

Monash Investors builds on track record of success with launch of listed investment company

Demand from retail investors for Monash Absolute Investment Fund prompts creation of listed investment company

Sydney, 24 February 2016: Australian absolute return equities investment manager, Monash Investors, today launched the Monash Absolute Investment Company (Company), a listed investment company (LIC), in response to increased demand for professionally managed and directly held investments from SMSFs and financial advisers. It will have a similar, but not identical portfolio to Monash Investors' successful long short Australian equities managed fund, the Monash Absolute Investment Fund (MAIF), and will be managed using the same investment philosophy and process.

The Company will implement the same investment strategy as MAIF which was launched in July 2012. The Company's investment with two distinct objectives are firstly, to achieve a targeted positive return over a 5 to 7 year investment cycle, and the second to avoid a negative return each financial year. Since inception to 31st January 2016 MAIF has returned 15.9% p.a. after fees, outperforming the S&P/ASX300 by 5.6% p.a. with materially lower volatility and lower drawdowns.

According to Simon Shields, co-founder and portfolio manager, Monash Investors first considered creating a LIC in response to conversations with financial advisers and brokers.

"They were telling us that their retail clients were very interested in our Monash Absolute Investment Fund, which had proven itself able to deliver consistent positive returns with low volatility and capital preservation, regardless of market conditions.

"At the same time, their preferred structure was a direct investment rather than a managed fund, which made creating a LIC the logical next step. And in fact our view has been reinforced by the strong demand for this structure in recent capital raisings," Mr Shields explained.

Commenting on Monash's investment approach, co-founder and portfolio manager, Shane Fitzgerald said that at its heart it boils down to common sense.

"Unlike many professional fund managers, we are not constrained by style, stock size, strategy or benchmarks, so we can offer benefits not usually available in Australian equities portfolios. And what's more, our results to date have shown that we have less risk than a market-based index, with a lower net exposure to the market which means a lower beta" he explained.

Monash Investors' investment philosophy is based on the belief that most stocks are fairly priced most of the time, but that some will always be significantly mispriced. By recognising potential causes of mispricing, Mr Shields and Mr Fitzgerald have been able to identify mispriced equities and therefore investment opportunities.

"The causes of mispricing can include anything from an underestimation of significant change in technology or customer behaviour, to business disruption and misjudging risk. At the same time, because we are not forced to invest in any particular way, and have a very demanding hurdle rate of return, we have the luxury of pursuing only the most compelling opportunities," Mr Fitzgerald said.

In conclusion, Mr Shields said that he was not surprised that demand from investors was so high. “We are in an unprecedented period of low returns and high volatility which is threatening the lifestyle goals of investors. In many cases, beating the index isn’t enough.

“That’s where an absolute return strategy really comes into its own, and our Aussie equities absolute return long short fund has already proven itself able to deliver long term certainty, capital preservation and strong returns. We are confident that the Monash Absolute Investment Company will do the same for investors,” he said.

For more information about the Monash Absolute Investment Company or to register interest, please visit [Monash Investors](http://www.monashinvestors.com) or talk to a financial advisor.

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Disclaimer

Monash Absolute Investment Company Limited (ACN 610 290 143) (Company) is the issuer of a prospectus dated 23 February 2016.

The prospectus contains the Company’s offer to subscribe for ordinary shares in the Company, each with an attaching option, to raise a minimum of \$25 million and a maximum of \$80 million (before oversubscriptions) (Offer).

A copy of the Company’s prospectus can be downloaded here at www.monashinvestors.com

Investors should read the prospectus in full before deciding whether to participate in the Offer.

Anyone who wants to acquire shares and options in the Company, and participate in the Offer, will need to complete the application form accompanying the Company’s prospectus.

The Trust Company (RE Services) Limited is the Responsible Entity of MAIF.