

Monash Absolute Investment Fund

Class A Units

ARSN 606 855 501
APIR MON0001AU

Product Disclosure Statement

1 July 2021

Contents

1. Key features of the Fund	3
2. Summary of benchmarks and disclosure principles	4
3. About Perpetual	9
4. About Monash Investors	10
5. Key service providers	11
6. About the Monash Absolute Investment Fund	13
7. Benefits of investing in the Fund	19
8. Risks of investing in the Fund	20
9. Fees and other costs	22
10. How the Fund operates	27
11. Investing in the Fund	28
12. Taxation	30
13. Additional information	32
14. Terms used in this PDS	35
15. How to Invest	36

This Product Disclosure Statement is issued by The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235150 as the Responsible Entity of the Monash Absolute Investment Fund

Contact details:

M: The Trust Company (RE Services) Limited
Level 18, Angel Place
123 Pitt Street
SYDNEY NSW 2000
T: +61 2 9229 9000
F: +61 2 9262 5190
W: www.perpetual.com.au

IMPORTANT NOTICES AND DISCLAIMER

This Product Disclosure Statement (**PDS**) is intended solely for the use of the person to whom it has been delivered for the purpose of evaluation of a possible investment by the recipient in the units described in it, and is not to be reproduced or distributed to any other person (other than professional advisers of the prospective investors so receiving it). This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. Applications from outside Australia will not be accepted. This offer is open to retail and wholesale clients as those terms are defined in the *Corporations Act 2001 (Cth)* (**Corporations Act**).

The information in this PDS is general information only and is not a recommendation to invest. It does not take into account your individual objectives, tax and financial situation or particular needs or circumstances. Prospective investors should read and understand this PDS in its entirety, should consider whether investing in the Fund is appropriate having regard to their individual objectives, tax and financial situation or particular needs or circumstances, rely upon their own enquiries and take their own financial and taxation advice in deciding whether to invest. This PDS should be read in conjunction with the Constitution of the Monash Absolute Investment Fund ARSN 606 855 501 (**Fund**), which is available by contacting the Responsible Entity at +61 2 9229 9000.

The investment manager for the Fund is Monash Investors Pty Ltd ABN 67 153 180 333 AFSL 417201 (**Monash Investors**). The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150) (**Perpetual or Responsible Entity**) is the trustee and Responsible Entity of the Fund. Except as, and to the extent, required by law, the Responsible Entity, Monash Investors and their respective employees, agents and officers do not guarantee the success or investment performance of the Fund, repayment of capital, payment of any income or return on investment. It is your obligation to seek any advice and observe any legal restrictions on investment in the Fund which may apply to you.

No person is authorised to give any information or to make any representations in connection with the Fund that are not contained in this PDS. Any information or representation not so contained may not be relied upon as having been authorised in connection with this investment.

An investment in the Fund is subject to investment risk, which may include possible delays in repayment and loss of capital. For more information on the risks associated with an investment in the Fund, please see section 8 (*Risks of investing in the Fund*).

Information in this PDS is subject to change from time to time. Information that is not materially adverse may be updated without issuing a new or supplementary PDS. Such updated information may be obtained from the Fund's website at www.monashinvestors.com. A paper copy of any updated information will be provided on request free of charge.

1. Key features of the Fund

This section summarises some of the key features of the Fund. This summary is not intended to be exhaustive. You should refer to the relevant cross-referenced sections below and read all of this PDS before making any investment decision.

Key Fund information		Section
Name of the Fund	Monash Absolute Investment Fund	
ARSN	606 855 501	
Unit class	Class A Unit	
Responsible Entity	The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235150	5
Investment Manager	Monash Investors Pty Ltd ABN 67 153 180 333 AFSL 417201	4
About the Fund	<p>The Fund is a Long Biased long/short Australian equity fund that invests in a diversified portfolio of Australian equities (long and short) with international listed equities expected to average no more than 5% over seven years. The Fund may also invest in Australian Unlisted Equities, exchange traded derivatives and OTC derivatives, cash and cash equivalent investments.</p> <p>The investment strategy is Benchmark Unaware and there is no predetermined asset allocation. Rather, the Fund only invests when suitable opportunities are identified by the Investment Manager. As such, asset exposures may vary significantly over time and without notice. The Fund seeks to only invest in compelling opportunities to produce the targeted returns. To identify these investment ideas, Monash Investors primarily employs fundamental, bottom-up company research and the judgement of its experienced portfolio managers.</p>	7
Investment Objective	The Fund aims to deliver double digit returns while limiting loss of capital over a full Market Cycle. The value of the Fund may fall as well as rise. There is no guarantee that this objective will be achieved and this objective is only an indication of the intended target return the Fund is seeking.	
Investment time horizon	The Fund is suitable for investors with an investment horizon of five years or more.	
Minimum initial investment	\$20,000	
Minimum additional investment	\$5,000	
Minimum withdrawal	\$5,000	
Management fee	The Investment Manager is entitled to a management fee of 1.2813% p.a. of the Fund's net asset value (NAV) calculated daily and paid monthly, out of which the Responsible Entity's management fee is also paid.	9
Performance fee	20.5% of the amount (if any) by which the Fund's investment performance (after fees) exceeds the RBA Cash Rate + 5% and (if applicable) is paid quarterly to Monash Investors.	9
Transaction Costs	A buy spread of 0.30% is charged by the Fund when entering the Fund (buying units) and a sell spread of 0.30% is charged when exiting the Fund (selling units) to cover the transaction costs incurred by the Fund.	9
Distributions	The Responsible Entity intends to target a cash distribution of at least 1.50% of NAV each quarter. Distributions are automatically reinvested unless you instruct the Administrator otherwise in the application form.	10
Withdrawals	Withdrawals will generally be paid within 10 Business Days.	8 & 11
Risks	All investments are subject to risk. The significant risks associated with the Fund are described in this PDS.	8

2. Summary of benchmarks and disclosure principles

This section addresses ASIC's benchmarks and disclosure principles for hedge funds and provides references to other sections of this PDS where you can find further information. This information addresses key issues that ASIC requires to be disclosed to enable prospective investors to make an informed investment decision.

Benchmarks

Benchmark	Summary	Further information
Valuation of assets	<p>This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or independent service provider.</p> <p>The Fund meets this benchmark.</p> <p>LFS is the appointed Administrator of the Fund. LFS is not related to Perpetual or Monash Investors. The valuation of all Fund assets is conducted by LFS on each Business Day for the preceding Business Day.</p> <p>For those exchange traded assets held in the Fund, LFS will obtain the closing market prices from the relevant exchange for use in the valuation.</p> <p>For those non-exchange traded assets where the market values are not available (or where Perpetual reasonably believes that the market values do not represent a fair value), then another valuation method may be used provided that it is consistent with ordinary commercial practices for valuing assets of the relevant kind and produces a value that is reasonably current at the time of valuation.</p>	Section 10
Periodic reporting	<p>This benchmark addresses whether the Responsible Entity will provide periodic disclosure of certain key information on an annual and monthly basis.</p> <p>The Fund meets this benchmark.</p> <p>Perpetual provides periodic reports on certain key information relating to the Fund on a monthly and annual basis, as set out below section 13.</p>	Section 13

Disclosure principles

The following table summarises the information required by ASIC's disclosure principles for hedge funds. Detailed explanation of this information is contained within the relevant section in this PDS and should be read and understood before making an investment decision.

Disclosure principle	Summary	Reference
Investment strategy	<p>The Investment Manager seeks to implement the Fund's investment strategy by investing in predominantly Australian listed equities (Long Biased/short), with international listed equities expected to average no more than 5% over seven years. The Fund may also invest in Australian Unlisted Equities, exchange traded and OTC derivatives, cash and cash equivalent investments.</p> <p>The investment strategy is Benchmark Unaware and there is no predetermined asset allocation; rather, the Fund only invests when suitable opportunities are identified by the Investment Manager. As such, assets exposures may vary significantly over time and without notice.</p>	Further information regarding the 'Investment strategy' can be found in section 6

Disclosure principle	Summary	Reference
	<p>The Fund seeks to only invest in compelling opportunities to produce the targeted returns. To identify these investment ideas, Monash Investors primarily employs fundamental, bottom-up company research and the judgement and skill of its experienced portfolio managers.</p> <p>A key strategy of the Investment Manager is to use short-selling which is a process designed to deliver enhanced relative and risk-adjusted returns by increasing the gross market exposure of the Fund.</p> <p>From time to time, the Fund may also borrow cash using an overdraft facility or use derivatives to amplify its exposure to an asset or asset class.</p>	<p>Further information regarding 'Short selling' 'Leverage' and 'Derivatives' can be found in section 6</p>
<p>Investment Strategy (Continued)</p>	<p>The Fund's ability to produce investment returns will depend on the availability of assets that meet the Fund's investment guidelines, the Australian equity market conditions and the effect of the risks identified in section 8.</p> <p>All assets of the Fund (with the exception of international listed equities) will be located in Australia and denominated in Australian dollars. The Fund's international assets will be located in, and denominated in the currency of, their local jurisdiction.</p> <p>The Fund may invest within the asset class and net exposure ranges set out in 'Investment ranges' in section 6. As well as providing reasonable constraints, these investment guidelines also serve to manage a number of risks associated with the Fund including leverage, short selling as well as security/investment specific and market risks. These risks are further outlined in section 8.</p> <p>Monash Investors has implemented a risk management framework including risk management software and strict trading rules, and daily monitoring to manage the Fund's exposures within the asset class and market exposure limits of the Fund, as set out under the table of 'Investment range' in section 6.</p> <p>Perpetual may from time to time change the Fund's investment strategy, benchmark, and asset allocation ranges and limits, and in some cases may do this without prior notice to investors.</p>	<p>Further information regarding the Fund's 'Investment ranges' see section 6 and 'Risks of investing in the Fund' see section 8.</p> <p>Further information regarding 'Risk management' can be found in section 8.</p> <p>For further information regarding changes to the investment strategy see 'Fund Structure' in section 6.</p>
<p>Investment Manager</p>	<p>The Investment Manager for the Fund is Monash Investors Pty Ltd ABN 67 153 180 333 AFSL 417201.</p>	<p>Further information regarding the Investment Manager can be found in 'About Monash Investors' in section 4 & 'Key Service Providers' in section 5</p>
<p>Fund structure</p>	<p>The Fund is a managed investment scheme registered in Australia. The Fund has different classes of units. This PDS relates to Class A Units only.</p> <p>See 'Fund Structure' in section 6 for the fund structure diagram.</p> <p>Perpetual is the Responsible Entity of, and issuer of units in, the Fund. Perpetual is responsible for the day to day operations of the Fund and has appointed Australian based key service providers who are involved in the Fund's ongoing operation. The identities of these key service providers and the scope of their services are outlined in section 5.</p>	<p>Further information regarding the Fund Structure can be found in section 6.</p> <p>Further information on the Responsible Entity and Investment Manager can be found in 'About Perpetual' in</p>

Disclosure principle	Summary	Reference
	<p>The Responsible Entity will use various methods to monitor the performance of the service providers including, the review of regular compliance and audit reports, regular observation of service provider performance, and engaging with service providers through regular meetings.</p>	<p>section 3 and in 'About Monash Investors' in section 4</p>
<p>Fund structure (Continued)</p>	<p>The risks of the Fund structure are outlined in section 8 and include risk of termination of the Fund, manager risk, currency risk and counterparty risk.</p>	<p>Further information on the 'Key service providers' can be found in section 5</p> <p>Further information on Fund risks can be found in section 8</p>
<p>Valuation, location and custody of assets</p>	<p>The Fund's assets are valued each Business Day for the preceding Business Day using the closing market price for an exchange traded asset or another valuation method where the asset is non-exchange traded provided that the method is consistent with ordinary commercial practices for valuing assets of the relevant kind and produces a value that is reasonably current at the time of valuation.</p> <p>Link Fund Solutions Pty Ltd (LFS) is the Fund's Administrator and is responsible for providing valuation, investment administration, accounting and registry services.</p> <p>The Fund will invest in predominantly Australian listed equities (long and short). The Fund may also invest in international listed equities, Australian Unlisted Equities, exchange traded and OTC derivatives, cash and cash equivalent investments. The allocation ranges for the investment in these assets can be found in the 'Investment range' table in section 6.</p> <p>The Responsible Entity has appointed Morgan Stanley & Co International plc as Prime Broker/Custodian. In addition to custodial services, as Prime Broker it may provide margin financing, clearing, settlement, stock borrowing and foreign exchange facilities services to the Fund.</p> <p>The Responsible Entity has appointed Perpetual Corporate Trust Limited as the Unlisted Equities Custodian for the Fund.</p> <p>See section 5 for more information on the Prime Broker/Custodian and the Unlisted Equities Custodian.</p>	<p>Further information on the Fund's 'Unit Pricing / Valuation Process' can be found in section 10</p> <p>Further information on the Fund's assets can be found in 'Investment strategy' in section 6</p> <p>Further information on the Prime/Broker/Custodian and Unlisted Equities Custodian can be found in section 5</p>
<p>Liquidity</p>	<p>The Fund accepts applications and redemptions withdrawals on a daily basis.</p> <p>Investors will be able to withdraw their investment in the Fund from the Responsible Entity whilst the Fund is "liquid" for the purposes of the Corporations Act or pursuant to a withdrawal offer by the Responsible Entity (if it chooses to make one).</p> <p>The Responsible Entity reasonably expects that under normal market conditions 80% of the Fund's assets will be capable of being realised within a reasonable time (and at any rate, no later than 21 days) at the value ascribed to those assets in calculating the Fund's NAV. For the purposes of the Corporations Act, the Fund will be liquid if 80% or more of the value of the property of the Fund are liquid assets. Marketable securities and cash are deemed to be liquid assets. Accordingly, ordinarily the Fund will be liquid.</p>	<p>For further information on 'Liquidity risk' see section 8</p>

Disclosure principle	Summary	Reference
	Please refer to section 8 of this PDS for information on the risks associated with liquidity.	
Leverage	<p>The Fund can employ leverage through monies borrowed under an overdraft facility with the Prime Broker or use of derivatives to amplify investment exposure.</p> <p>The Fund may also be leveraged through the use of short-selling, which increases the Fund's gross market exposure to the security sold short. Whilst the use of leverage may increase the potential return on an investment in the Fund, it also increases the level of risk and may result in losses. Please refer to sections 6 & 8 of this PDS for more information.</p>	Further information on leverage can be found in 'Leverage' in section 6
Leverage (Continued)	<p>Where leverage is employed, it will only be done within the investment ranges set out in Section 6. The maximum allowed long position is 200% and the maximum short position in the Fund is 100% (for every \$1.00 of the Fund's NAV, at most \$2.00 is invested long and at most \$1.00 is invested short). The total maximum gross exposure is therefore 300% of the Fund's NAV (a gross exposure of \$3.00 for every \$1.00 invested in the Fund). However, the expected average gross exposure range is 80%-120% of the Fund (a gross exposure of \$0.80 - \$1.20 for every \$1.00 invested in the Fund).</p> <p>The maximum net exposure of the Fund is limited to 150% (a net exposure of \$1.50 for every \$1.00 invested in the Fund) and that the expected average net exposure range is 60% - 100% (a net exposure of \$0.60 - \$1.00 for every \$1.00 invested in the Fund). For an example of the impact of leverage on investment returns and losses assuming the maximum anticipated level of leverage is set out in section 6.</p> <p>The obligations of the Fund to the Prime Broker/Custodian in respect of any transactions will be secured by transferring to the Prime Broker/Custodian by way of security title to certain investments, cash or other assets of the Fund (together referred to as Collateral).</p>	Further information on the Prime Broker/Custodian can be found in 'Key Service Providers' in section 5
Derivatives	<p>Both exchange traded derivatives and derivatives traded over the counter may be used by the Fund from time to time to manage risk or gain investment exposure if the Investment Manager believes this to be in the best interests of investors in the Fund.</p> <p>Monash Investor's criteria for selecting counterparties include that they must have, as a minimum, a long term investment grade credit rating from a major credit ratings agency. The Investment Manager has a framework in place to assess its derivative counterparties and monitor exposures.</p> <p>The types of derivatives that may be used are set out in 'Derivatives' in section 6. There are risks associated with the use of derivatives including the requirement to post Collateral. The counterparty may deal with the Collateral for its own purposes as though the assets of the Fund were its own assets, subject to an obligation to return equivalent securities or cash value. In the event of an insolvency of the counterparty, the Fund may not be able to recover some or all of the Collateral posted.</p>	<p>Further information on 'Derivatives' can be found in section 6</p> <p>Further information on the risks of derivatives can be found in 'Derivatives risk' in section 8.</p>

Disclosure principle	Summary	Reference
Short Selling	<p>The Fund employs short selling techniques to hedge exposures or to enhance potential returns. This is achieved by borrowing securities from the Prime Broker/Custodian and selling those securities. If the securities fall in value, the Fund will purchase securities of the same type and return those securities to the Prime Broker/Custodian to generate a profit. However, if the securities increase in value, this will generate a loss for the Fund.</p> <p>For an example of short selling see section 'A short selling example' in section 6. There are specific risks associated with short-selling. Refer to section 8 of this PDS for more information on short selling risks and how the Investment Manager will seek to manage those risks.</p>	<p>Further information on 'Shorting selling' can be found in section 6</p> <p>Further information on the risks of short selling can be found in section 'Short Selling Risks' in section 8.</p>
Withdrawals	<p>Withdrawal requests are processed daily. A properly executed withdrawal request received by 12 noon on a Business Day by the Administrator will receive the unit price effective that Business Day. If the request is received after 12 noon, it will be treated as a request for withdrawal received on the next Business Day. Perpetual may in its discretion allow withdrawal at other times if it is considered to be in the best interests of remaining unitholders.</p> <p>The minimum withdrawal is \$5,000 (or such lesser amount as Perpetual may determine in its absolute discretion).</p> <p>Withdrawals will generally be paid within a reasonable time (and at any rate, no later than 21 days) after the Administrator receives a properly completed original withdrawal request.</p> <p>Perpetual may, under the Constitution, suspend or delay withdrawals in certain circumstances if it believes that it is in the best interest of unitholders as a whole. For more information see 'Liquidity risk' in section 8 and 'Restrictions on withdrawals' in section 11.</p> <p>Investors will be notified of any material change to the withdrawal rights in writing. In addition, Monash Investors will post a notice on their website should a material change occur.</p>	<p>Further information on 'Withdrawals' can be found in section 11</p> <p>Further information on 'Liquidity risk' can be found in section 8</p>

3. About Perpetual

The Trust Company (RE Services) Limited (**Perpetual or Responsible Entity**) is the responsible entity of the Fund.

The Responsible Entity is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827) and a part of the Perpetual Group, which has been in operation for over 130 years. Perpetual Limited is an Australian public company that has been listed on the Australian Securities Exchange for over 50 years.

The Responsible Entity holds an Australian Financial Services Licence (number 235 150) issued by ASIC, which authorises it to operate the Fund.

The Responsible Entity is bound by the Constitution and the Corporations Act. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution and the Corporations Act. The Responsible Entity has established a Compliance Committee with a majority of external members. The compliance plan is overseen by the Compliance Committee and is audited annually with the audit report being lodged with ASIC.

The Responsible Entity has the power to delegate certain aspects of its duties.

The Responsible Entity has appointed Monash Investors as the Investment Manager of the Fund.

The Investment Management Agreement commenced on 1 July 2015 and continues until terminated by the parties.

The Responsible Entity may terminate the investment management agreement with immediate effect on written notice to the Investment Manager, if:

- the Fund terminates in accordance with the Fund Constitution or the Corporations Act; or
- a special resolution is passed by investors in the Fund at a meeting properly convened directing the Responsible Entity to terminate the appointment of the Investment Manager in respect of the Fund.

The Investment Manager is entitled to terminate the investment management agreement on written notice to the Responsible Entity to take effect six months after the date of the notice (or a lesser period, if the Responsible Entity agrees).

In addition to the rights set out above, the Responsible Entity or the Investment Manager may terminate the

investment management agreement, with immediate effect on written notice if:

- the Responsible Entity ceases to be the responsible entity of the Fund;
- a receiver, receiver and manager, administrative receiver or similar person is appointed with respect to the assets and undertaking of either the Investment Manager or the Responsible Entity, as applicable;
- either party goes into liquidation (other than for the purpose of a reconstruction or amalgamation on terms previously approved in writing by either the Investment Manager or the Responsible Entity, as applicable);
- either party is placed under official management or an administrator is appointed to its affairs;
- either party ceases to carry on business in relation to its activities as either an investment manager or responsible entity, as applicable;
- either party materially breaches or fails to observe or perform any duty, obligation, representation, warranty or undertaking required of it under the investment management agreement that, in the opinion of either the Investment Manager or the Responsible Entity (as applicable), adversely affects the rights of Investors, and fails to rectify the breach or failure to rectify the breach to the reasonable satisfaction of either the Investment Manager or the Responsible Entity (as applicable) within a reasonable period specified by the relevant party in a notice to do so; or
- either the Responsible Entity or the Investment Manager (as applicable) considers it reasonably necessary to do so in order to ensure compliance with its duties and obligations under the relevant law and in any circumstances by the relevant law, trust law or any other law or by any court of competent jurisdiction.

Investment in the Fund is not a deposit with, or liability of, the Responsible Entity or any other company of the Perpetual group. It is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of the Responsible Entity, LFS, Monash Investors or their related entities, shareholders, directors or officers guarantees the performance of the Fund, the return of an investor's capital or any specific rate of return.

More information can be found at www.perpetual.com.au.

4. About Monash Investors

Monash Investors is an investment management company founded, and majority owned, by Simon Shields and Shane Fitzgerald.

Together, they have almost 60 years' collective experience in investing in financial markets and they are responsible for making investment decisions for Monash Investors. They also hold units in the Monash Absolute Investment Fund, further aligning the manager/ interests with other investors.

Monash Investors holds an Australian Financial Services Licence (number 417201).

More information about Monash Investors can be found including any changes to key personnel at www.monashinvestors.com.

Simon Shields Portfolio manager

Simon is one of Australia's leading fund managers with over 32 years' of industry experience including in roles as Head of Australian Equities at UBS Global Asset Management (Australia) Limited and Head of Australian Equities at Colonial First State Limited. Simon has been a member of and/or led multi-award winning equities teams across a range of investment styles.

Simon holds a Bachelor of Commerce with Honours, Bachelor of Law, Masters of Business Administration and is a Chartered Financial Analyst.

Simon commenced his career as an analyst with Westpac Investment Management Limited (now part of BT Investment Management Limited), before moving into a portfolio management role. In 1995, he moved to Rothschild Australia Asset Management Limited as a Portfolio Manager, responsible for value-style Australian equities. In March 1998, he joined CFS as a Senior Portfolio Manager, responsible for growth style Australian and New Zealand equities, before becoming the Head of Australian Equities in January 2004. In July 2007, he moved to UBS as Managing Director and Head of Australian Equities and in 2011 he also took responsibility for the ING Investment Management Limited Australian equities team following its acquisition by UBS.

Simon is a director and co-founder of Monash Investors. His role includes research, analysis, dealing and investment management of the Fund. Approximately 90% of Simon's time is spent on investment activities for the Fund.

Shane Fitzgerald Portfolio manager

Shane has over 29 years' financial services experience including working at JP Morgan Securities (Australia) Limited and UBS Global Asset Management (Australia) Limited. He holds a Bachelor of Commerce with Honours in Economics.

Shane commenced his career at JP Morgan as an analyst, before moving into a senior research analyst role and eventually becoming the Head of Insurance and Diversified Financial Research, as well as an Executive Director.

In 2008, he joined UBS as a director and investment analyst.

Shane is a director and co-founder of Monash Investors. His role includes research, analysis, dealing and investment management of the Fund. Approximately 90% of Shane's time is spent on investment activities for the Fund.

5. Key service providers

There are a number of parties, in addition to the Responsible Entity, involved in the operation and administration of the Fund or who otherwise provide services in connection with the Fund.

Key service providers are shown in the table below.

Key service provider (role)	Description	Jurisdiction
Monash Investors Pty Limited (Investment Manager)	The Investment Manager is responsible for making investment decisions for the Fund.	Australia
Link Fund Solutions Pty Ltd (Administrator)	LFS provides administration services such as registry, valuation, and fund accounting for the Fund.	Australia
Morgan Stanley & Co. International plc (Prime Broker/Custodian)	<p>Morgan Stanley & Co. International plc. (the Prime Broker/Custodian), a member of the Morgan Stanley Group of companies (the Morgan Stanley Companies), based in London, will provide prime brokerage services to the Fund under the terms of the International Prime Brokerage Agreement (Prime Broker Agreement) entered into between the Fund and the Prime Broker for itself and as agent for certain other Morgan Stanley Companies. These services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also utilise the Prime Broker, other Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund. The Prime Broker is authorised by the Prudential Regulatory Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA.</p> <p>The Prime Broker will also provide custody services for the Fund's investments, including by taking custody of title documentation and holding securities in its name as the Responsible Entity's custodian (as part of its prime brokerage function in accordance with the terms of the Prime Broker Agreement). The Prime Broker may appoint sub-custodians, including other Morgan Stanley Companies.</p> <p>The Prime Broker is a service provider to the Fund and is not responsible for the preparation of this PDS or the activities of the Fund and therefore accepts no responsibility for any information contained in this PDS. The Prime Broker will not participate in the investment decision-making process.</p>	England and Wales
Perpetual Corporate Trust Limited (Unlisted Equities Custodian)	The Unlisted Equities Custodian is responsible for holding the Fund's Unlisted Equities, and among other things, arranging for settlement of sales and purchases of the Unlisted Equities.	Australia
Ernst & Young Sydney (Fund Auditor)	Ernst & Young has been appointed as the independent auditor of the Fund's financial statements.	Australia
PricewaterhouseCoopers (Compliance Plan Auditor)	PricewaterhouseCoopers has been appointed as the independent auditor of the Fund's Compliance Plan.	Australia

The Unlisted Equities Custodian

Perpetual Corporate Trust Limited has been appointed as the Unlisted Equities Custodian for the Fund.

The Unlisted Equities Custodian's role is limited to holding and maintaining assets of the Fund on behalf, and as agent, of Perpetual as the Responsible Entity of the Fund. Any liability or responsibility which the Unlisted Equities Custodian has or may have under the custody arrangements are to Perpetual as the Responsible Entity only. Where there are any assets of the Fund which the Responsible Entity elects not to deposit with the Unlisted Equities Custodian, the Unlisted Equities Custodian shall have no liability whatsoever in respect of such assets. The Unlisted Equities Custodian does not have a supervisory role in relation to operation and/or management of the Fund and is not responsible for protecting the interests of unitholders.

The Administrator

LFS has been appointed as the Administrator of the Fund (**Administrator**). The Administrator is responsible for the general administration that includes keeping the register of unitholders, arranging for the issue and redemption of units and calculation of asset valuations and fees.

In accordance with the relevant agreements between LFS and Perpetual, LFS has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to unitholders for any acts or omissions. LFS, in its role as Administrator, was not involved in preparing this PDS, and neither LFS nor any of its associated entities takes any responsibility for the contents of this PDS. Furthermore, neither LFS nor any of its associated entities makes any guarantee related to the success or performance of the Fund, the repayment of capital from the Fund, any particular rate of capital or income return from the Fund or any increase in the value of the Fund.

Prime brokers

The Prime Broker facilitates securities borrowing and lending processes, while providing centralised securities clearing and custody services to the Fund.

The fees of the Prime Broker for securities lending and associated services are payable by the Fund. The Prime Broker has no decision making discretion relating to the investment of the assets of the Fund and makes no representation in respect of the Fund or the investment of the assets.

The Prime Broker and its related entities are service providers to the Fund and are not responsible for the preparation of this PDS or the activities of the Fund and therefore accept no responsibility for any information contained in this document.

Monitoring of key service providers

The Responsible Entity has entered into service level agreements with the service providers and will, with the assistance of Monash Investors, regularly monitor the performance of the service providers against the service standards set out in the relevant agreements.

Changes to key service providers

Perpetual has processes and procedures for selecting, monitoring and reviewing the performance of the key service providers of the Fund. These key service providers are subject to change at any time, and in some cases without prior notice to investors. We will inform investors of any material change to key service providers in the next regular communication or as otherwise required by law.

6. About the Monash Absolute Investment Fund

The Fund is an Australian registered managed investment scheme and unit trust, where each investor's money is pooled with other investors' funds. Each unit represents an equal share in the net assets of the Fund, however no investor is entitled to a specific asset or part of an asset of the Fund. The rights of investors are set out in the Constitution.

Investment return objective

The Fund is a Long Biased long/short Australian equity fund. The Fund aims to deliver double digit returns while limiting loss of capital over a full Market Cycle. It does this by finding equity opportunities "long" or "short" with a strong expected pay-off. To the extent the Investment Manager cannot find enough suitable investments, the Fund will hold cash deposits or cash equivalents. There is no guarantee that its investment objective will be achieved and this objective is only an indication of the intended target return the Fund is seeking.

Investing in the Fund exposes you to certain risks. You should weigh up the potential benefits against the risks of investing (see section 8 titled Risks of investing in the Fund for further information).

Performance benchmark

The investment strategy is Benchmark Unaware and there is no predetermined asset allocation; rather, the Fund only invests when suitable opportunities are identified by the Investment Manager. As such, assets exposures may vary significantly over time and without notice.

No market linked performance benchmark has been set, however the RBA Cash Rate + 5% has been set as a performance fee Hurdle.

Minimum suggested time frame for holding investment

5 years or more.

Fund structure

The Fund is an Australian registered managed investment scheme, established under a constitution. The Fund's Constitution (in addition to the Corporations Act and general law) sets out Perpetual's powers, duties and obligations, as well as the rights of unitholders. Together with the Corporations Act, the Constitution also sets out the framework under which the Fund operates. The Constitution (including any amendments) has been lodged with ASIC.

Perpetual has the right to close or terminate the Fund in accordance with the Corporations Act (for example with investor approval) and change the Fund's investment strategy, benchmark, and asset allocation ranges and limits, and in some cases we may do this without prior notice to investors.

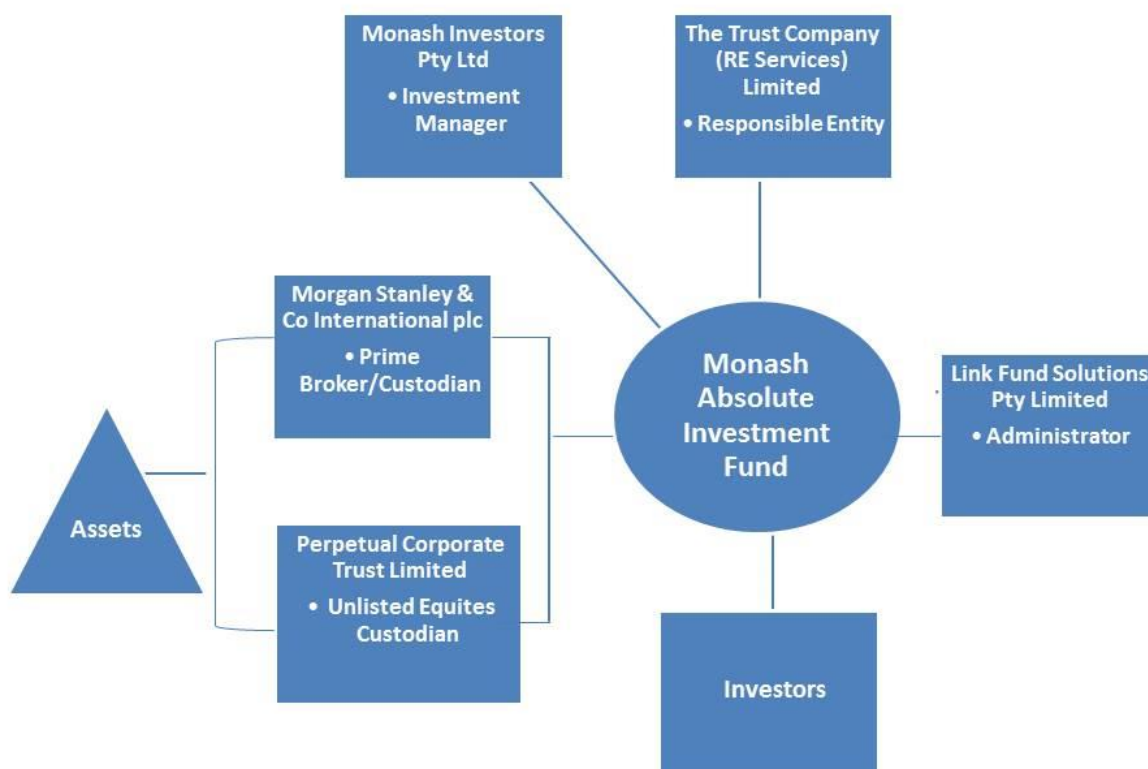
We will inform investors of any material changes to the Fund in their next regular communication or as otherwise required by law, which in some circumstances, may require prior notice to investors. Material changes notices are also available on Monash Investors' website www.monashinvestors.com.

Your rights and obligations as a unitholder in the Fund are also governed by the Constitution for the Fund, the Corporations Act and the general law relating to trusts. This includes the right to attend unitholder meetings, to make withdrawal requests, receive and reinvest distributions, participate in termination proceeds and lodge complaints.

The Constitution contains provisions designed to limit your liability to the amount invested in the Fund. However, you should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts.

A copy of the Fund Constitution is available free of charge by contacting Perpetual or your IDPS scheme operator.

Simplified Fund Structure Diagram



Investment strategy

The Investment Manager seeks to implement the Fund's investment strategy by investing in predominantly Australian listed equities (long and short), with international listed equities expected to average no more than 5% over seven years. The Fund may also invest in Australian Unlisted Equities, exchange traded and OTC derivatives, cash and cash equivalent investments.

The Fund seeks to only invest in compelling opportunities. To identify these investment ideas, Monash Investors primarily employs fundamental, bottom-up company research and the judgement and skill of its experienced portfolio managers.

Monash Investors believes that a diversified portfolio of compelling investments is likely to provide a strong annual return over the investment cycle.

All assets of the Fund (with the exception of international listed equities) will be located in Australia. The Fund's Australian domiciled assets will be denominated in Australian dollars. The Fund's international assets will be denominated in the currency of their local jurisdiction. There may be currency exposure and potential for adverse movements in exchange rates to reduce the Australian dollar value of those international assets.

The Fund's ability to produce the targeted returns depends on Monash Investors identifying compelling opportunities.

Monash Investors are focused on identifying securities that have the following attributes:

- 1) an asymmetric payoff: where the projected profit is expected to exceed the anticipated risk; and
- 2) a combination of the following characteristics:
 - high level of earnings and cash flow per share growth;
 - are underestimated or misunderstood in some way by the market;
 - represent strong value; and
 - have a near term event or announcement which is expected to trigger a price movement.

Depending on the size of the expected payoff and whether there is a near term catalyst, Monash Investors classify securities as either outlook driven or event driven investments.

Outlook driven investments

Outlook driven long investments are securities that exhibit a strong business outlook with large valuation upsides and moderate to low risks. Outlook driven shorts may also be identified. These are typically operationally or financially leveraged businesses that face challenging competitive forces.

Event driven investments

Event driven investments are opportunities where Monash Investors expect a moderate near term payoff due to a catalyst event. Event driven investments can be bought long, sold short or traded in pairs.

Capital Preservation

The Fund is exposed to market risk. The Fund's strategy to avoid loss of capital relies on:

- setting price targets and soft stop loss levels;
- diversifying within the portfolio for securities, sectors and investment themes; and
- the ability to reduce exposure through cash, options, futures and/or shorting securities.

Key dependencies and assumptions underpinning the investment strategy

The Fund's ability to produce investment returns will depend on the availability of assets that meet the Fund's investment guidelines, the Australian equity market conditions and the effect of the risks identified in section 8.

Short selling

The Investment Manager employs short selling as part of the Fund's investment strategy to enhance potential investment returns and to hedge exposures.

Short selling is where a fund borrows securities with the promise to return equivalent securities at a specified time in the future. The borrowed securities will then be sold on the open market. If the security falls in value, the fund will purchase the security and return those securities to the lender, thus generating a profit. However, if the security increases in value, this will generate a loss.

What is long/short investing?

When short selling is used in combination with a traditional, long-only portfolio, this process is known as 'long/short investing'. It is a process designed to deliver enhanced relative and risk-adjusted returns through the combination of 'long' and 'short' exposures.

When compared to traditional 'long-only' funds, long/short exposures create additional opportunities by allowing the manager to express negative views on a particular security by selling borrowed securities that the manager believes will underperform the market. The manager will then use the proceeds of the short sale to increase their exposure to securities that they view favourably.

In essence, long only investments have one source of return: buying securities that are expected to rise in value. Long/short strategies have two sources of prospective return. A fund that employs a long/short investment strategy can generate returns by owning securities that the manager expects will rise in value (long). At the same time the fund can sell (short) securities that are expected to underperform.

Why use long/short investing?

- Expressing negative views through short-selling may reward investors
- High conviction positive views may be rewarded through increased exposure
- Has the potential to add value in both rising and falling markets

The Fund typically always has some short positions. Monash Investors expects that these will average between 0% and 20% of the total NAV of the Fund over an investment cycle (see the table of investment ranges on next page).

Risks associated with short selling

Short selling may expose the Fund to certain risks. Monash Investors seeks to manage these risks by employing certain principals to preserve capital. See "Short selling risk" in the section titled 'Risks of investing in the Fund' for an explanation of the risks associated with short selling and how they are managed.

A short selling example

How does long/short investing work?

1. Buy a share portfolio with 100% of the capital (long positions).
2. Borrow shares worth 25% of the capital and sell those shares in market through short selling.

What is the final exposure?

1. The gross exposure (long plus short exposure) to shares is 125% of the original capital.
2. The net exposure (long minus short exposure) to shares is 75% of the original capital.

The above example is for illustrative purposes only. Actual exposures are managed in accordance to the ranges as described in "Investment limits" below.

What are the implications of short selling in this example?

The reduction in net exposure to 75% reduces the exposure of the portfolio to general market risk. But the increase in the gross exposure to 125% increases the exposure of the portfolio to security specific risks. This may have no effect, a positive effect or a negative effect. We show three scenarios.

Scenario 1 shows a positive market of 10% and the long securities and the short securities both rise by 10%. This illustrates that the reduction in net exposure reduces the portfolio return as compared to the market return.

In Scenario 2, the market return is unchanged at 10% but the long securities rise in price by 15% and the short securities rise in price by 8%. This shows that good security selection can add significantly to the performance of the Fund.

In Scenario 3, the market return is 10%, the long securities return only 2% and the short securities rise in price by 12%. This shows that poor security selection can detract significantly to the performance of the Fund.

Scenario 1 – Same Returns	Exposure	Return Contribution %	\$ Return
Market return		10.0%	\$10.00
Long Positions	\$100	10.0%	\$10.00
Short Positions	\$25	-2.5%	-\$2.50
Gross Exposure	\$125		
Net Exposure	\$75		
Total Performance		7.5%	\$7.50
Scenario 2 – Different Returns, Good Stock Selection			
Market return		10.0%	\$10.00
Long Positions	\$100	15.0%	\$15.00
Short Positions	\$25	-2.0%	-\$2.00
Gross Exposure	\$125		
Net Exposure	\$75		
Total Performance		13.0%	\$13.00
Scenario 3 – Different Returns, Poor Stock Selection			
Market return		10.0%	\$10.00
Long Positions	\$100	2.0%	\$2.00
Short Positions	\$25	-3.0%	-\$3.00
Gross Exposure	\$125		
Net Exposure	\$75		
Total Performance		-1.0%	-\$1

Note that these returns are theoretical only and do not imply the level of returns investors should expect. They also do not account for transaction costs, management fees, expenses and taxes.

Investment ranges

The Fund may invest within the asset class and net exposure ranges as set out below. As well as providing reasonable constraints, these investment ranges also serve to manage a number of risks including leverage, short selling as well as security/investment specific and market risks. You can obtain information on the actual asset allocation, updated as at the end of each month by visiting www.monashinvestors.com or by contacting Monash Investors.

Asset class exposures (Net)	As a % of NAV ¹	Average over an investment cycle
Cash & Cash equivalent investments	0 to 100	0 to 40
Australian listed equities	-100 to 200	60 to 90
International listed equities	0 to 20	0 to 5
Australian Unlisted Equities	0 to 20	2.5 to 7.5
Exchange traded derivatives	-20 to 40	0 to 5
OTC derivatives	-20 to 40	0 to 5

Market exposures	As a % of NAV	Average over an investment cycle
Net exposure range	+150/-50	60 to 100
Gross exposure range ²	+300/-50	80 to 120
Total long exposure	+200/0	70 to 100
Total short exposure	-100/0	-20 to 0
Single security absolute weight ³	+15/-10	+7 to -3.5
Sector exposure	+25/-15	+15 to -5

Holdings	No. of Positions
Number of long positions	No minimum or maximum
Number of short positions	No minimum or maximum

Risk	% per annum	% per annum
Expected volatility ⁴	5 to 15	7 to 10

¹ NAV or "Net Asset Value" is the value of the Fund's assets less the value of its liabilities

² The maximum gross exposure of 300% means that for every \$1 of the Fund's NAV, it is leveraged \$2 for a gross exposure of \$3

³ Absolute weight means the weight of a security in the portfolio as a percentage of the Fund's NAV

⁴ Expected volatility is the annualised standard deviation of monthly returns

Leverage

From time to time, the Fund may borrow cash using an overdraft facility with the Prime Broker or use derivatives to amplify its exposure to a particular equity security or equity asset class. The Fund may also be leveraged through the use of short selling, which increases the Fund's gross market exposure to the equity security sold short.

Where leverage is employed, it will only be done within the investment ranges set out above.

Sources of leverage:

- Short Selling, which provides proceeds from the sale of borrowed securities that may be re-invested in the long portfolio, will increase the gross market exposure of the Fund. However, this reduces the net exposure of the Fund and so reduces the leverage of the Fund to general market movements. It is anticipated to average no more than 20% of the Fund's NAV over time but the maximum allowed level of short selling is 100% of the Fund's NAV (see the investment ranges set out above). Stocks used for short selling are borrowed from the Prime Broker/Custodian. The Fund may use its long holdings as collateral for short sales, which may expose the Fund to loss in the event of the insolvency of the Prime Broker/Custodian.
- Derivatives will be used to manage risk or to gain investment exposure. When used to manage risk this will reduce the leverage of the Fund to security price or general market movements. When used to gain investment exposure, this will increase the Fund's leverage. The use of derivatives is limited by the market exposure limits of the Fund as a whole. The Fund's net exposure is anticipated to average between 60% to 100% of the Fund's NAV over time but the maximum allowed exposure to derivatives is 150% of the Fund's NAV (see the investment ranges set out above). Where derivatives other than exchange traded derivatives are held, the counterparty is the Prime Broker/Custodian, which may expose the Fund to loss in the event of the insolvency of the Prime Broker/Custodian.
- Overdraft Facility, which is provided by the Prime Broker/Custodian. When used to increase exposure, this will increase the Fund's leverage. The use of the overdraft facility is limited by the market exposure limits of the Fund as a whole. The Fund's net exposure is anticipated to average between 60% to 100% of the Fund's NAV over time but may be up to 150% of the Fund's NAV (see the investment ranges set out below).

Examples of the impact of leverage:

The table of short selling scenarios above shows three examples of short selling.

The table below shows additional examples that apply equally to derivative and overdraft leverage.

It is assumed that all holdings rise 10% in the case of the rising market scenarios and fall 10% in the case of the falling market scenarios. These examples show the impact of leverage on investment returns and losses, assuming the maximum allowed level of net exposure

Scenario 4 – Rising Market with Derivative Leverage	Exposure	Return Contribution	\$ Return
Long Stock Positions	\$100	10.0%	\$10.00
Long Derivative Positions	\$50	5.0%	\$5.00
Gross Exposure	\$150		
Net Exposure	\$150		
Total Performance		15.0%	\$15.00

Scenario 5 – Falling Market with Derivative Leverage	Exposure	Return Contribution	\$ Return
Long Stock Positions	\$100	-10.0%	-\$10.00
Long Derivative Positions	\$50	-5.0%	-\$5.00
Gross Exposure	\$150		
Net Exposure	\$150		
Total Performance		-15.0%	-\$15.00

Scenario 6 – Rising Market with Overdraft Leverage	Exposure	Return Contribution	\$ Return
Long Stock Position	\$100	10.0%	\$10.00
Additional Stock purchased with Overdraft proceeds	\$50	5.0%	\$5.00
Gross Exposure	\$150		
Net Exposure	\$150		
Total Performance		15.0%	\$15.00

Scenario 7 – Falling Market with Overdraft Leverage	Exposure	Return Contribution	\$ Return
Long Stock Position	\$100	-10.0%	-\$10.00
Additional Stock purchased with Overdraft proceeds	\$50	-5.0%	-\$5.00
Gross Exposure	\$150		
Net Exposure	\$150		
Total Performance		-15.0%	-\$15.00

Derivatives

The investment strategy involves the use of derivatives from time to time to manage market risk and gain investment exposure if the Investment Manager believes this to be in the best interests of investors in the Fund.

Both exchange traded derivatives and derivatives traded over the counter may be employed to manage risk or gain exposure to investments when appropriate. The Fund can deal with exchange-traded and over-the-counter (OTC) derivatives such as options (including options on futures), futures, warrants, swaps, swaptions and currency derivatives (including forwards) to achieve its performance benchmark.

Where derivative counterparties need to be engaged, Monash Investors and Perpetual have processes and procedures to select, monitor and review derivatives counterparties as part of their risk management framework. The framework provides for managing dollar exposures to individual counterparties in accordance with internal risk guidelines and assessing counterparties based on their creditworthiness. The Responsible Entity and Investment Manager have a framework in place to assess its derivative counterparties and monitor exposures.

In circumstances where derivatives are used, the notional exposure may exceed the NAV of the Fund.

The use of derivatives will expose the Fund to certain risks. Please see "Derivatives risk" in the "Risks of investing in the Fund" section for further information.

Risk management

The Responsible Entity has a risk management framework in accordance with its AFSL licence conditions.

The Responsible Entity also reviews the risk management framework of Monash Investors. The Monash Investors' framework includes monitoring of investments to manage the Fund's exposures within the asset class and market exposure limits of the Fund, as set out under the table of investment range.

For more details on risks see the section titled "Risks of investing in the Fund".

Labour standards, environmental, social and ethical considerations

Whilst Monash Investors intends to conduct their affairs in an ethical and sound manner, the Investment Manager does not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising any investment made by the Fund.

7. Benefits of investing in the Fund

Investing in the Fund gives investors access to:

- An exposure to the Australian share market;
- An opportunity to make opportunistic returns from a limited exposure to overseas equities;
- An opportunity to partake in an investment strategy that would ordinarily be difficult for individual investors to employ;
- Enhanced potential for diversification from traditional market exposures; and
- A strategy with an investment team and a proven track record.

Fund Management Expertise:

- Monash Investors has been successfully using its trading strategies since its establishment (although past performance is not an indicator of future performance);
- Possess a robust risk management framework; and
- Employs investment management professionals with extensive experience in funds and investment portfolio management.
-

Aside from Monash Investors, the Fund is complemented by well-resourced service providers:

- Link Fund Solutions Pty Limited (Administrator);
- Morgan Stanley & Co International plc (Prime Broker/Custodian); and
- Perpetual Corporate Trust Limited (Unlisted Equities Custodian of the Fund).
- Annual reviews of service providers and continuous audit and compliance obligations are also implemented as standard procedures.

8. Risks of investing in the Fund

All investments carry some level of risk including possible delays in repayment and loss of income and principal invested. In investment terms, risk is the variability of returns over time and the potential loss of capital. Risk means it is not possible to predict the returns that an investment will achieve. Investment returns are not guaranteed and past performance is not an indicator of future performance.

Generally, the higher expected return of an investment, the higher the expected risk. Traditionally, listed shares have generally been considered to be more volatile (will experience greater fluctuations in value) than fixed income, while fixed income has generally been more volatile than cash.

However, higher risk asset sectors such as shares have historically produced higher long term returns than fixed income.

The value of your investment will rise and fall in line with the changing value of the underlying investments. The table does not purport to cover or explain all the risks of investing in the Fund. Each investor has their own particular investment objectives, financial situation and particular needs. You should consult with your financial adviser before investing and from time to time, to ensure your investment is, and remains, appropriate to your needs. The following table outlines the key risks of the Fund.

Type of risk	Risk explained
Market risk	Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or prolonged market volatility.
Investment specific risk	<p>The Fund's investments involve a high degree of financial risk. Markets in which the Fund is anticipated to invest are subject to a high degree of volatility. There can be no assurance that the Fund's investment objectives will be realised or that unit holders in the Fund will receive their capital back when exiting the Fund or any return on their investment.</p> <p>Certain investments by the Fund may be regarded as speculative in nature and involve increased levels of investment risk. An inherent part of a strategy is to identify securities which are undervalued (or, in the case of short positions, overvalued). Success in such a strategy necessarily depends upon the market eventually recognising the mispricing, which may not necessarily occur.</p>
Liquidity risk	<p>This is the risk that a given asset cannot be traded quickly enough to prevent a loss (or make the required profit) due to the absence of an established market or a shortfall in trading volume.</p> <p>Due to this liquidity risk, the Fund's inability to dispose of its underlying investments may, at times, limit the Fund's ability to meet withdrawal requests or have an adverse impact on the price obtained for the asset.</p> <p>If significant withdrawals of units in the Fund are requested, it may also not be possible to liquidate the Fund's underlying investments at the time such withdrawals are requested or may be able to do so only at prices which Monash Investors and Perpetual believe do not reflect the true value of such investments, resulting in an adverse effect on the return to remaining investors.</p> <p>The Fund is generally invested in liquid, highly traded securities. To further mitigate this risk, Monash Investors regularly assesses the Fund's investments to ensure that it is invested in assets sufficiently liquid to realise 80% in 10 days.</p>
Short selling risk	<p>Short selling involves a higher level of risk than buying a security. This is because when a security is bought, the maximum loss is limited to the amount invested. With short selling, there is no limit on the maximum loss because there is no upper limit on a security's price (which is the price at which the Fund will need to repurchase a given security that has been sold). Unless action is taken, losses will continue to increase as the security's price rises.</p> <p>Borrowed securities may also be unexpectedly recalled at a time when they cannot be bought back without substantial losses being incurred.</p> <p>Where short-selling is employed, risks are managed by applying the following principals to preserve capital:</p> <ul style="list-style-type: none"> • setting price targets and soft stop loss levels, such that the position is reviewed if there is a price movement more adverse than 10%; • limiting the weight of short exposures to the weight of the long holding they are paired against, or if it is not a pair trade, to half the weight of comparable long securities;

Type of risk	Risk explained
	<ul style="list-style-type: none"> diversifying within the portfolio for securities, sectors and investment themes.
Leverage risk	<p>Leverage occurs when the investment exposure to investments exceeds the value of the NAV, and can magnify both the gains and losses. A leveraged fund has a higher investment risk than a comparable unleveraged fund and investors should expect larger variations in returns (both positive and negative). The Fund primarily employs short selling to increase its gross exposure to the market. Please also refer to risks pertaining to short selling above.</p> <p>From time to time, the Fund may also borrow cash or use derivatives to amplify the exposure to a certain asset or asset class. If the Fund does this, it will only do it within the limits outlined in the investment guidelines.</p>
Counterparty risk	<p>This is the risk that another party to a financial transaction (the counterparty) fails to meet its obligations. Counterparty risk arises primarily from 'over the counter' transactions involving derivatives and lending arrangements entered into by the Fund, and substantial losses can be incurred. Monash Investors will seek to manage such risk by evaluating the creditworthiness of its counterparties and dealing within approved credit limits.</p>
Investment Manager risk	<p>Although Perpetual has the ultimate authority for the management of the Fund, all the decisions relating to the investment of the Fund's assets have been outsourced to Monash Investors. The Fund's trading is dependent on the continuation of the services and skills of Monash Investors' officers and employees. The loss of Monash Investors' services (or that of one or more of its key personnel) could materially and negatively impact the value of the Fund as it may lead to the loss of the use of any proprietary investment methodology developed by Monash Investors. There is also a risk with any managed fund that the investment manager will not perform as expected.</p>
Derivatives risk	<p>Risks of derivatives include: basis risk (the value of the derivative failing to move in line with the underlying asset or as expected); liquidity risk (the possibility that the derivative position is difficult or costly to reverse); and counterparty risk (possibility that there are no counterparties to take the opposite of a transaction or that the counterparty does not meet its contractual obligations, resulting in losses from the assets which are held as collateral with that counterparty). These risks could cause the Fund to incur losses, increased costs or fail to realise gains or meet its investment objective.</p> <p>Where derivatives are employed, in addition to the skill of the Investment Manager in assessing market-related risks and thorough assessment of the relevant counterparties, the Investment Manager has processes and procedures in managing derivative exposures. Monash Investors uses market leading software to monitor and manage derivatives within the asset class and market exposure limits of the Fund, as set out under the table of investment ranges.</p>
Currency risk	<p>When the Fund invests in international equities, there may be currency exposure and potential for adverse movements in exchange rates to reduce their Australian dollar value. A rise in the Australian dollar against the relevant currency will lead to a fall in the value of assets held by the Fund in that currency. Conversely, a fall in the Australian dollar against the relevant currency will lead to a rise in the value of the assets held by the Fund in that currency.</p>
Fund risk	<p>There is the risk that the Fund could terminate, or the fees and expenses could change.</p> <p>The Fund may invest in international securities, and in companies that have exposure to a range of international economies. Global and country specific macroeconomic factors may impact the Fund's international investments.</p>

9. Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Monash Absolute Investment Fund - Class A Units		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investment ¹	1.2813% per annum of NAV ²	Management fees, which are expressed as a percentage of the NAV, are calculated and accrued daily and generally paid to Monash Investors monthly in arrears. They are deducted directly from the Fund's assets and reflected in its Unit price. You may be able to negotiate the management fee with us.
Performance fees Amounts deducted from your investment in relation to performance of the product	1.4700% per annum of NAV ³	The performance fee is calculated daily and accrued daily based on the NAV (before performance fee) and is crystallised and paid to Monash Investors on a quarterly basis (if applicable).
Transaction costs The costs incurred by the Fund when buying or selling assets	0.55% per annum of NAV	All transactions costs are paid out of the Fund's assets and reflected in its NAV per Unit. This amount represents net transactions costs borne by all investors after any buy spread/sell spread recoveries charged on investor-initiated transactions (see 'Buy/Sell Spread' in the table below).

¹ These fees may be individually negotiated if you are a wholesale client (as defined in the Corporations Act). Management fees and costs reduce the NAV of the Fund and are reflected in the Unit price. Management costs and expenses are comprised of costs for administering and investing in the assets of the Fund and other expenses and reimbursement in relation to the Fund which are variable. For more information on the management fee and costs, please refer to "Management fees and costs" in the "Additional Explanation of Fees and Costs" section below.

² Inclusive of Goods and Services Tax (GST) net of any input tax credits.

³ Inclusive of Goods and Services Tax (GST) net of any input tax credits. This is a reasonable estimate of the performance fee for the Fund. The estimate is based on the five year average for performance fees. Past performance is not an indicator of future performance, and estimates can change. For more information on how the performance fee is calculated, please refer to "Performance fees" in the "Additional Explanation of Fees and Costs" section below.

Investor activity related fees and costs (fees for services or when your money moves in or out of the Fund)⁴

Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.
Buy spread/sell spread An amount deducted from your investment representing costs incurred in transactions by the Fund	0.30% upon entry and 0.30% upon exit when buying and selling units directly with the Responsible Entity.	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The buy spread is paid into the Fund as part of an application and the sell spread is left in the Fund as part of a redemption.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	Not applicable.
Switching fee The fee for changing investment options	Nil	Not applicable.

Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example BALANCE OF \$50,000⁵ WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution fees	Nil.	For every additional \$5,000 you put in, you will be charged nil.*
PLUS Management fees and costs	1.2813% p.a. of NAV ⁶	And , for every \$50,000 you have in the Fund you will be charged \$640.65 in Management Costs each year**.
PLUS Performance fees	1.47% p.a. of NAV ⁷	And , you will be charged or have deducted from your investment \$735.00 in performance fees each year.
PLUS Transaction costs	0.55% p.a. of NAV	And , you will be charged or have deducted from your investment \$275.00 in transaction costs.
EQUALS Cost of Class A Units in the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$1,650.35*** What it costs you will depend on the fees you negotiate.

⁵ We have assumed a constant value of \$50,000 for the whole year.

⁶ The figure used for the management fees and costs in the example above reflects the Responsible Entity's reasonable estimate at the time of this PDS of the typical ongoing amounts.

⁷ This is an estimate only, please refer to "Performance fees" in the "Additional Explanation of Fees and Costs" section below for more detail. All fees and costs in the table above include Goods and Services Tax (GST) net of any input tax credits.

Additional explanation of fees and costs

Management Costs

The management costs for the Fund include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

The indirect costs and other expenses component of the NAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests. The indirect costs and other expenses component is variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Perpetual's website at www.perpetual.com.au where they are not otherwise required to be disclosed to investors under law.

Management fee

A management fees component of management fees and costs of 1.2813% p.a. of the NAV of the Fund is payable to Monash Investors. The management fee is calculated daily and is payable from the Fund monthly in arrears. You will not be charged directly for the management fee as this will be paid out of the Fund and reflected in the value of the unit price. Monash Investors may pass some or all of the management fee to Perpetual. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

Performance fee

The Investment Manager is entitled in certain circumstances to charge a performance fee. The performance fee is calculated at a unit class level and is paid out of the assets relating to that class of units where the Investment Manager meets certain performance objectives.

A performance fee is payable to Monash Investors when the NAV per unit, before performance fees, is above the High Water Mark subject to a Hurdle. The Hurdle is the RBA Cash Rate + 5%

The performance fee is equal to 20.5% p.a. of the amount by which the NAV per Class A Unit exceeds the High Water Mark and the Fund achieves the Hurdle.

This means that Monash Investors is only entitled to charge a performance fee if the investment performance before fees of the Class A Units has exceeded the return of the RBA Cash Rate + 5%. Generally, the greater the investment performance of the Class A Units, the greater

the performance fee and therefore the greater the overall management costs for the Fund. The actual performance fee payable (if any) will depend on the performance of the Fund over the relevant period.

Where the daily calculated performance fee is negative, it is applied to reduce any accrued performance fee from the previous day, or, where there is no accrued performance fee from the previous day, carried forward as a 'Performance Deficit'. Any Performance Deficit will need to be offset by future positive performance fees and before any performance fee becomes payable. This means that the Fund must make up any under-performance (in dollar terms) from previous periods before a performance fee can be accrued and reflected in the Class A Unit price. This is often referred to as a High Water-Mark.

The performance fee is calculated each Business Day based on the daily performance and the value of the Fund on that day and, where positive, accrued and reflected in the Fund's Class A Unit price, and will affect the return on investment in the Class A Units of the Fund. The performance fee is calculated daily and accrued daily and is crystallised and paid on a quarterly basis. The performance fee is paid out of the assets of the Fund relating to the Class A Units if the performance fee accrued is positive and you will not be charged directly. If at the end of the period the performance fee is negative, this will be carried forward to the next period to offset any future positive performance fees paid.

Recoverable expenses

In addition to the fees set out above, costs and charges relating to the Prime Broker, interest and commitment fees on loans and debit balances, bank charges, legal, accounting, and other expenses may also apply to investments and withdrawals (including dishonour fees and conversion costs) and are incurred by the Fund and reflected in the NAV.

Expenses incurred by Perpetual in the proper performance of the Fund's day to day operations are reimbursed to Perpetual. As at the date of this PDS, Monash Investors pays these expenses (excluding GST payable on fees) out of the management fee, at no additional charge to you.

It is currently intended that the management fee also covers expenses incurred in the management and administration of the Fund including but not limited to Fund Custodian fees, Responsible Entity fees, accounting and audit fees, tax adviser fees and legal fees relevant to the Fund. At the date of this PDS, we intend to continue with our current practice of paying certain expenses out of the management fee as described above. However, in the future we may decide to deduct expenses in addition to the management fee, in which case we will give direct investors 30 days' written notice.

Transactional and operational costs and buy/sell spread

Transactional and operational costs include the costs associated buying and selling assets such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs and stamp duties when assets are bought and sold. Transactional and operational costs are not included in the Fund's management costs set out in the table on page 23.

Transaction costs are an additional cost to the investor where they are not recovered by the buy spread/sell spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The gross transaction costs for the Fund are 0.82% p.a. of the NAV of the Fund, which is based on the relevant costs incurred during the financial year ended 30 June 2020.

A buy spread is charged by the Fund when entering the Fund (buying units) and a sell spread is charged when exiting the Fund (selling units) to cover the transactional and operational costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor.

The buy spread is paid into the Fund as part of an application and the sell spread is left in the Fund as part of a redemption and not paid to Perpetual or the Investment Manager. Currently, the Fund charges 0.30% for the buy spread and 0.30% for the sell spread. These amounts may change if, for example, transactional and operational costs change. The dollar value of these costs based on an application or withdrawal of \$50,000 is \$150 for each individual transaction.

The spread of the Fund may be reviewed by Perpetual and altered or waived from time to time, without advance notice to investors, and www.monashinvestors.com will be updated as soon as practicable to reflect any change. Perpetual may also determine a reasonable estimate of the actual amount necessary to avoid an adverse impact on other unitholders due to the acquisition or disposal of assets carried out because of a particular application or withdrawal request and apply this as the buy/sell spread for that particular application or withdrawal.

A copy of our unit pricing discretionary policy, including details of any discretions that we may exercise in various circumstances (including in respect of transaction costs), is available without charge upon request.

Commissions and soft dollar payments

Perpetual and Monash Investors do not pay any fees or commissions to your financial adviser. However, your adviser may charge you certain fees for the services they provide to you.

Differential fees

Perpetual may from time to time enter into special arrangements regarding differential fees in relation to investments made by investors who are 'wholesale clients' (as defined by the Corporations Act). Such negotiations would be subject to compliance with legal requirements and any applicable ASIC relief. Please contact us or your adviser for details of any fee rebates or waivers that may be negotiated.

GST and taxation

Please refer to the 'Taxation' section of this PDS for information regarding GST and other taxation information. Additionally, the Constitution allows Perpetual to charge the abnormal expenses of the Fund

to the Fund. Abnormal expenses include costs of unitholder meetings, changes to the Constitution, pursuing/defending legal proceedings, changing the Responsible Entity or termination of the Fund, and may occur without notice to investors.

Fee increases and other costs

The Constitution of the Fund permits higher fees to be charged as well as other fees which are not currently levied. The maximum management fee that may be charged by Perpetual under the Constitution is 4.00% p.a.. The current applicable fees are as set out in the 'Fees and other costs' table.

All estimates of fees in this section 9 are based on information available as at the date of this PDS. You should refer to the Fund's website at www.monashinvestors.com from time to time for any updates which are not materially adverse to investors.

Can we charge fees not currently levied?

The Fund's Constitution provides that we can charge the following fees:

Fee	Description	Maximum Allowable
Application fee	The fee on each amount contributed to your investment	5%
Withdrawal fee	The fee on each amount you take out of your investment	5%
Administration fee	Fees on administration services provided to the Fund	4%

At the date of this PDS, we do not charge these fees. If we introduce them, we will give direct investors 30 days' written notice.

To find out more or to receive a copy of the Fund's Constitution, please contact Perpetual.

Fees for Indirect Investors

For Indirect Investors accessing the Fund through an IDPS such as a wrap platform, additional fees and costs may be charged by your IDPS operator for investing in the Fund via their service. These fees and costs will be set out in the offer document provided by the relevant IDPS operator.

Alternative remuneration

Perpetual may enter into arrangements to pay administration fees to IDPS operators in connection with the listing of this Fund on their investment menus. This fee is paid by Monash Investors and not by the Fund. It is not charged out of the assets of the Fund and is not a separate additional charge to investors.

Rebates for interfunding arrangements

The Fund may invest in other funds that Monash Investors manages (**Related Fund**). Our current policy is:

- no contribution fee is payable to the Related Fund;
- management fees are either not collected by the Related Fund or, if they are, they are rebated in full to the Fund; and
- certain expense recoveries (if any) are fully rebated to the Fund, but the Related Fund may incur those expenses up to the Related Fund's own limit (if any) in its Constitution.

Should this change, we will give investors 30 days' notice in writing.

10. How the Fund operates

Multiple Classes

The Fund has different classes of units. This PDS relates to Class A Units only. Under the Fund's Constitution, each different unit class may have different fees, expenses, distributions, and as a result, performance. Investors in units other than Class A units will not be able to invest through this PDS. They will be required to invest through a separate offer document relevant to that unit class. Holders of different classes of units will be treated fairly.

Unit Pricing / Valuation Process

When you invest in the Fund you are allocated a number of Class A Units in the Fund. Each of these Class A Units represents an equal undivided part of the Fund's Class A NAV. As a result, each Class A Unit has a dollar value or unit price. Generally, Class A Unit prices are calculated each Business Day and are calculated by dividing the Fund's Class A NAV plus transaction costs by the total number of units held by investors on that day. All unit prices are calculated to four (4) decimal places. The number of units issued is calculated and rounded to the nearest whole number.

The NAV of the Fund includes the assets (including income accumulated since the previous distribution), less any liabilities (including borrowings accrued fees and expenses). The Class A NAV of the Fund is the NAV, excluding fees attributable to Class B Units only.

The entry unit price is usually higher than the exit unit price as a result of the buy/sell spread. For more information, please refer to the section on 'Transactional and operational costs and buy/sell spread' above.

Entry and exit prices will usually be available in relation to the previous Business Day at www.monashinvestors.com.

Perpetual has adopted a unit pricing discretionary policy that sets out policies and procedures when exercising discretions under the Fund's Constitution. In calculating the NAV of the Fund, Perpetual, the Administrator or their affiliates may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including automatic processing services, brokers, market makers or intermediaries, Monash Investors and any administrator or valuations agent of other collective investments into which the Fund invests. Perpetual and the Administrator may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets. If, and to the extent that, Monash Investors is responsible for or

otherwise involved in the pricing of any of the Fund's assets (for example in the case of unlisted or suspended securities), Perpetual or the Administrator may accept, use and rely on such prices in determining the NAV of the Fund, and shall not be liable to the Fund, any investor or any other person in doing so.

Distributions

The Responsible Entity intends to target a cash distribution of at least 1.50% of NAV each quarter. Perpetual may also pay a special distribution at other times where we consider it appropriate; for example, where there is a large withdrawal we may distribute income and capital before processing the withdrawal so that remaining investors are treated fairly. Prior notice of special distributions will not ordinarily be provided.

Distributions are automatically reinvested unless you instruct the Administrator otherwise in the application form. If you do not nominate a bank account for payment of distributions, we will treat this as a request to reinvest your distributions. You may change your distribution option by notifying the Administrator in writing at least twenty (20) Business Days prior to the relevant distribution date. No fees or transaction costs will be payable in respect of distributions that are automatically reinvested.

Distributions are generally assessable income and can be made up of both income and realised capital gains, and will vary depending on the factors that influence the performance of the Fund (such as interest rates and market conditions) and may not be paid at all. Please refer to the section on 'Taxation' in this PDS for further information.

When the total Fund distribution for a period has been determined, the distribution amount per Unit is calculated by dividing the total distribution by the number of Units on issue at the distribution date. Undistributed gains accrue in the unit price of the Fund during the relevant distribution period.

This means that if an investment is made just before the end of a distribution period, you may receive some of the investment back immediately as distribution income.

Immediately following a distribution the Fund's unit price will usually fall because the income and realised gains accumulated during the distribution period have been distributed. Distributions may include a part return of capital. Details will be provided in the investor's annual tax statement, which we will send you after the end of each financial year detailing the amounts attributed to you to assist in the preparation of your tax return.

11. Investing in the Fund

Applications

Minimum initial investment

The minimum initial investment is \$20,000. Perpetual may in its absolute discretion raise or lower the minimum initial investment amount.

Minimum additional investment

The minimum amount for additional investments is \$5,000, subject to Perpetual's absolute discretion to accept a lower amount.

Application acceptances

Applications are accepted (in whole or in part) at the absolute discretion of Perpetual. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on rejected application monies.

Please note that application monies cannot be accepted from overseas Bank Accounts.

Application process and cut-off times

Applications can be made by sending the completed Application Form attached to this PDS, providing us with the required documents for the relevant investor type and remitting the application monies.

An application is taken to be received if we consider you have:

- Correctly completed the Application Form;
- Provided us with the relevant identification documents; and
- Remitted the application monies (in cleared funds) as stated in your Application Form. The time it takes for application money to clear varies depending on how you transfer the money and your bank. At times, this may take up to four Business Days.

Please send completed Application Form with relevant AML documentation to:

The Trust Company (RE Services) Limited
C/- Link Fund Solutions Pty Limited
Monash Absolute Investment Fund Unit Registry
GPO Box 5482 Sydney NSW 2001

A copy of the original executed and completed Application Form may be faxed to the Administrator on +61 2 9547 4311. However, no initial applications will be processed until the Administrator has received a properly completed original.

The cut-off time for receipt of an application is 12 noon on a Business Day. If the application is accepted, it will be processed with the unit price effective for that Business Day. Applications received after this cut-off time will be treated as being received on the following Business Day.

Application monies must be made in Australian Dollars by either funds transfer or direct credit into the following application account:

BSB	012 003
Account Number	836 083 221
Account Name	The Trust Company (RE Services) Limited ATF Monash Absolute Investment Fund
Bank	ANZ

Units will not be issued unless and until the relevant application monies have been received as cleared funds.

No interest is earned on application money which is held in a trust account prior to being processed.

Subsequent additional investments may be effected by completing the application form and sending this to us as above.

Investing through an IDPS

Investors seeking access to the Fund via an Investor Directed Portfolio Service, or IDPS-like schemes including master trusts and wrap accounts (**IDPS**) do not themselves become investors in the Fund, and accordingly have no rights as a unitholder (**Indirect Investors**). If you are an Indirect Investor, generally, the relevant scheme operator acquires the rights of a unitholder. The rights and liabilities of Indirect Investors are set out in the IDPS Guide or other offer document for the relevant IDPS, which you should read carefully prior to directing the relevant operator to invest in the Fund.

Indirect Investors complete application forms for the IDPS, not the Fund, and receive reports from their operator. Inquiries should be directed to that operator or your financial adviser.

Perpetual authorises the use of this PDS as disclosure to Indirect Investors, who may rely on the information contained in this PDS when instructing IDPS operators to invest in the Fund on their behalf. Perpetual accepts no responsibility where the IDPS operator does not provide Indirect Investors with a current version of this PDS or any supplementary or replacement PDS.

Minimum investment and withdrawal requirements in this PDS may not always be relevant to Indirect Investors because the IDPS operator may invest on behalf of a number of Indirect Investors. Indirect Investors will also incur the fees and expenses applicable to the IDPS, as well as the Fund's fees and expenses. The tax information in this PDS does not specifically cater for Indirect Investors.

Cooling-off period

Investors can change their mind within a 14-day period of their initial investment. The 14-day period commences on the earlier of either the date you receive confirmation of your investment or the end of the 5th Business Day after the day on which Perpetual issues the units to you. The realised market value of the units will be refunded, less any taxes and reasonable administrative costs.

To exercise the cooling-off right we must receive your written instructions before the expiry of the 14-day

cooling-off period. The proceeds refunded may be less or greater than the amount invested, since units in the Fund are subject to market movement from the time they are acquired.

The cooling-off right is terminated if you exercise certain investor rights such as the right to withdraw part of your investment. Cooling-off rights will also not apply to 'wholesale' clients as defined under the Corporations Act or in certain limited situations, such as if the issue is made under a distribution reinvestment plan, where the Fund is illiquid or where an issue represents additional contributions required under an existing agreement.

Also, cooling-off rights do not apply in respect of any investment acquired through an IDPS. However, Indirect Investors should contact their operator and read the operator's offer document for more information on any cooling off rights that may apply in relation to the relevant IDPS

Withdrawals

Minimum withdrawal

The minimum withdrawal is \$5,000 (or such lesser amount as Perpetual may determine in its absolute discretion). A requested partial withdrawal which would cause the investor's investment to fall below the minimum holding of \$20,000 (or such lesser amount as Perpetual may determine) will not be permitted.

Withdrawal processes and cut-off times

Investors may redeem all or part of their investments in the Fund by notifying LFS in writing. A withdrawal request must be signed by the unitholder or the authorised signatories. The signed original of the request for withdrawal should be sent to the Administrator.

Original instructions should be mailed to:

The Trust Company (RE Services) Limited
C/- Link Fund Solutions Pty Limited
Monash Absolute Investment Fund Unit Registry
GPO Box 5482 Sydney NSW 2001

Withdrawal requests are processed daily. A properly executed withdrawal request received by 12 noon on a Business Day by the Administrator will receive the unit price effective that Business Day. If the request is received after 12 noon, it will be treated as a request for withdrawal received on the next Business Day. Perpetual may in its discretion allow withdrawal at other times if it is considered to be in the best interests of remaining unitholders.

Withdrawals will generally be paid within 10 business days after the Administrator receives a properly completed original withdrawal request. Proceeds from withdrawals will be electronically credited to your bank account. Note that normal bank charges apply.

Please note that these times are a guide only.

Restrictions on withdrawals

Perpetual may, under the Constitution, suspend or delay withdrawals if it believes that it is in the best interest of unitholders as a whole for example when:

- the Fund is illiquid (as defined by the Corporations Act);
- where large withdrawal requests are received on a Business Day;
- Perpetual has taken all reasonable steps to realise sufficient Fund assets to satisfy a withdrawal request and is unable to do so;
- Perpetual is unable to calculate the withdrawal price or to fairly determine the NAV due to one or more circumstances outside its control; or
- Perpetual otherwise determines that it is in the best interests of unitholders to extend the period.

If the Fund is illiquid, withdrawals from the Fund will only be possible if we make a withdrawal offer in accordance with the Corporations Act. You will only be able to withdraw on the terms of any such current withdrawal offer which we are not required to make unless we have so determined.

Investors will be notified of any material change to the withdrawal rights in writing. In addition, Monash Investors will post a notice on their website should a material change occur.

Please refer to "Liquidity Risk" in the section "Risks of investing in the Fund" for more information on risks that may affect your ability to withdraw from the Fund.

For further details on the circumstance where Perpetual may delay or suspend withdrawals, please contact Perpetual or refer to the Fund's Constitution, a copy of which is available free of charge by contacting Perpetual.

12. Taxation

There are tax implications when investing in the Fund. Perpetual cannot give tax advice and we recommend that you consult your professional tax adviser as the tax implications for the Fund can impact investors differently. Below is a general outline of some key tax considerations for Australian resident individual Investors who hold their Units in the Fund on capital account and these considerations are provided on the basis that the Fund is an Attribution Managed Investment Trust (**AMIT**). This information is based on our current interpretation of the relevant taxation laws as at the date of this PDS and these laws may be subject to change. As such, investors should not place reliance on this as a basis for making their decision as to whether to invest.

Income earned by the Fund, whether distributed or reinvested, can form part of the assessable income for investors in the year the Fund earns the income or a different year.

After the end of the Fund's tax year we will send to you the details of assessable income (including capital gains), tax offsets, cost base adjustments in relation to your units and any other relevant tax information to include in your tax return.

The Fund will seek to pass on any benefits of franking credits in respect of franked dividends it receives. Investors will be required to include their share of dividend income and franking credits in their assessable income.

Tax position of the Fund

The Fund has elected into the AMIT regime.

Where the Fund is an AMIT, it should generally not be liable to pay income tax where the Responsible Entity properly attributes all of the Fund's taxable income and tax offsets on a fair and reasonable basis in accordance with the Fund's constituent documents. It is the intention of the Responsible Entity to ensure that this is the case.

Investors that are attributed a share of the Fund's taxable income will be required to include in their assessable income a proportionate share of the taxable income of the Fund.

If the Fund were to incur a tax loss for a year then the Fund could not attribute that loss to Investors. However, subject to the Fund meeting certain conditions, the Fund may be able to recoup such a loss against taxable income of the Fund in subsequent income years.

Capital gains

Your assessable income for each year may include net capital gains (i.e. capital gains after offsetting capital losses and after applying the CGT discount). These capital gains may include:

- Capital gains attributed by the Fund (this will include capital gains derived by the Fund and may include capital gains streamed to you in the event of a redemption); and
- Capital gains on withdrawing Units from the Fund or selling Units in the Fund.

Resident individuals, trusts (conditions apply) and complying superannuation entities may be eligible to discount capital gains relating to the disposal of Units where they have held the Units for at least twelve (12) months.

If you have a net capital gain, this should be included in your assessable income. A net capital loss may be carried forward to offset against future capital gains but may not be offset against ordinary income.

Goods and services tax (GST)

The application for, and withdrawal or disposal of, Units in the Fund and the receipt of distributions will not be subject to GST. However, GST is payable on our fees and certain reimbursement of expenses. The Fund may be entitled to claim reduced input tax credits (RITCs) for GST paid in respect to some of these expenses. The benefit to Investors of any RITCs will be reflected in the Unit price.

An Investor may not be entitled to full input tax credits for GST paid on the acquisition of goods and services (for example, financial advisory services) relating to the issue of the Units and acquisition and/or subsequent sale of Units. Investors should obtain their own advice as to whether an input tax credit or reduced input tax credit is available for any GST amounts, as this will depend on the Investor's personal circumstances.

All amounts in this PDS are in Australia dollars. All fees are inclusive of GST and take into account reduced input tax credits (**RITC**), if applicable.

Eligible Managed Investment Trusts (MITs)

Capital Account Election

Current tax legislation allows the Responsible Entity to make an irrevocable election to apply the CGT provisions as the primary regime for taxation of gains and losses from the realisation certain assets, where the Fund is an eligible MIT. The Fund intends to make this election if it is eligible to do so.

AMIT regime

The Fund has elected to be an AMIT. Accordingly, Investors will be subject to tax on the taxable income of the Fund that is attributed to them under the AMIT rules each year.

The Fund may also reinvest part or all of your distribution and/or accumulate part or all of the Fund's income, in which case the taxable income of the Fund that is attributed to you (and which must be included in your income tax return) may be more than the total distribution you receive.

Investors will be required to include in their assessable income the taxable income of the Fund (including net capital gains generated by the Fund), that is attributed to them under the AMIT rules. Investors will receive a tax statement after the end of each financial year (referred to as an AMIT Member Annual Statement) that will provide them with details of the amounts that have been attributed to them by the Fund to assist them in the preparation of their tax return.

The AMIT Member Annual Statement will also contain a reasonable estimate of any cost base adjustments required to the Investor's Units. Investors should be required to adjust their cost base in the Units that they hold in the Fund where they:

- a) become entitled to cash distributions or are attributed tax offset amounts and the sum of these amounts exceeds the attribution of assessable income (including grossed-up net capital gains) and non-assessable non exempt amounts to the relevant Investor - the Investor should be required to reduce their cost base in the Units to the extent of the excess or recognise a capital gain to the extent that the excess exceeds the Investor's cost base in the Units; or
- b) are attributed assessable income (including grossed-up net capital gains) and non-assessable non exempt amounts and the sum of these amounts exceeds the sum of the cash distributions to which the Investor becomes entitled and the amount of tax offsets which the Investor is attributed - the Investor should be required to increase their cost base in the Units to the extent of the excess.

Tax file number (TFN) and Australian business number (ABN)

It is not compulsory for investors to provide their TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if they are not provided, tax will be deducted from income distributions at the highest personal marginal rate plus the Medicare levy. The ABN, TFN or an appropriate exemption can be provided on the application form when making an initial investment.

US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act (FATCA)

The United States of America (US) and Australia have entered into an intergovernmental agreement to implement the US Foreign Account Tax Compliance Act (FATCA) which is designed to detect US taxpayers who use accounts with offshore financial institutions to conceal income and assets from the Internal Revenue.

Broadly, the FATCA rules may require the Fund to report certain information to the Australian Taxation Office (ATO), which may then pass the information on to the US Internal Revenue Service (IRS). If you do not provide this information, we will not be able to process your application.

To comply with these obligations, the Responsible Entity will collect certain personal information, documentation and certifications about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund. Perpetual will attempt to take all reasonable steps to comply with its FATCA obligations and to avoid the imposition of withholding tax upon Unit holders, however this outcome is not guaranteed.

You should consult with your tax advisers on how our due diligence and reporting obligations under FATCA may affect you.

Common Reporting Standards

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (CRS) from 1 July 2017. CRS, like the FATCA regime, requires banks and other financial institutions to collect and report certain information about account holders to the ATO.

CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your personal information and your Units in the Fund) to the ATO. If you do not provide this information, we will not be able to process your application.

For the Fund to comply with their obligations, we will request that you provide certain information, documentation and certifications to us. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

By applying to become an Investor in the Fund, you agree to provide us with the information which we reasonably require to comply with the FATCA and CRS regimes, including to notify us promptly of any change in circumstances of your tax residency information during the period in which you are an Investor in the Fund.

13. Additional information

Periodic reporting

Perpetual provides periodic reports on certain key information relating to the Fund, as set out below.

Monthly updates

The following information will be provided to investors on a monthly basis:

- Current total NAV of the Fund and the withdrawal value of a unit;
- Net return on the Fund's assets after fees, costs and taxes;
- Changes to key service providers since the last report, including any change in their related party status;
- Any material change to the Fund's risk profile or investment strategy; and
- Any changes in individuals playing a key role in investment decisions for the Fund.

Annual reporting

As soon as practicable after the end of the relevant period on an annual basis], we will provide the:

- Actual allocation to each asset type;
- Liquidity profile of the Fund's assets;
- the maturity profile of any liabilities;
- Fund's leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds);
- Derivative counterparties engaged;
- Monthly or annual investment returns since inception;
- Changes to key service providers since the last report, including any change in their related party status;
- Account balance and transaction information as at the end of the reporting period;
- Distribution information; and
- Annual tax statement.

Additionally, audited financial statements of the Fund are issued annually for each year ending 30 June. They will be prepared in accordance with Accounting Standards applicable to general financial statements in Australia to the extent that the Fund is required to comply with those standards by the Corporations Act or under the Constitution. The audited financial statements are made available investors online at www.monashinvestors.com.

Ongoing availability

The latest periodic report addressing the relevant matters as disclosed above is available on the Fund's website (www.monashinvestors.com). Investors may also obtain a hard copy by contacting Monash Investors.

Transaction reporting

Additionally, we will confirm all applications, withdrawals and distributions on your account where applicable.

Indirect investors

The IDPS operator will provide Indirect Investors with reports on the progress of the Fund.

Continuous disclosure

The Fund may become a 'disclosing entity' under the Corporations Act 2001.

When that occurs, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from or inspected at, an ASIC office and are available on our website.

In addition, investors will have the right to obtain a copy of the following documents:

- the annual financial report most recently lodged with ASIC;
- any half yearly financial report lodged with ASIC after the lodgement of the annual financial report and before the date of this PDS; and
- any continuous disclosure notices given by the Fund after lodgement of the annual financial report and before the date of this PDS. If required, we intend to post continuous disclosure notices on a website. The website address is www.monashinvestors.com.

Transfer of units

Please contact the Administrator if you would like to transfer units. Transferring units may have tax implications (including the payment of stamp duty in New South Wales) and you should consult your taxation adviser before you arrange any transfer of units. Perpetual may in its discretion refuse to register any transfer of units and is not required to give any reasons. Where Perpetual refuses to register a transfer, it may redeem those units in accordance with the Fund's constitution.

Register of unit holders

The register of unit holders is maintained by the Administrator.

Complaints resolution

Perpetual has established procedures for dealing with complaints. If an investor has a complaint, they can contact Perpetual or Monash Investors during business hours.

We will endeavour to resolve your complaint fairly and as quickly as we can and within the maximum response timeframe. The maximum response timeframe is 45 days for standard complaints (or 30 days for standard complaints we receive on or after 5 October 2021). Other type of complaints and complex complaints may have a different maximum response timeframe. We will let you know if a different maximum response timeframe will apply to your complaint.

If an Investor is not satisfied with the outcome, the complaint can be referred to the Australian Financial Complaints Authority (AFCA). The AFCA provides a fair and independent financial services complaint resolution service that is free to consumers.

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678

In writing to: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

Related Party Transactions and Conflicts of Interest

Perpetual does not engage in any related party transactions with any person. All dealings with other parties are at commercial, arms' length terms.

The Responsible Entity and the Investment Manager may be subject to conflicts of interest when performing their duties in relation to the Fund.

The Perpetual Group, including the Responsible Entity, have in place governance frameworks, group policies and divisional procedures to ensure conflicts are identified and managed appropriately. These conflict policies are aimed at ensuring that conflicts involving individuals or related entities in the Perpetual Group are identified, reported, assessed and managed in a timely and appropriate manner in order to uphold the best interests of clients, members and shareholders. As part of the management of conflicts, Perpetual maintains a register of generic corporate conflicts, including related party conflicts, acting in multiple capacities on the same transaction and service provider to multiple entities, and how these conflicts are to be managed. When such a conflict is identified, the register provides for certain controls to be utilised in order to manage this conflict. Examples of controls include engaging parties on 'arm's length' or third party terms, use of information barriers and compliance plans.

Compliance Committee and Compliance Plan

The Fund has a Compliance Plan which has been lodged with ASIC. It sets out measures that Perpetual is to apply in operating the Fund to ensure compliance with the constitution and the Corporations Act. A Compliance Committee has been appointed to monitor compliance by Perpetual with the constitution and Compliance Plan. A copy of the Compliance Plan is available free of charge on request by contacting Perpetual.

Adviser Enquiries

If you have an adviser, they may ask Perpetual to provide them with information about your investment. Perpetual's policy is to supply this information, unless you have issued instructions in writing not to do so. If you change your adviser, please provide your new adviser's details in writing so that your details are updated accordingly.

Consents

Each of Monash Investors, the Prime Broker/Custodian and the Administrator:

- has made no statement included in this PDS or on which a statement made in this PDS is based, other than the details about it, and the other sentences in this PDS that refer to it;

- has consented to those statements being included in this PDS in the form and context in which they appear and has not withdrawn this consent before the date of this PDS;
- specifically disclaims responsibility for, and liability to any person in the event of, any omission from, or any false or misleading statement included in, any other part of this PDS; and
- has not authorised or caused the issue of any part of this PDS.

Anti-Money Laundering (AML) / Counter Terrorism Financing (CTF)

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to Perpetual (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In order to comply with the AML Requirements, Perpetual is required to, amongst other things:

- verify your identity and the source of your application monies before providing services to you, and to re-identify you if they consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

Perpetual and the Administrator as its agent (collectively, the Entities) reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the Entities, may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to you for any loss suffered by you because as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and
- Perpetual or LFS may from time to time require additional information from you to assist it in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer as a result of our compliance with the AML Requirements.

Privacy Statement

Direct Investors

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so. In some circumstances we may disclose your personal information to Perpetual's related entities or service providers that perform a range of services on our behalf and which may be located overseas.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold
- how we collect and hold personal information
- the purposes for which we collect, hold, use and disclose personal information
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances)
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

Our privacy policy is publicly available at our website at www.perpetual.com.au or you can obtain a copy free of charge by contacting us. A copy of Monash Investors' privacy policy is publically available at www.monashinvestors.com.

Indirect Investors

If you are investing indirectly through an IDPS, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your operator for more information about their privacy policy.

Your Authority

By signing the Application Form, you authorise the collection, maintenance, use and disclosure of your personal information in the manner set out in this privacy statement.

By completing the Application Form attached to this PDS on behalf of another person, you undertake to provide a copy of this privacy statement to the principal, company officer or partner that you represent.

14. Terms used in this PDS

Term	Means
Administrator or LFS	Link Fund Solutions Pty Limited.
ASIC	The Australian Securities and Investments Commission.
Bank Account	An account with an Australian Authorised Deposit-taking Institution.
Benchmark Unaware	An investment strategy that is applied without regard to the composition of a market benchmark index, such as the S&P ASX300.
Business Day	A day (other than a Saturday or a Sunday) on which banks are open for general banking business in Sydney.
Class A NAV	The net asset value is the value of the assets of the Fund less the value of the liabilities of the Fund, excluding any liabilities attributable to Class B Units only.
Class A Unit	A beneficial interest in the Fund issued as a Class A Unit and offered under this PDS.
Constitution	The constitution establishing the Fund dated 11 May 2012, as amended from time to time.
Dollars or \$	Australian dollars, unless otherwise specified.
Fund	Monash Absolute Investment Fund ARSN 606 855 501.
High Water-Mark	The NAV of the Fund when a performance fee was last paid less any distributions of income or capital since such time or if a performance fee has never been paid, zero.
Hurdle	The Hurdle is the return of the RBA Cash Rate + 5%.
IDPS	Investor Directed Portfolio Service. References to IDPS includes IDPS-like facilities like master funds and wrap services.
Indirect Investors	Investors who access the Fund's strategy via investment in an IDPS.
Investment Manager or Monash Investors	Monash Investors Pty Ltd ABN 67 153 180 333 AFSL 417201.
Long Bias	An investment strategy that maintains a net positive exposure to the market, such that long positions on average are expected to exceed short positions.
Market Cycle	The time period over which the security market reflects the strong and weak phases of an economy. This typically occurs over 7 years.
NAV	The net asset value is the value of the assets less the value of the liabilities of the Fund.
PDS	Product Disclosure Statement.
Prime Broker/Custodian	Morgan Stanley & Co. International pie (a public limited company duly organized under the laws of England and Wales and a foreign financial services provider relying on ASIC Class Order 03/1099: UK Regulated Financial Services Providers) registered as a foreign company in Australia with ARBN 613 032 705 - Liability is limited.
RBA Cash Rate	The cash rate set by The Reserve Bank of Australia.
Unlisted Equities	Securities which are issued by entities that the Investment Manager expects to become listed in the foreseeable future (typically between 9 months and 2 years).
Unlisted Equities Custodian	Perpetual Corporate Trust Limited ABN 99 000 341 533.
You, your	Investors (and, when the context requires, potential investors) in the Fund.
We, our, us, Perpetual, Responsible Entity	The Trust Company (RE Services) Limited ABN 003 278 831 AFSL 235150.

15. How to Invest

To invest in the Fund you will need to complete and sign the attached Application Form.

- Supply of Tax File Numbers (TFN) is discretionary. It is not an offence if you decide not to supply your TFN. If you do not supply your TFN, however, tax will be deducted from your income earned at the highest marginal tax rate (plus Medicare levy) and forwarded to the Australian Taxation Office. These deductions will appear on your statements. A form is attached for your convenience.
- Joint applications must be signed by all applicants. Joint investments will be deemed to be held as Joint Tenants.
- Applications under Power of Attorney must be accompanied by a certified copy or the original of the Power of Attorney with specimen signatures.

The minimum initial investment in the Fund is \$20,000 and additional investment \$5,000. Perpetual may vary these minimum investment amounts from time to time.

The cut-off time for receipt of an application is 12 noon on a Business Day. If the application is accepted, it will be processed with the unit price effective for that Business Day. Applications received after this cut-off time will be treated as being received on the following Business Day.

Application monies must be made in Australian Dollars by either funds transfer or direct credit into the following application account:

Account Name: The Trust Company (RE Services)
Limited As RE for Monash Absolute Investment Fund

Bank: ANZ

BSB: 012 003

Account number: 836 083 221

NB: Cash & cheques will not be accepted.

Please send completed Application Form with relevant AML documentation to:
Monash Unit Registry, C/- Link Market Services Limited
PO Box 3721, Rhodes NSW 2138

Privacy

You acknowledge that any personal information you provide to us will be collected and handled in accordance with LFS's privacy policy, a copy of which can be found at www.linkgroup.com. By submitting this form or any other paperwork relating to your investment you consent to your personal information being collected and handled by the unit registry in accordance with that policy.

Regular Information

Following acceptance of your application, you will be sent an application advice. You should check the details on the advice carefully.

Additional Investment

Additional investments can be made using the Application Form attached.

If Unitholders choose to send Application and Redemption Request Forms by post, facsimile or email, they bear the risk of such requests not being received. Neither the Administrator nor Perpetual accept any responsibility or liability for any loss caused as a result of non-receipt or ineligibility of any facsimile notice or email or for any loss caused in respect of any action taken as a consequence of such facsimile or email instruction believed in good faith to have originated from properly authorised persons.

If You Have Any Questions...

If you have any questions about any matter relating to the Fund, please contact Monash Investors at contactus@monashinvestors.

