Invest With Confidence

Monash Investors

Post Reporting Season Webinar

September 2021

Monash INVESTORS

Favourable SQM Research

Investment Grade Lonsec Research

Awarded a Recommended Rating from Independent Investment Research

Independent Investment Research (IIR) has awarded a **Recommended** rating for the Monash Absolute Investment Company (ASX : MA1).

Zenith APPROVED

2020 Winner – Best Listed Alternative Investment Product – Hedge Funds Rock – The Australian Alternative Investment Awards

Agenda

1. The Presenters
2. The Funds
3. Performance Overview
4. Contribution of Shorting
5. Top Holdings and Reporting Season
6. Portfolio Activity and Positioning
7. MA1 Dividend and Restructure
8. Q & A

The Presenters

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

- One of Australia's leading fund managers
  - Former Head of Equities at UBS Asset Management and Colonial First State

- Member of / led multi-award winning equity teams across different investment styles
  - Monash Investors 9 years – Style Agnostic
  - UBS 5 years – DCF Style
  - Colonial First State 9 years – Growth Style
  - Rothschild/Westpac 9 years – Value Style

Shane Fitzgerald B.Comm (Hons)

- Highly rated equity analyst
  - 27 years an equity analyst, including
  - 14 years sell side experience
  - Former Head of JPMorgan Insurance and Diversified Financial Research
  - Former member of the multi award winning JPMorgan Research Team

- Broad experience

–	"Sell side"	14 years	JPMorgan
–	"Buy side"	4 years	UBS
		9 years	Monash Investors

The Funds

- Long/Short Australian equity funds with a flexible mandate
- **Aim to achieve double digit after fee returns pa over a market cycle, while preserving capital over the medium term**
  - Have achieved 13.2% pa (after fees) since starting over 9 years ago
- **Target to Pay >6% pa distribution quarterly**
  - Next 1.5% distribution payable 30 September
  - DRP available
- Two ways to invest with us
  - **Monash Absolute Active Trust (Hedge Fund) ASX: MAAT**
  - **Monash Absolute Investment Fund APIR: MON0001AU**

- Past performance is not a reliable indicator of future performance.
- In relation to the target distribution, this is a target return only. There is no guarantee the Fund will meet its investment objective.

Monash Absolute Active Trust (Hedge Fund) ASX: MAAT

Australia’s first LIC converted to an ETMF

1. **Better structure for investors than an LIC**
   - Trades at NAV with a small spread
   - Market maker provides liquidity
   - Regulated as an investment product
2. **Better transparency than an LIC**
   - iNAV disclosed in real time through the day on our website
   - Holdings are disclosed with a two month lag, see ASX announcements or our website
3. **Better dividend experience than an LIC**
   - Does not make tax payments to ATO
   - Trust regulations allow more regular and reliable distributions
4. **One of the only Australian Equity Long/Short ETMFs**

Off to a Good Start
MAAT since inception 28 May 2021

Returns (After Fees) to 31 August 2021

Monash
ABSOLUTE ACTIVE TRUST

	MAAT	Average Cash Held	ASX200	Small Ords
1 Month	7.1%	16%	2.5%	5.0%
FYTD	5.2%	19%	3.6%	5.7%
3 Months	10.0%	21%	6.0%	9.0%
Inception From 28 May 2021	10.3%	21%	5.7%	8.9%

Past Performance is not a reliable indicator of future performance

- Distributions payable as at COB last business day each quarter
- Unit price is quoted ex-dividend on the first business day each quarter
- DRP available
  - Update your election and other unit holder details via the Mainstream unit registry portal
  - Or go to our website, click “ASX:MAAT”, and click “Update Your Details Form”
- Tax, distribution and holding statements available via our website
  - Provided by Mainstream Unit Registry
  - Go to our website and click “Investors Login”

Good Track Record:
Monash Absolute Investment Fund

Returns (After Fees) to 31 August 2021

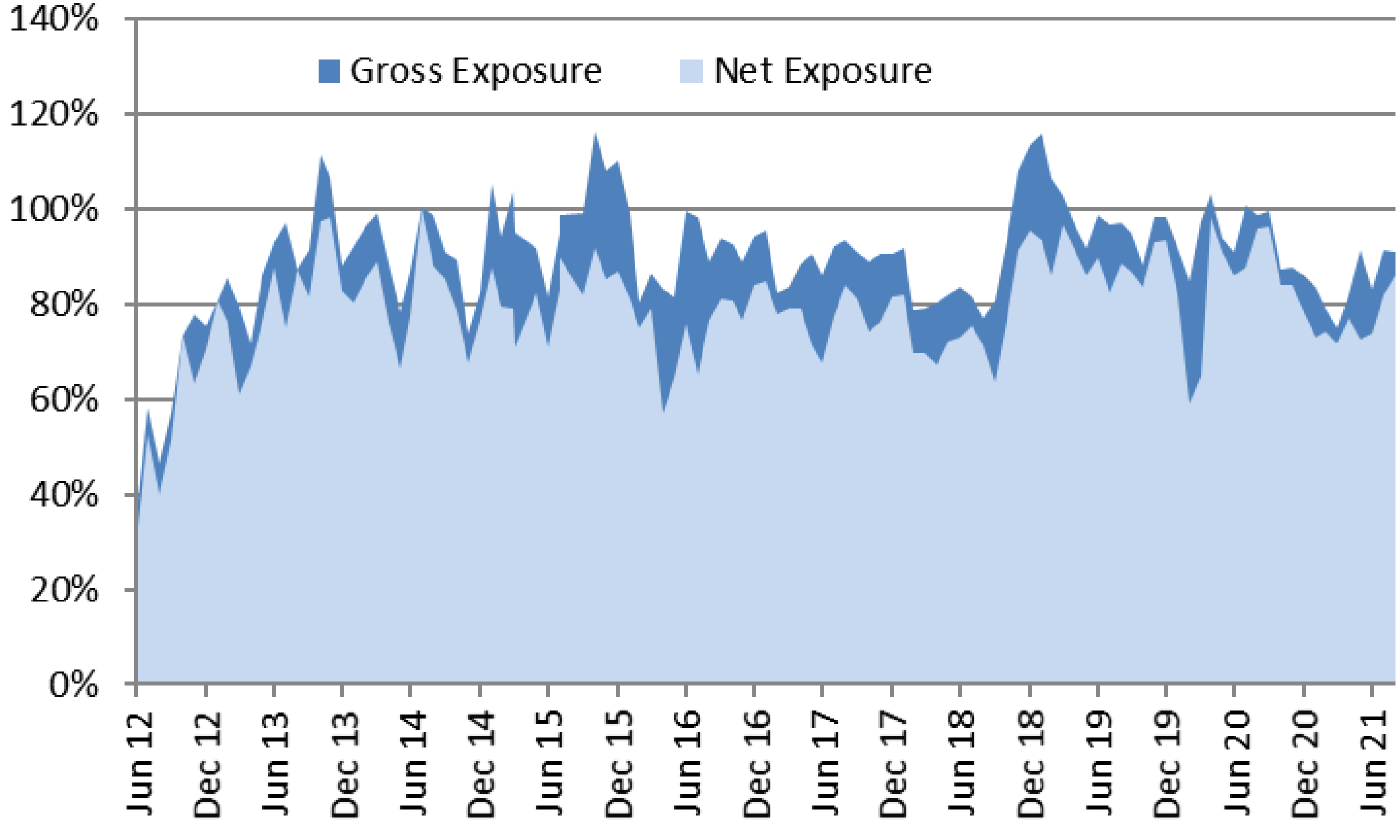
	Monash Fund	Average Cash Held	Peer Rank	ASX200	Small Ords
3 Months	11.2%	21%	2 / 11	6.0%	9.0%
1 Year	35.0%	19%	4 / 11	28.2%	29.5%
3 Years pa	20.6%	17%	1 / 11	9.9%	10.1%
5 Years pa	12.7%	19%	3 / 9	10.9%	11.0%
7 Years pa	10.6%	20%	3 / 9	8.6%	9.8%
MAIF Inception pa From 2 July 2012	13.2%	21%	2 / 7	11.4%	9.0%

Please note these are the actual after fee return of the fund based on our current (higher fee schedule):
Prior to 30 June 2021: base fee 1.5375%pa, performance fee 20.5% above RBA cash (before fees)
From 1 July 2021: base fee 1.2813%pa, performance fee 20.5% above RBA Cash + 5% (after fees).
Under the new fee schedule this would have increased the since inception return by about 1.25%pa compared to the figures above.
Past performance is not a reliable indicator of future performance.

Sources
MAIF : Monthly Performance Report & Unit Prices www.monashinvestors.com   MAAT: Announcements www.asx.com.au
ASX Indices: S&P Dow Jones Total Return Indices Peers: Lonsec – Variable Beta Peer Group

Returns not generated through leverage

Gross/Net Exposure



Good track record Shorting Stocks

Shorts target >30% downside payoff

- We target absolute returns, not relative value
- Number of shorts is an outcome that is dependant on opportunity
- Shorts are not used to fund longs, nor for top down asset allocation

Typically hold 2-3 short stocks at any time

- Position weight up to -2.5%
- Average holding period approximately 2 months

Portfolio Shorts to 31 August 2021

Returns and Contributions are not annualised

	1 Year	3 Years	5 Years
Average Weight of shorts in Portfolio	-3.8%	-5.2%	-5.3%
Absolute Contribution of shorts	1.9%	9.2%	10.9%
Portfolio Return After fees	35.0%	75.3%	82.0%

- Shorts are usually a relatively small part of the portfolio
- Shorts have made a good contribution to portfolio return
- Despite markets strongly rising

Source: Link Financial Services

Past performance is not a reliable indicator of future performance

Top Holdings and Reporting Season
Ranked by weight at date of result

Top Holdings February 2021
Healthia
Lovisa
EML Payments
People Infrastructure
Telix
Electro Optic Systems
Jumbo Interactive
Kogan.com
Short: A2 Milk
Short: Freedom Foods

Top Holdings August 2021	Business Description	Result Announcement	Month Return
Lovisa	Jewelry Retailing	Beat	25%
Telix	Nuclear Medicine	In Line	21%
Healthia	Physiotherapy and Podiatry	In Line	3%
People Infrastructure	Workforce Management	Beat	-7%
Electro Optic Systems	Laser Tracking Applications	Miss	-15%
Australian Strategic Materials	Rare Earths Mining and Refining	In Line	35%
Nearmap	Aerial Imaging	In Line	3%
Uniti Group	Broadband Provider	Beat	24%
QBE	Insurance	Beat	9%
Short: AGL	Utilities	Miss	-11%

Another good reporting season
Top Holdings ran strongly in our favour

Recent Portfolio Activity

Sales

- Selling outperformers
  - Exited Uniti Group on achieving price target
  - Trimmed ASM, Healthia, Lovisa, Telix following price strength
- Shorting
  - AGL, topped up short following price weakness
- Exiting two smaller positions
  - Kogan, following result on lower long term margin forecasts
  - Bid, following CEO resignation

Purchases

- Adding stocks with high expected payoffs
  - Australian Strategic Materials on rollout of superior refining technology
  - Silk Laser, good organic growth plus growth by acquisitions
  - Jumbo Interactive, lottery platform roll out into Europe
  - Nearmap, re-established position following share price weakness
  - QBE, premium rate cycle has turned positive
  - Oz Forex, focus on B2B is working, new competent management team
- Covering a short
  - A2 Milk, following price weakness

Portfolio snapshot as at 31 August 2021

Type	# of Positions	Weight MAIF	Weight MAAT
Outlook Stocks – Long	17	76%	76%
Outlook Stocks - Short	1	-2%	-2%
Event, Pair and Group Trades - Long	3	13%	9[1]%
Event, Pair and Group Trades - Short	0	0%	0%
Cash	N/A	14%	18%
Total	21	100%	100%
Gross Exposure		91%	87%
Net Exposure		86%	82%

[1] Within the product launch group position MAIF has a 4% weight in unlisted stocks that MAAT is denied under ASX AQUA listing rules

MA1 Restructure Update

- 23.7c per share Pre-Tax NTA at 30 June 2021

- Subsequent payments of 16.9c per share made
  - 11.8c per share fully franked dividend paid 6 September 2021
  - 5.1c per share tax paid to ATO

- 6.8c per share estimated Pre-Tax NTA at 30 September 2021 (before expenses)
  - NTAs will be provided each quarter
  - MA1 is expected to be liquidated by 30 June 2022
  - Tax, Distribution and holding statements available from investorserve.com.au

Questions

- Q & A with Simon Shields and Shane Fitzgerald

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