



Media Release

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Monash Investors restructures LIC to launch an exchange traded managed fund (ASX: MAAT)

Leading Long/Short Australian Equities Fund Manager, [Monash Investors](#), has undertaken Australia's first restructure of a Listed Investment Company (LIC) to launch an exchange traded managed fund on the ASX to offer investors daily liquidity at the fund's NAV.

The Monash Investors strategy has delivered annual average returns of 12.7% pa over 9 years since inception in July 2012.

Following an overwhelming support of shareholders - 99.98% vote in favour - Monash Absolute Investment Company (ASX: MA1) has restructured to Monash Absolute Active Trust (ASX: MAAT (Hedge Fund)), which will commence trading on the ASX on 10 June 2021.

In an environment of ultra-low interest rates, a notable feature of MAAT is the manager's intention to make 6% p.a. distributions, paid quarterly. MAAT has also lower manager fees than the LIC.

"Having a top performing fund listed at less than net asset value has been frustrating for our investors and ourselves as managers," said Monash Investors co-founder and Portfolio Manager, Simon Shields.

"Many LIC managers have tried and failed at resolving this discount situation through buybacks and other strategies, but with without success. Monash decided the clearest, simplest and fairest way forward for our investors was to restructure MA1 into an Exchange Traded Managed Fund utilising the ASX AQUA rules.

"We are the first to do so, as far as I am aware, and I suspect we will not be the last.

"This restructure breaks the permanent capital nexus, which we are most comfortable with. We believe this restructure will not only benefit unit holders by providing appropriate fair value liquidity but will create a pathway for greater FUM given the inherent attractions of the fund.

"MA1, and now MAAT, stand out in the Australian listed funds marketplace," said Shields.

MA1 was voted 'Best Listed Alternative Investment Product' at the 2020 Australian Alternative Investment Awards.

"MAAT will continue to offer the same investment philosophy as MA1, namely predominantly long Australian equities, but also somewhat short, benchmark unaware, a concentrated portfolio of best ideas and a target of double digit returns over the cycle.

"The approach is one of seeking absolute returns, rather than relative returns, through active management. It has been consistently successful over a period of nine years since inception.

"We believe that more wealth can be created, and with lower risk, by aiming to achieve a positive payoff with each investment versus investing in a broad portfolio of stocks that simply rise and fall

with the market. We have achieved our objectives by investing in a concentrated portfolio of compelling stocks that offer considerable upside and by shorting expensive stocks that are at risk of falling,” Shields said.

The Monash Investors strategy returns to 31 May 2021 are:

3 years 17.6% p.a (after fees);

5 years 9.7%p.a (after fees);

9 years 12.2% (after fees),

“The intention to make distributions of 6% p.a., paid quarterly, along with the innovation of NAV daily liquidity, lower manager fees, and a dual registry allowing investors to access the fund directly through the ASX or the Responsible entity are the significant modifications to the operation of the original fund.

“The outlook for Australian equities investing is extremely positive given the emerging pandemic recovery and the fiscal and monetary stimulus being pursued by the authorities,” said Shields.

“And we have proven we have a team that can identify value and opportunities in the Australian markets,” said Shields.

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About Monash Investors

In 2012, Monash Investors was established by one of Australia’s most experienced fund managers in Simon Shields, the previous head of equities at both UBS and CFS, and Shane Fitzgerald a senior equity analyst from UBS and JPMorgan. The firm was set up to manage money in a way that both Simon and Shane felt was simply smarter than riding the share market up and down, instead, attempting to achieve targeted positive returns of double digits p.a. after fees, over a full market cycle while seeking to avoid loss of capital over the medium term.

Please visit the website for more information: <https://monashinvestors.com/>