

Monash Absolute Investment Company Limited

Date: 5 May 2020

Monash Absolute Investment Company

Execution of Implementation Agreement in relation to the proposed restructure and new ETMF

The Board of Monash Absolute Investment Company Limited (**MA1** or **Company**) is pleased to announce that it has today executed an Implementation Agreement with The Trust Company (RE Services) Limited (**Perpetual**) relating to the establishment of a new ASX exchange traded managed fund (**ETMF**), Monash Absolute Investment Trust (Quoted Managed Hedge Fund) (subject to ASX listing approval).

Paul Clitheroe, Chairman said “The proposed move to an ETMF is of real benefit to shareholders. The Board and management have been concerned about the share price trading at a significant discount to NTA and have been working on a solution. If approved the new ETMF will provide investors with a liquid investment that will trade at or near NTA, with a small bid/ask spread and a market maker providing liquidity as needed. This is a 'shareholders first' proposal and one I expect to be more broadly adopted.”

Under the Implementation Agreement, the Company has agreed to propose and implement a transaction to transfer units in the ETMF to MA1 shareholders in exchange for the transfer of the Company's listed investments to the ETMF. The transaction is subject to a number of regulatory and shareholder approvals. Perpetual, as the proposed responsible entity for the ETMF, has agreed to assist the Company in proposing and implementing the transaction on and subject to the terms and conditions of the Implementation Agreement.

Summary description of the proposed restructure

The key steps to the proposed restructure are as follows:

- the Company will transfer its listed investments and the majority of its cash to the ETMF, with the unlisted investments to remain in the Company;
- Perpetual as responsible entity will issue units in the ETMF to the Company in consideration for the transfer of the Company's listed investments and the Company's cash (less an amount reserved for the costs of operating the Company during a wind-down/asset realisation phase);
- on receipt of the ETMF units, the Company will undertake a capital reduction by way of an in-specie distribution of the units to the MA1 shareholders on a pro-rata basis of one ETMF unit for each one share held in the Company (on a record date to be determined);
- Perpetual will apply for admission of the ETMF to trading status on the ASX in accordance with the AQUA Rules; and
- the Company will be removed from the Official List and will remain an unlisted public company holding the unlisted investments and cash to fund its wind-down and asset realisation phase for the benefit of the MA1 shareholders.

More details about the nature of the investments remaining in MA1 after successful completion of the proposed restructure will be provided in the meeting documentation that will be sent to MA1

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shareholders. The meeting documentation will also include details of the proposed shareholder approvals required to implement the transaction.

Conditions precedent

The proposed restructure will be subject to a number of conditions precedent, including regulatory and shareholder approvals required under the Corporations Act and the ASX Listing Rules, and to obtain a report from an independent expert which concludes that the proposed restructure is in the best interests of MA1 shareholders.

Timetable

The Company and Perpetual will work towards finalising a notice of meeting to be dispatched to MA1 shareholders by the end of July 2020. The parties will work towards the implementation of the proposed restructure as soon as reasonably practicable, subject to the obligations and powers under the agreement and satisfaction of the conditions precedent, and are aiming for completion in September 2020.

We expect to provide a more detailed timetable at the time the notice of meeting has been dispatched to MA1 shareholders.



Yours sincerely,
Paul Clitheroe AM
Chairman, MA1

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This announcement has been authorised by the Board of the Company.

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