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**FAQ's in relation to the restructure of Monash Absolute Investment Company Limited (MA1) into an exchange traded managed fund, Monash Absolute Active Trust (ASX: MAAT)**

**1. What are the key dates of the restructure and distributions to shareholders in MA1 (the Company)**

Please also refer to the shareholder booklet issued to shareholders on 31<sup>st</sup> March 2021, which sets out the full details of the restructure including the key dates for the restructure.

	Event	Particulars	Amounts per unit/share	Total
<b><u>Prior to Restructure</u></b>				
<b>7 April 2021 ex-date</b>	MA1 Interim Dividend (Cash) paid on 21 April 2021	Cash Franking	\$0.130 \$0.056	\$0.186
<b><u>Restructure Event Dates</u></b>				
<b>31 May 2021</b>	MA1 Last Day trading Cum return			
<b>10 June 2021</b> <b>MAAT lists on the ASX</b>	In Specie Distribution of units in MAAT (non-cash) 1 <sup>st</sup> Distribution	Units Distributed in MAAT (NAV) Franking at 30%	\$1.0062 \$0.0354	\$1.042
<b>September 2021</b> <b>Quarter</b>	MA1 Cash Dividend 2 <sup>nd</sup> Distribution (Special Dividend)	Special Dividend (paid in cash by MA1) Franking at 30%	\$0.132 <sup>1</sup> \$0.056 <sup>1</sup>	\$0.188 <sup>1</sup>
<b>By 30 June 2022</b>	Wind up MA1 Final Distribution (Capital Return)	Capital Return (paid in cash by MA1)	\$0.054 <sup>1</sup>	\$0.054 <sup>1</sup>
<b>Total Value to Shareholders</b>				<b>\$1.470<sup>1</sup></b>

*Note 1: The numbers for the September Quarter 2021 MA1 Dividend and the Wind up MA1 Final Distribution are indicative based on the Notice of Meeting and the ASX restructure announcement of 10 June 2021.*

**2. I've noticed that the value of my investment has dropped once it was restructured into the Monash Absolute Active Trust (ASX: MAAT), why is this?**

The value of your investment hasn't dropped. Following the completion of the restructure, you now hold units in the Monash Absolute Active Trust (ASX: MAAT) and Monash Absolute Investment



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Company Limited (MA1). The units in MAAT were issued to you on a 1 unit for 1 share basis. MA1 was delisted from the ASX on 1 June 2021, however, it continues to operate as an unlisted public company until realisation of the unlisted assets and cash it holds.

The number of shares in MA1 that you hold has not changed as result of the transaction. The value of your shares in MA1 is less than the value prior to the restructure due to the sale of the listed assets and cash to MAAT in exchange for the distribution of units in MAAT. Your holding in MA1 converts to an SRN/Issuer Sponsored Shares and a holding statement has been issued to you via the post on 11 June 2021.

The value of each MAAT unit distributed from MA1 was \$1.0062 per unit. Ex this distribution, Monash Investors estimates the pre-tax NTA of MA1 \$0.2425 per share as shown in the table.

MA1 ex distribution	\$0.2425
MAAT distribution	<u>\$1.0062</u>
NTA MA1 (31/05/2021)	\$1.2487

The estimated residual value of the Monash Absolute Investment Company (ASX:MA1) will be returned to shareholders in two parts:

Dividend (incl franking)	\$0.1885
Final Distribution	<u>\$0.0540</u>
Total	\$0.2425

Note: This is an estimate only

**3. Are there any tax implications for me as an investor of the Monash Absolute Investment Company (ASX: MA1) converting across to the Monash Absolute Active Trust (ASX: MAAT)?**

There will be tax implications depending on your financial circumstances. A general guide to the tax implications of the restructure is set out in Section 2.10 of the Shareholder Booklet sent to shareholders on 31 March 2021. This is in general terms and is not intended to provide personal taxation advice. For your information, this summary has been included in Appendix A to this FAQ.

The MAAT units you have received on the 10<sup>th</sup> of June have an income (dividend) component and a capital component as shown below. The dividend component has been fully franked at 30% tax rate. The dividend and the franking (grossed up distribution) will be assessed as income for tax purposes, please see your individual distribution statements which were dispatched 9 June 2021 for more information. Depending on the communication preferences you have set up with MA1 share registry (Boardroom), you should have received this by email or by post. If you haven't received it, please contact Boardroom directly on 1300 737 760. The below table details the values for each unit distributed for the MA1 to MAAT conversion.



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Non-Cash Dividend	\$0.0827
Capital return	\$0.9235
MAAT Distribution	\$1.0062
Franking (Income)	\$0.0354
Total Value	\$1.0416

**4. How do shareholders of the Monash Absolute Investment Company (ASX:MA1) stay up to date with the NTA of the fund as it's been wound up?**

Monash Investors will continue to keep shareholders updated on the NTA of MA1 on a quarter end basis from 30 June 2021 until it is wound up and the final proceeds are returned. Please also refer to the ASX announcements page for ASX: MAAT at <https://www2.asx.com.au/markets/etp/maat>.

**Appendix A (extracted from Section 2.10 of the Shareholder Booklet issued to MA1 shareholders on 31 March 2021)**

**Summary of taxation consequences of the Transaction**

The following is a general summary of the potential tax consequences of the Transaction to Shareholders and the Company. The comments only apply to Shareholders who are resident in Australia for tax purposes and who hold their Shares in the Company on capital account for Australian income tax purposes. Non-resident shareholders should obtain tax advice on the implications of the Transaction to their Australian tax position and the tax rules in their country

The summary of potential tax consequences described below are statements of general principle only and Shareholders should be aware that the actual Australian tax implications may differ from those summarised below, depending on the individual circumstances of each Shareholder. Shareholders should obtain and rely on their own tax advice in relation to taxation consequences of the Transaction having regard to their particular circumstances. Neither the Company nor any of its officers accept any responsibility or liability in respect of such consequences.

**Transfer of listed assets to MAAT**

The transfer of the Company's Listed Assets to MAAT will result in a disposal of those assets by the Company for tax purposes. A gain or loss for tax purposes may arise on the disposal of each asset depending on the difference between the consideration received on disposal and the tax cost base of the asset. Realised gains and losses on the disposal of the listed assets will be required to be included in the calculation of the Company's taxable income for the year ended 30 June 2021. Broadly, this should result in a crystallisation of the Company's deferred



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tax liability to the extent it relates to the Listed Assets. Any tax paid by the Company should generate franking credits.

It is anticipated that realised gains will arise on 11 May when the Listed Assets are transferred to MAAT and that these realised gains will create a tax liability for the Company for the year ended 30 June 2021. Part of that tax liability will be payable after 30 June 2021. Sufficient cash will be left in the Company to enable it to pay this tax liability to the ATO as well to pay a franked dividend on or around September 2021. The franking credits attached to this dividend will represent the tax paid by the Company as a result the transfer of the Listed Assets to MAAT.

#### **Dividends received from the Company**

The First Distribution (In-Specie) of units to Shareholders will include a dividend. Shareholders who receive dividends from the Company (including the First Distribution (In-Specie) of units) will be required to include the amount of the dividend and any franking credits attached to the dividend in their assessable income.

Generally, a tax offset should be available for franking credits. However Shareholders will not be able to claim a tax offset for franking credits (and will not be required to include an amount referable to franking credits in their assessable income) unless the Shareholder satisfies the “holding period rule” in respect of their Shares in the Company.

Provided a Shareholder satisfies the “holding period” rule and to the extent that their entitlement to franking credits exceeds their income tax liability for the income year, the excess franking credits may be refundable to the Shareholder (,if the Shareholder is an individual or complying superannuation fund). Other types of taxpayers should seek their own tax advice.

#### **Return of capital from the Company**

The First Distribution (In-Specie) of units to Shareholders will also include a return of capital. The return of capital by the Company should reduce a Shareholder’s capital gains tax (“CGT”) cost base of their shares in the Company. If the CGT cost base is reduced to nil the excess will result in a capital gain. Resident individuals, trusts (conditions apply) and superannuation shareholders who have held their investments on capital account for at least 12 months may be entitled to the CGT discount.

The CGT cost base in the MAAT units should be equal to the distribution satisfied by the issue of units in MAAT.

It is the intention of the Company to frank the in-specie dividend payment to the full extent possible.



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### Australian tax status of MAAT

For information on the Australian tax treatment of MAAT, please refer to the PDS available at <https://monashinvestors.com/maat/>.

### Disclaimer

*This FAQ document does not constitute financial product, taxation or investment advice. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Shareholders should consider the appropriateness of the information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their circumstances. Neither the Company nor MAAT is licensed to provide financial product advice.*

The issuer of units in Monash absolute Active Trust (Hedge Fund) (ASX: MAAT) (ARSN 642 280 331) is the Fund's responsible entity The Trust Company (RE Services) Limited ABN 45 003 278 831 (AFSL 235150). You should read the Product Disclosure Statement (PDS) before deciding to acquire the product. Copies of the PDS are available from [www.monashinvestors.com](http://www.monashinvestors.com).

Before making any decision to make or hold any investment in the Fund you should consider the PDS in full. The information provided does not consider your investment objectives, financial situation or particular needs. You should consider your own investment objectives, financial situation and particular needs before acting upon any information provided and consider seeking advice from a financial advisor if necessary.

You should not base an investment decision simply on past performance. Past performance is not a reliable indicator of future performance. Returns are not guaranteed and so the value of an investment may rise or fall.