-
Imputation credit gross up	87,645	-
Franked dividends not subject to tax	2,070	(14,764)
Income tax benefit	<u>(1,574,393)</u>	<u>(29,053)</u>
The applicable weighted average effective tax rates are as follows:	(34.43%)	(61.00%)

(c) Amounts recognised directly in equity

		Year ended 30 June 2017 \$	For the period 20 January 2016 to 30 June 2016 \$
Notes			
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:			
Deferred tax: Share issue costs	12	357,184	476,245

8 Current assets - Cash and cash equivalents

	30 June 2017 \$	At 30 June 2016 \$
Current assets		
Cash at bank	13,474,238	20,325,794
	<u>13,474,238</u>	<u>20,325,794</u>

(i) Reconciliation to cash at the end of the period

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

	30 June 2017 \$	At 30 June 2016 \$
Balances as above	<u>13,474,238</u>	<u>20,325,794</u>

8 Current assets - Cash and cash equivalents (continued)

Risk exposure

The Company's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Cash investments are made with the following financial institutions:

	Standard & Poor's Rating
Australia and New Zealand Banking Group Ltd	AA-
Morgan Stanley & Co. International plc	A+

9 Current assets - Trade and other receivables

	At	
	30 June	30 June
	2017	2016
	\$	\$
Other receivables	-	4,270
Dividends receivable	45,823	49,214
Interest receivable	10,105	27,641
GST receivable	22,302	137,653
Unsettled trades	1,021,383	904,186
	1,099,613	1,122,964

Receivables are non-interest bearing and unsecured.

Fair value and credit risk

Due to the short-term nature of these receivables, the carrying amounts are reasonable approximations of their fair value. The maximum exposure to credit risk at the end of the period is the carrying amount of each class of receivables mentioned above. There are no past due or impaired receivables.

10 Current assets - Financial assets at fair value through profit or loss

	At	
	30 June	30 June
	2017	2016
	\$	\$
Derivatives	31,872	-
Equity securities	33,305,298	41,577,007
Unlisted equity securities	2,149,320	1,053,124
Total financial assets	35,486,490	42,630,131

The market values of all investments as at 30 June 2017 are disclosed on page 51 of the Annual Report. Listed securities are readily saleable with no fixed terms.

Changes in fair values of financial assets at fair value through profit or loss are recorded in investment income in the Statement of Comprehensive Income.

10 Current assets - Financial assets at fair value through profit or loss (continued)

(a) Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 286 (2016: 139). Each investment transaction may involve multiple contract notes.

The total brokerage paid on these contract notes was \$187,878 (inclusive of GST) (2016: \$123,218).

(b) Risk exposure and fair value measurements

Information about the Company's exposure to price risk and about the methods and assumptions used in determining fair value is provided in Note 3 and 4.

11 Derivative financial instruments

In the normal course of business, the Company enters into transactions in derivative financial instruments with certain risks. A derivative is a financial instrument or other contract whose value depends on, or is derived from, underlying assets, liabilities or indices. Derivative transactions include a wide assortment of instruments, such as forwards, futures, options and swaps.

Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Company's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multi-faceted and includes:

- (i) hedging to protect an asset of the Company against a fluctuation in market values or to reduce volatility;
- (ii) as a substitute for physical securities; and
- (iii) adjustment of asset exposures within the parameters set out in the investment strategy.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

The Company may hold the following derivative instruments:

Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. Options held are exchange-traded.

2017

	Notional values \$	Fair values \$	
		Assets	Liabilities
Options	232,360	31,872	-

Risk exposures and fair value measurements

Information about the Company's exposure to credit risk, foreign exchange, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 4 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

12 Non-current assets - Deferred tax assets

	At	
	30 June	30 June
	2017	2016
	\$	\$
The balance comprises temporary differences attributable to:		
Capitalised share issue costs	357,184	476,245
Tax losses carried forward	1,248,081	125,383
Other temporary differences	10,659	10,395
Net unrealised losses on investments	586,912	20,628
	<u>2,202,836</u>	<u>632,651</u>

	At	
	30 June	30 June
	2017	2016
	\$	\$
Movements:		
Opening balance	632,651	-
(Charged)/credited:		
- directly to equity	(119,061)	476,245
- directly to profit or loss	1,689,246	156,406
Closing balance	<u>2,202,836</u>	<u>632,651</u>

13 Current liabilities - Trade and other payables

	At	
	30 June	30 June
	2017	2016
	\$	\$
Management fees payable	61,713	68,482
Unsettled trades	242,956	7,495,004
Other payables	73,370	80,788
	<u>378,039</u>	<u>7,644,274</u>

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are reasonable approximations of their fair values, due to their short-term nature.

14 Current liabilities - Financial liabilities at fair value through profit or loss

	At 30 June 2017 \$	30 June 2016 \$
Equity securities sold short	4,253,584	6,021,055

When the Company sells securities it does not possess, it has to cover this short position by acquiring securities at a later date and is therefore exposed to price risk of those securities sold short. The sales agreement is usually settled by delivering borrowed securities. However, the Company is required to return those borrowed securities at a later date.

15 Non-current liabilities - Deferred tax liabilities

	At 30 June 2017 \$	30 June 2016 \$
The balance comprises temporary differences attributable to:		
Other temporary differences	4,084	8,292
	4,084	8,292

Movements:

Opening balance
Charged/(credited):
- profit or loss
Closing balance

	At 30 June 2017 \$	30 June 2016 \$
Opening balance	8,292	-
Charged/(credited):		
- profit or loss	(4,208)	8,292
Closing balance	4,084	8,292

16 Issued capital

(a) Share capital

		30 June 2017 Shares	30 June 2016 Shares	30 June 2017 \$	30 June 2016 \$
Ordinary shares	16(c)	51,940,682	52,465,001	50,664,284	51,075,953

16 Issued capital (continued)

(b) Movements in ordinary share capital

	Details	Notes	30 June 2017 Shares	30 June 2017 \$
Opening balance			52,465,001	51,075,953
Shares issued under IPO		16(d)	-	-
Cost of issued capital, net of tax			-	-
Share buy-back			(524,319)	(411,669)
Closing balance 30 June 2017			51,940,682	50,664,284

	Details	Notes	30 June 2016 Shares	30 June 2016 \$
Shares issued at incorporation			1	1
Shares issued under IPO		16(d)	52,465,000	52,465,000
Cost of issued capital, net of tax			-	(1,389,048)
Closing balance 30 June 2016			52,465,001	51,075,953

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Shares under IPO

The Company issued a Prospectus on 23 February 2016 for the offer of up to 80,000,000 fully paid ordinary shares at an offer price of \$1.00 per share to raise up to \$80,000,000. Under the offer, there was also an entitlement to 1 option for every 1 ordinary shares subscribed for, which are exercisable at an exercise price of \$1.00 per share on or before 29 September 2017. On 12 April 2016, the Company issued 52,465,000 fully paid ordinary shares under this initial public offering at \$1.00 per share.

(e) Dividend reinvestment plan

The Company has established a dividend reinvestment plan (DRP) for shareholders. The term of this DRP are summarised in Section 10.5 of the Company Prospectus. The DRP is currently not in place as the Directors have not proposed to pay a dividend for the reporting period.

(f) Options

On 12 April 2016, as part of the initial public offering the Company issued 52,465,000 options to acquire ordinary shares in the Company at an exercise price of \$1.00 on or before 29 September 2017.

(g) Share buy-back

On 22 March 2017, the shareholders of the Company approved a resolution to undertake a buy-back. A total of 524,319 shares were bought back at an average buy-back price of \$0.79 cents per share.

16 Issued capital (continued)

(h) Capital risk management

The Board of Directors will actively manage the capital of the Company. The overriding intention is to deliver value to shareholders.

To achieve this, the Board monitor the monthly NTA results, investment performance, the Company's indirect cost ratio and share price movements.

The Company is not subject to any externally imposed capital requirements.

17 Profits reserve and Accumulated losses

(a) Profits reserve

	At	
	30 June	30 June
	2017	2016
	\$	\$
Profits reserve	1,236,026	1,236,026
	1,236,026	1,236,026

This reserve details an amount preserved for future dividend payments as outlined in accounting policy Note 2(k).

	At	
	30 June	30 June
	2017	2016
	\$	\$
Movements:		
Opening balance	1,236,026	-
Transfer from retained earnings	-	1,236,026
Closing balance	1,236,026	1,236,026

(b) Accumulated losses

Movements in accumulated losses were as follows:

	At	
	30 June	30 June
	2017	2016
	\$	\$
Opening balance	(1,254,604)	-
Loss for the year	(2,998,797)	(18,578)
Transfer to profits reserve	-	(1,236,026)
Closing balance	(4,253,401)	(1,254,604)

18 Dividends

(a) Dividend franking account

The Company's franking account balance as at 30 June 2017 was \$292,151 (30 June 2016: nil). Subsequent to year end, the Company will receive \$18,134 in franking credits as a result of dividends accrued at 30 June 2017 (30 June 2016: \$21,092).

19 Key management personnel disclosures

(a) Key management personnel compensation

	Year ended 30 June 2017 \$	For the period 20 January 2016 to 30 June 2016 \$
Short-term employee benefits	90,000	22,500
	<u>90,000</u>	<u>22,500</u>

Detailed remuneration disclosures are provided in the remuneration report on pages 12 to 15.

(b) Equity instrument disclosures relating to key management personnel

(i) Option holdings

The numbers of options over ordinary shares in the Company that were held during the 2017 financial year by each Director of Monash Absolute Investment Company Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2017	Balance at the start of the year	Net movement	Balance at end of the year
Directors of Monash Absolute Investment Company Limited			
Paul Clitheroe AM	500,000	-	500,000
Suvan de Soysa	500,000	-	500,000
Simon Shields	200,000	-	200,000
	<u>1,200,000</u>	-	<u>1,200,000</u>

2016	Balance at start of the period	Net movement	Balance at end of the period
Directors of Monash Absolute Investment Company Limited			
Paul Clitheroe AM	-	500,000	500,000
Suvan de Soysa	-	500,000	500,000
Simon Shields	-	200,000	200,000
	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>

(ii) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Monash Absolute Investment Company Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

19 Key management personnel disclosures (continued)

(b) Equity instrument disclosures relating to key management personnel (continued)

2017	Balance at the start of the year	Net movement	Balance at end of the year
<i>Directors of Monash Absolute Investment Company Limited</i>			
Paul Clitheroe AM	500,000	-	500,000
Suvan de Soysa	500,000	-	500,000
Simon Shields	200,001	-	200,001
	1,200,001	-	1,200,001
2016	Balance at the start of the period	Net movement	Balance at end of the period
<i>Directors of Monash Absolute Investment Company Limited</i>			
Ordinary shares			
Paul Clitheroe AM	-	500,000	500,000
Suvan de Soysa	-	500,000	500,000
Simon Shields	1	200,000	200,001
	1	1,200,000	1,200,001

20 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

(i) *Audit and other assurance services*

	Year ended 30 June 2017 \$	For the period 20 January 2016 to 30 June 2016 \$
<i>Audit and other assurance services</i>		
Audit of financial statements	40,465	24,750
Other assurance services	-	30,011
Other non-assurance	-	1,000
Total remuneration for audit and other assurance services	<u>40,465</u>	<u>55,761</u>
<i>Taxation services</i>		
Tax compliance services	14,493	9,900
Fees in relation to payroll advice	3,850	-
Total remuneration for taxation services	<u>18,343</u>	<u>9,900</u>
Total remuneration of Pitcher Partners	<u>58,808</u>	<u>65,661</u>

The Company's Audit Committee oversees the relationship with the Company's External Auditors. The Audit Committee reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by the audit firm, to ensure that they do not compromise independence.

21 Contingent assets and liabilities and commitments

The Company had no contingent assets, liabilities or commitments as at 30 June 2017 (2016: nil).

22 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 19.

(b) Transactions with other related parties

All transactions with related entities were made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Simon Shields is a Director and beneficial owner of Monash Investors Pty Limited, the entity appointed to manage the investment portfolio of Monash Absolute Investment Company Limited. In its capacity as Investment Manager, Monash Investors Pty Limited was paid a management fee of 1.50% p.a. (plus GST) of gross assets amounting to \$744,908 net of reduced input tax credits (2016: \$173,669).

As at 30 June 2017, the balance payable to the Investment Manager was \$61,713. (2016: \$68,482)

In addition, Monash Investors Pty Limited is to be paid, annually in arrears, a performance fee being 20% (exclusive of GST) of the Portfolio's outperformance and subject to a high water mark. Further information in respect of the Company's performance fee calculation is contained in Section 9.1 of the Company's Prospectus which was issued 23 February 2016.

22 Related party transactions (continued)

(b) Transactions with other related parties (continued)

For the year ended 30 June 2017 in its capacity as Investment Manager, Monash Investors Pty Limited was not paid a performance fee (30 June 2016: nil).

No Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

23 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

24 Reconciliation of loss after income tax to net cash outflow from operating activities

	Year ended 30 June 2017 \$	For the period 20 January 2016 to 30 June 2016 \$
Loss for the year	(2,998,797)	(18,578)
Purchase of financial assets held at fair value through profit or loss	(41,011,294)	(38,760,092)
Proceeds from sale of financial assets held at fair value through profit or loss	37,166,266	3,396,164
Proceeds from short sale of financial liabilities held at fair value through profit or loss	(12,519,122)	(4,544,793)
Re-purchase of financial liabilities held at fair value through profit or loss	10,750,629	10,095,062
Net realised losses/(gains) on investments	2,083,634	(194,158)
Net unrealised losses/(gains) on investments	1,789,463	(10,441)
Dividends reinvested	(252,651)	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	7,616	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	140,548	(105,785)
Decrease/(increase) in other current assets	17	(19,456)
Increase in deferred tax assets	(1,570,185)	(37,345)
(Decrease)/increase in trade and other payables	(14,187)	149,270
(Decrease)/increase in deferred tax liabilities	(4,208)	8,292
Net cash outflow from operating activities	<u>(6,432,271)</u>	<u>(30,041,860)</u>

25 Losses per share

(a) Basic losses per share

	Year ended 30 June 2017 Cents	For the period 20 January 2016 to 30 June 2016 Cents
Basic losses per share attributable to the ordinary equity holders of the Company	<u>(0.06)</u>	<u>(0.07)</u>

25 Losses per share (continued)

(b) Diluted losses per share

	Year ended 30 June 2017 Cents	For the period 20 January 2016 to 30 June 2016 Cents
Diluted losses per share attributable to the ordinary equity holders of the Company	<u>(0.06)</u>	<u>(0.07)</u>

Diluted losses per share are the same as basic losses per share. The Company currently has outstanding options which have the potential to convert to ordinary shares, but as the average share price for the financial year (2016: from 20 January 2016 to 30 June 2016) is not in excess of the option exercise price, they are currently anti-dilutive and therefore they are not considered for the diluted losses per share calculation.

(c) Weighted average number of shares used as denominator

	Year ended 30 June 2017 Number	For the period 20 January 2016 to 30 June 2016 Number
Weighted average number of ordinary shares used as the denominator in calculating basic losses per share	<u>52,408,749</u>	<u>25,584,785</u>
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted losses per share	<u>52,408,749</u>	<u>25,584,785</u>

In the prior period, the weighted average number of shares used as the denominator in calculating basic and diluted losses per share was based on the average number of shares from 20 January 2016, being the date of incorporation to 30 June 2016. The basic and diluted losses per share would have been (0.04) cents per share if calculated from 12 April 2016 as the Company only had one share on issue and no earnings up to this date.

Monash Absolute Investment Company Limited
Directors' Declaration
For the year ended 30 June 2017

In the opinion of the directors of Monash Absolute Investment Company Limited:

- (a) the financial statements and notes set out on pages 18 to 44 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer of the Investment Manager required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Paul Clitheroe AM
Independent Chairman

Sydney
22 August 2017

**Independent Auditor's Report
to the Members of Monash Absolute Investment Company Limited
A.B.N. 86 610 290 143**

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Monash Absolute Investment Company Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Opinion

In our opinion

- a) the financial report of Monash Absolute Investment Company Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. We have communicated the key audit matters to the Audit and Risk Committee, but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Committee. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<i>Existence, Valuation, and Classification of Financial Assets and Liabilities</i> <i>Refer to Note 4: Fair value measurements, Note 10: Current assets - Financial assets at fair value through profit or loss, and Note 14: Current liabilities - Financial liabilities at fair value through profit or loss</i>	
<p>We focused our audit effort on the valuation and existence of the Company's financial assets and liabilities as these compromise its largest investment and represent the most significant driver of the Company's NTA and profits.</p> <p>The quantum of investments held inherently makes financial assets and liabilities a key audit matter, in addition however, there may be judgements involved in determining the fair value of financial instruments.</p> <p>In relation to investments, there is also a risk that these are not owned by the Company or do not exist.</p> <p>We therefore identified the valuation, existence and ownership of investments as an area of focus.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ We obtained an understanding of the investment management process and controls; ▪ We reviewed the independent audit report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the period 1 July 2016 to 31 December 2016 for the Custodian, obtained a bridging letter for the residual 6 months; ▪ We agreed the investment holdings to a confirmation obtained directly from the Custodian; ▪ We assessed the Company's valuation of individual investment holdings to independent sources where readily observable data was available. For investments where there was little or less observable market data, we obtained and assessed other relevant valuation data; ▪ We evaluated the appropriateness of the accounting treatment of revaluations of financial assets for current/deferred tax and realised/unrealised gains or losses; ▪ We assessed the adequacy of disclosures in the financial statements.

Accuracy and Completeness of Management and Performance Fees

Refer to Note 13: Trade and other payables, Note 22: Related party transactions and Remuneration Report

We focused our audit effort on the accuracy and completeness of management and performance fees as they are significant expenses of the Company and their calculation may require adjustments for events in accordance with the Investment Management Agreement between the Company and the Investment Manager.

In addition to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.

We therefore identified the accuracy and completeness of management and performance fees as an area of focus.

Our procedures included, amongst others:

- Making enquiries with the Investment Manager and the Directors with respect to any significant events during the period and associated adjustments made as a result, in addition to having reviewed ASX announcements;
- Considered the treatment of events that may be significant to the calculation of management and performance fees;
- In order to verify the Company's calculation, we recalculated management and performance fees in accordance with our understanding of the Investment Management Agreement;
- Tested key inputs used in the calculation of the management and performance fees and performed a reasonableness test;
- We also assessed the adequacy of disclosures made in the financial statements in relation to these related party transactions.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The Directors of Monash Absolute Investment Company Limited are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 15 of the Directors' Report for the year ended 30 June 2017. In our opinion, the Remuneration Report of Monash Absolute Investment Company Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Monash Absolute Investment Company Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Pitcher Partners



C I Chandran
Partner

22 August 2017

Monash Absolute Investment Company Limited
Investments at Market Value
As at 30 June 2017

Investments at Market Value

		\$	%
	Consumer Discretionary		
AGI	AINSWORTH GAMES TECHNOLOGY LTD	565,196	1.59%
GEM	G8 EDUCATION LIMITED	2,435,865	6.85%
KGN	KOGAN.COM LIMITED	308,197	0.87%
KYTU	KAYLA TECHNOLOGIES PTY LTD	147,710	0.42%
LAWU	LAWONLINE SERVICES PTY LIMITED	185,000	0.52%
LOV	LOVISA HOLDINGS LIMITED	1,844,129	5.20%
NEXU	NEXDIUS PTY LTD	333,336	0.94%
SKB	SKYDIVE THE BEACH GROUP LIMITED	1,238,598	3.49%
YOW	YOWIE GROUP LTD	1,021,014	2.88%
		8,079,045	22.76%
	Financials		
CGF	CHALLENGER LIMITED	2,875,744	8.10%
EML	EML PAYMENTS LIMITED	2,701,472	7.61%
PNI	PINNACLE INVESTMENT MANAGEMENT LIMITED	797,660	2.25%
TTL	TRANSCENDENCE TECHNOLOGIES LIMITED	15,100	0.04%
PWRU	POWERWRAP LIMITED	198,938	0.56%
SIV	SILVER CHEF LIMITED	1,755,465	4.95%
		8,344,379	23.51%
	Health Care		
AXP	AIRXPANDERS INC	807,019	2.27%
CYMU	CYTOMATRIX LIMITED	190,000	0.54%
IPD	IMPEDIMED LIMITED	1,263,152	3.56%
MX1	MICRO X LIMITED	1,468,877	4.14%
NOHLATU	NOHLA THERAPEUTICS INC.	457,337	1.29%
PGC	PARAGON CARE LIMITED	1,363,514	3.84%
PTX	PRESCIENT THERAPEUTICS LIMITED	120,421	0.34%
TELU	TELEX PHARMACEUTICALS LIMITED	224,000	0.63%
		5,894,320	16.61%
	Industrials		
IKE.NZ	IKEGPS GROUP LIMITED	286,729	0.81%
		286,729	0.81%
	Information Technology		
1PG	1-PAGE LIMITED	188,225	0.53%
ADJ	ADSLT LIMITED	352,337	0.99%
CAT	CATAPULT GROUP INTERNATIONAL LIMITED	1,837,272	5.17%
CYBGU	CYBER GYM LIMITED	145,000	0.41%
ESV	ESERVGLOBAL LIMITED	449,665	1.27%
KYK	KYCKR LIMITED	323,788	0.91%
LVH	LIVEHIRE LIMITED	797,328	2.25%
MOBOOMU	MOBOOM LIMITED	268,000	0.76%
NEA	NEARMAP LIMITED	244,399	0.69%
OLV	OTHERLEVELS HOLDINGS LIMITED	114,354	0.32%
PRO	PROPHECY INTERNATIONAL HOLDINGS LIMITED	166,508	0.47%
		4,886,876	13.77%
	Materials		
AJX	ALEXIUM INTERNATIONAL GROUP LIMITED	481,853	1.36%
LCK	LEIGH CREEK ENERGY LIMITED	250,755	0.71%
		732,608	2.07%
	Telecommunication Services		
NTC	NETCOMM WIRELESS LIMITED	2,262,331	6.38%
NXT	NEXTDC LIMITED	2,166,203	6.10%
SDA	SPEEDCAST INTERNATIONAL LIMITED	2,656,634	7.49%
ST1	SPIRIT TELECOM LIMITED	177,365	0.50%
		7,262,533	20.47%
	Total Long Portfolio	35,486,490	100.00%
	Total Short Portfolio	(4,253,584)	

Monash Absolute Investment Company Limited
Shareholder information
For the year ended 30 June 2017

The Shareholder information set out below was applicable as at 31 July 2017.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report, is listed below.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	Class of equity security		
	Ordinary shares		
	No. of Shareholders	Shares	Percentage
1 - 1000	7	2,685	0.01
1,001 - 5,000	172	602,246	1.16
5,001 - 10,000	251	2,182,275	4.22
10,001 - 100,000	796	25,824,218	49.90
100,001 and over	46	23,141,625	44.72
	1,272	51,753,049	100.00

There were 6 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,486,560	14.47
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	3,143,536	6.08
AUSTRALIAN EXECUTOR TRUSTEES LIMITED	1,480,950	2.86
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,208,747	2.34
MR BARRY MARTIN LAMBERT & MRS JOY WILMA LILLIAN LAMBERT	1,000,000	1.93
MS PAULA SIRTES <DOLPHIN HOLDINGS A/C>	500,000	0.97
MR PAUL HUGH CLITHEROE & MRS VICKI CLITHEROE	500,000	0.97
DE SOYSA SUPER MANAGEMENT PTY LTD	500,000	0.97
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	483,565	0.94
GASEOUS PTY LTD <LIQUID SUPER A/C>	400,000	0.77
ANISAM PTY LTD <GUPTA 2002 A/C>	350,000	0.68
MR MURRAY STEWART LITTLE & MRS JENNIFER LITTLE	300,000	0.58
MR PAUL DOSTAL PO BOX 521	280,311	0.54
SENRA B SUPERANNUATION PTY LIMITED	265,000	0.51
GIASAM PTY LTD <SINGER FAMILY A/C>	250,000	0.48
MR IAN DONALD HERAUD & MRS FIONA KERRY HERAUD	250,000	0.48
S & E GOLDMAN NOMINEES P/L C/- D BEED	225,000	0.44
MR STEPHEN RICHARD BROWN <THE ADAPTOR A/C>	210,000	0.41
JENRY PTY LTD <SEA DOG SUPER FUND A/C>	200,000	0.39
SOUTHACE PTY LTD <MADER FAMILY SUPER FUND A/C>	200,000	0.39
ASGARD CAPITAL MANAGEMENT LTD <1110128 WALLABY A/C>	200,000	0.39
ASGARD CAPITAL MANAGEMENT LTD <1110110 MERMAID A/C>	200,000	0.39
MS BARBARA EFRON C/- IPS	200,000	0.39
SHIELDS NOMINEES PTY LTD <SHIELDS FAMILY A/C>	200,000	0.39
MR DAVID PATRICK TYNAN GPO BOX 2707	200,000	0.39
	20,233,669	39.11

C. Substantial holders

There are no substantial shareholders.

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Each share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

E. Stock Exchange Listing

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.

F. Unquoted Securities

There are no unquoted shares.

G. Securities Subject to Voluntary Escrow

There are no securities subject to voluntary escrow.