

# Monash Absolute Investment Company Limited

3 September 2020

**Monash Absolute Investment Company Limited (ASX Code: MA1)**

**Webinar Presentation**

**Post Reporting Season Update from Monash Investors**

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

A copy of the presentation is attached.

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

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

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

**Date:** Thursday 3<sup>rd</sup> September 2020

**Time:** 11am (NSW, ACT, VIC, TAS, QLD)  
10.30am (SA, NT)  
9.00am (WA)

Register on the link above and you will be sent a copy of the presentation following the call.

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This announcement has been authorised for release by the Board of Monash Absolute Investment Company Limited

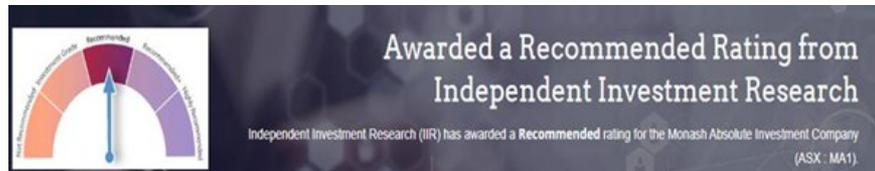
For more information about the Company and the strategy, please refer to the Monash Investors website at [www.monashinvestors.com](http://www.monashinvestors.com). You can also [follow us on Livewire here](#) or [subscribe to our updates here](#)

# Invest With Confidence

## Monash Investors

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

September 2020



# Agenda

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



# Presenters



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

- One of Australia's leading fund managers
  - Former Head of Equities at UBS Asset Management and Colonial First State
- Member of / led multi-award winning equity teams across different investment styles
  - Monash Investors 8 years – Style Agnostic
  - UBS 5 years – DCF Style
  - Colonial First State 9 years – Growth Style
  - Rothschild/Westpac 9 years – Value Style



## **Shane Fitzgerald B.Comm (Hons)**

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



# About Monash Investors

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



# Monash Absolute Investment Fund (Managed Fund)

## Strong absolute and relative track record



### Returns (After Fees) to 31 August 2020

	Monash Fund	Average Cash Held	Peer Rank Prior Month	ASX200	Small Ords
1 Month	10.0%	8%		2.8%	7.2%
3 Months	8.5%	10%	3 / 15	6.0%	6.6%
1 Year	14.3%	15%	3 / 15	-5.1%	2.1%
2 Years pa	14.0%	15%	1 / 15	1.7%	1.5%
3 Years pa	13.6%	18%	1 / 15	6.1%	8.0%
5 Years pa	7.7%	20%	3 / 13	7.5%	10.5%
7 Years pa	8.9%	19%	3 / 12	6.8%	6.9%
<b>MAIF Inception pa</b> <small>From 2 July 2012</small>	10.8%	21%		9.5%	6.8%

#### Sources

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



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

## Returns (After Fees) to 31 August 2020



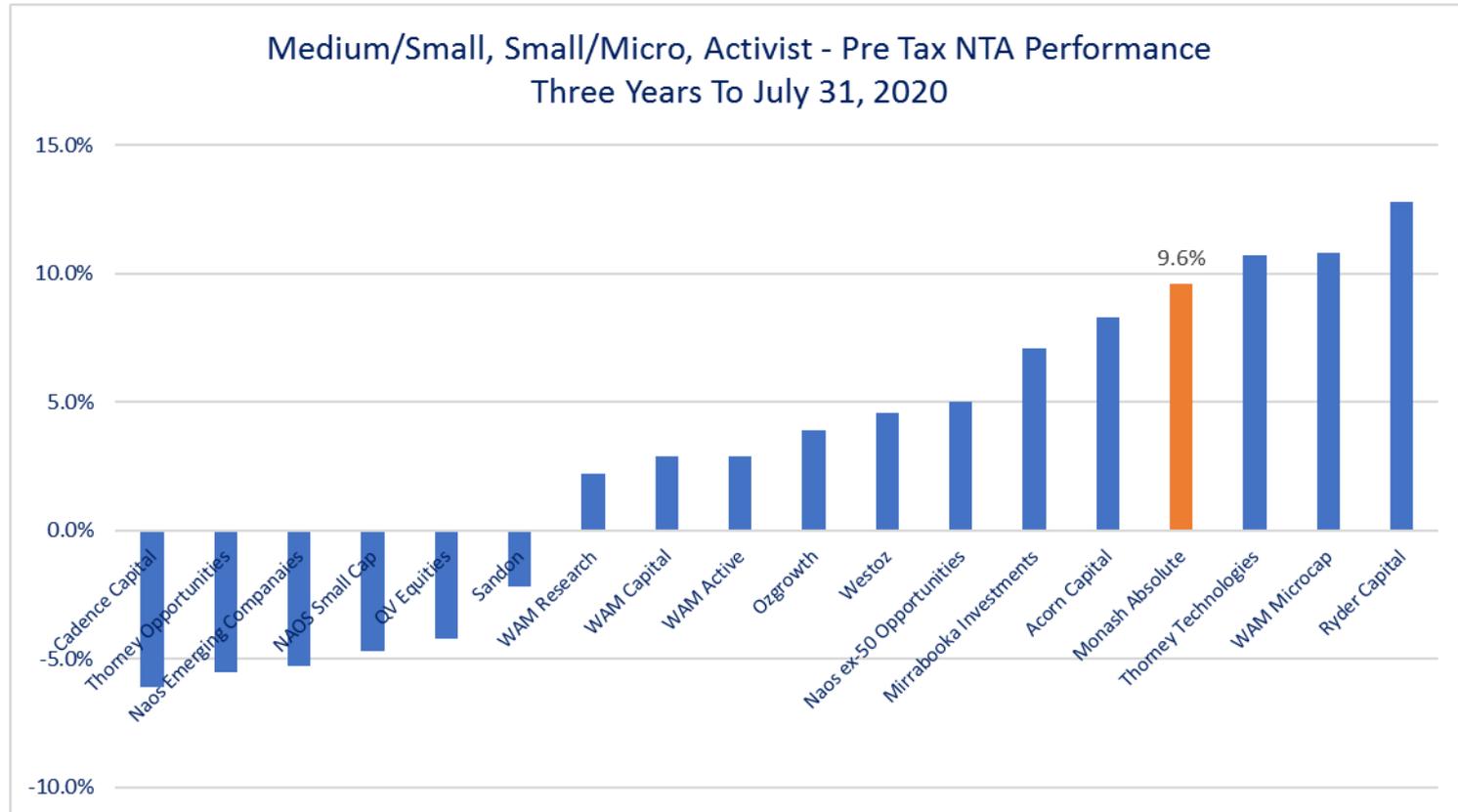
	Monash Company NTA	MA1 Share Price	ASX200	Small Ords
1 Month	10.3%	10.8%	2.8%	7.2%
3 Months	6.5%	3.4%	6.0%	6.6%
1 Year	12.9%	13.1%	-5.1%	2.1%
2 Years pa	12.2%	15.4%	1.7%	1.5%
3 Years pa	12.8%	13.0%	6.1%	8.0%
MA1 Inception pa From 12 April 2016	6.6%	2.4%	9.0%	9.5%

### Sources

MAIF : Monthly Performance Report & Unit Prices [www.monashinvestors.com](http://www.monashinvestors.com) MA1: Announcements [www.asx.com.au](http://www.asx.com.au)  
ASX Indices: S&P Dow Jones Indices



# LIC Comparison to 31 July 2020



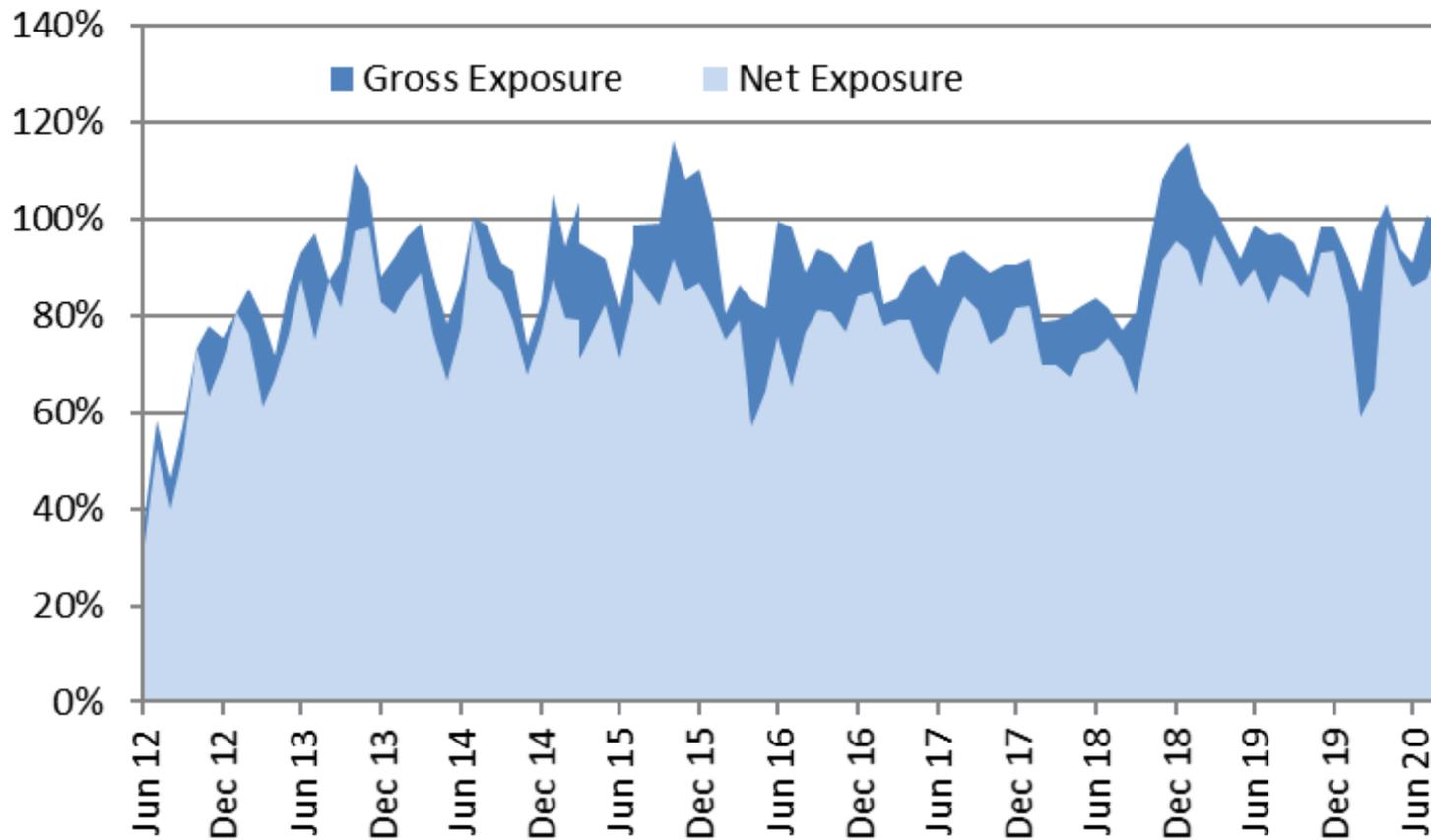
## Sources

Bell Potter LIC Weekly Report, Monash Investors



# Returns not generated through leverage

## Gross/Net Exposure



# Top Holdings and Reporting Season Ranked by Weight

Top Holdings 29 February 2020	Top Holdings 31 August 2020	Business Description	Result Announcement	August Return
Service Stream	People Infrastructure	Workforce Management and Staffing	Beat	43%
People Infrastructure	Electro Optic Systems	Laser Tracking Applications	In Line	1%
EML Payments	Citadel Group	Software and Managed Services	In Line	23%
Electro Optic Systems	Kogan.com	On-Line Retailing	In Line	25%
Healthia	Nearmap	Aerial Mapping	In Line	35%
Afterpay Touch	Jumbo Interactive	Lotteries	Beat	0%
Retail Food Group	Healthia	Physiotherapy and Podiatry	In Line	6%
Telix	Credit Corp	Debt Collection	In Line	0%
Lovisa	Lovisa	Jewelry Retailing	In Line	19%

## A number of stocks upgraded guidance prior to their result announcements

- Hence some strong monthly stock returns despite their results only being in line
- While Jumbo beat expectations, its August return was impacted by a contract renewal



# Recent Portfolio Activity

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## Sales

- Selling outperformers
  - Trimmed our largest holdings following price strength
  - Reduced Afterpay holding by 1/3 above \$90 per share
- Reducing/Exiting due to signpost miss
  - Exited Service Stream following result and NBN contract renewal
  - Nearmap sales team contribution ratio disappointed, reduced holding by 1/3
- Shorted Freedom Foods due to management exodus
  - Stock subsequently ASX suspended, accounting investigation underway

## Purchases

- Added stocks with high expected payoffs
  - Kogan due to confidence in sustainable high revenue and profit growth
  - Credit Corp in share price weakness due to write-downs that will be recovered
  - Citadel Group with strong sales pipeline and growth outlook
- Covered stocks previously shorted
  - Corporate Travel
  - Treasury Wine Estates



# Portfolio snapshot as at 31 August 2020

Type	# of Positions	Weight MAIF	Weight MA1
Outlook Stocks – Long	20	85%	86%
Outlook Stocks - Short	0	0%	0%
Event, Pair and Group Trades - Long	3	12%	11%
Event, Pair and Group Trades - Short	1	-2%	-2%
Cash	N/A	4%	4%
<b>Total</b>	<b>24</b>	<b>100%</b>	<b>100%</b>
<b>Gross Exposure</b>		<b>99%</b>	<b>99%</b>
<b>Net Exposure</b>		<b>96%</b>	<b>96%</b>



# MA1 Restructure

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## Our objectives are simple

1. Continue to provide access to our strategy
  - that is unique, and
  - has an excellent track record
2. Do so without the persistent discount to NTA
3. Make it easy to buy/sell additional units
4. Provide regular income to investors

**“Invest with confidence”**



# MA1 Restructure

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- The new fund has been established
  - The Monash Absolute Active Trust (MAAT)
- The responsible entity has been appointed
  - The Trust Company (RE Services) Limited, a member of the Perpetual Group
- An in-principle application to the ASX has been made
  - For admission as an ETMF
  - Required documentation is being finalised
- Key agreements have been negotiated
  - Market making agent      – Prime broker      – Administrator
- A new feature has been added
  - Investors will be able to apply/redeem units directly from MAAT
  - In addition to being able to purchase/sell units on market
- Investors will be able to acquire units in MAAT following issue of PDS
  - Expected later this calendar year
  - Potential investors should consider the Product Disclosure Statement before investing
- A detailed timetable will be provided with the Notice of Meeting
  - Restructure is planned to complete early in 2021



# Questions

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- Q & A with Simon Shields and Shane Fitzgerald



## You can follow Monash below

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- [www.monashinvestors.com](http://www.monashinvestors.com)
- [Monash @ Livewire](#)
- [Monash Blogs](#)
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The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235 150 (“Perpetual”) is responsible entity of, and issuer of units in, the Fund. The inception date of the Fund is 2nd July 2012.

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



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