

Monash Absolute Investment Company Limited

**Monash Absolute Investment Company Limited (ASX: MA1)
November 2017 End of Month Update**

5th December 2017

In the interests of keeping the market fully informed of performance on a timely basis, we release a preliminary estimate of the Pre-Tax Net Tangible Asset Backing per share. It is only a guide, the official NTA will be released later in the month. We estimate that, as at 30 November 2017 the NTA Pre-Tax was \$0.9998.

Company Strategy

The Monash Absolute Investment Company offers investors access to an investment strategy that seeks to:

- achieve a targeted positive return over a full investment cycle; and
- avoid a negative return each financial year

The Company is benchmark unaware, style and stock size agnostic, both long and short, and only invests in compelling opportunities. In keeping with the Company's absolute return objectives, if the investment manager cannot find stocks that meet the very high return hurdle requirements, the Company will preserve that capital in cash at bank.

Monthly Commentary

The Company's pre-tax NTA increased 3.50% (after fees) for the month of November, during which the S&P/ASX200 rose 1.64% and the Small Ords rose 3.91%. The NTA has now risen by 14.35% in the first five months of this financial year.

During the month, 173,262 shares were bought under the Company's on market share buyback. A total of 1,517,832 shares have now been bought back at a discount to NTA.

November is a month in which most companies have their AGMs. It gives them an opportunity to provide, confirm or update guidance for the coming year. And it gives us an opportunity to ask some questions, read between the lines and try to work out what is really going on. We are happy to report that the portfolio suffered no nasty surprises.

Company at a Glance 30 November 2017

ASX Code - Shares	MA1
Portfolio Size	\$51.4m
Share Price	\$0.88
Shares on Issue	50.9m

Portfolio Structure 30 November 2017

Outlook Stocks (Long)	19 Positions	71%
Outlook Stocks (Short)	3 Positions	-7%
Event, Pair and Group (Long)	4 Positions	15%
Event, Pair and Group (Short)	0 Positions	0%
Cash		22%
TOTAL		100%
Gross Exposure		93%
Net Exposure		78%

Estimated NTA (unaudited) 30 November 2017

Estimated NTA Pre Tax	\$0.9998
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Return Estimate to 30 November 2017

	NTA Pre Tax
1 Month	3.50%
3 Months	12.83%
FYTD	14.35%
6 Months	16.58%
1 Year	6.80%
Since Inception p.a.	2.32%

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

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Notable Contributors for November

Telix (ASX: TLX) listed on the 15th of November at an IPO price 280% above its pre-IPO price. Telix is a biotech firm that is developing molecularly targeted radiation to identify and treat cancer. It raised \$50m at IPO for a total market capitalisation of \$130m. It is reportedly the largest biotech listing in Australia since CSL.

We invested in Telix pre-IPO in January at the equivalent of 17c per share on the understanding that it would list later in the year. It IPO'd at a price of 65c which is where it finished at the end of the month after trading as high as 85c. Pre-IPO our exposure to TLX was quite small, amounting to almost 0.5% of the portfolio.

Impedimed (ASX: IPD) rose 32% in November. Impedimed provides medical devices for monitoring lymphedema, and potentially heart disease, using bioimpedance to measure hydration/inflammation in the body.

The results of a large, long running trial of IPD's L-Dex (which measures lymphedema) will be published soon. Given the strongly positive results of smaller trials, the market is anticipating a positive result that will lead to the widespread adoption of the product. This month the stock bounced up hard from the low trading band it settled into over 2017.

SpeedCast (ASX: SDA) rose 24% in the month. SpeedCast is a telecommunications company that specialises in marine and remote locations.

During November, SDA's share price rerated strongly on the expectation that the rising price of crude oil would lead to an increase in capex by its oil and gas related customers. SDA has been a consolidator within its industry and is now the largest provider, which has substantially improved its bargaining power with its suppliers, the satellite companies. During the month the company confirmed that it was on track to achieve its guidance.

Notable Detractor for November

EML Payments (ASX: EML) fell 14% for the month. EML provides transaction cards for uses such as gift cards, remuneration packaging, gaming accounts and business-to-business payments.

The market reacted to the CEO selling some shares after he was approached by an investor to do so, which was then followed by another director selling on market. This can be a warning signal that the directors think that the easy wins are done and it gets harder from here. However, the nature of the EML business is that there is a good degree of visibility in future revenues and earnings, so we think that it is unlikely that this marks a substantial change in the outlook for the business.

This presentation has been prepared by Monash Absolute Investment Company Limited (**MA1**) and Monash Investors Pty Ltd (ABN 67 153 180 333, AFSL 417 201) (**Investment Manager**) and is for information purposes only, and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in MA1. The information is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. Please note that, in providing this information, MA1 has not considered the objectives, financial position or needs of any particular recipient. MA1 strongly suggests that investors consult a financial advisor prior to making an investment decision. Past performance is not a reliable indicator of future performance. See the ASX Company Announcements platform at www.asx.com.au for further information.