

Monash Absolute Investment Fund ARSN 606 855 501

5 June 2023

Notice to unitholders

Monash Investors Pty Ltd (**Monash Investors**) on behalf of The Trust Company (RE Services) Limited (**Responsible Entity**), announced today that it intends to update and refocus the investment parameters of the Fund, highlighting Monash Investors' expertise as a small cap manager and repositioning the Fund for unitholders and new investors.

Since inception on 2 July 2012:

- the Fund's equity investments have been predominately listed small cap companies (the small cap investments representing an average of approximately 90% of its total equity investments);
- the Fund has not held material short positions and generally the Fund's average shorting exposure has been approximately 6%;
- the Fund has not entered into any derivative (exchange traded or OTC); and
- the Fund has not borrowed any cash.

Monash Investors will continue to invest the Fund in a diverse portfolio of small companies listed on the ASX, outside S&P ASX100. Monash Investors will seek only to invest in compelling opportunities. To identify these opportunities, Monash Investors will primarily employ fundamental, bottom-up company research and the judgement of its experienced portfolio managers, Simon Shields and Shane Fitzgerald.

What changes are being made?

Monash Investors intend to update and narrow its investment parameters to focus on how the Fund has generated returns. This will involve:

- changing the name of the Fund to "Monash Investors Small Companies Fund";
- updating the investment objective and narrowing the investment strategy of the Fund to reflect Monash Investors' expertise as a small cap manager;
- removing the discretion to enter into derivatives or borrow cash; and
- updating the distributions policy.

A summary of the proposed changes is set out in **Annexure A**.

How and when will the changes occur?

Monash Investors will work with the Responsible Entity of the Fund to implement the changes set out in Annexure A at least 30 days from the dates of this notice which is 10 July 2023 by:

- updating the Product Disclosure Statement and Target Market Determination for the Fund;
- making consequential amendments to the investment management agreement with Monash Investors; and
- making the applicable filings with the Australian Securities and Investments Commission.

What should you do?

Read the proposed changes set out in Annexure A. If you have any questions about this update, please contact Simon Shields or Shane Fitzgerald at Monash Investors at contactus@monashinvestors.com.

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For more information about the Fund 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](#).

This notice has been prepared by Monash Investors Pty Limited (ACN 153 180 333, AFSL No. 417201), as investment manager for the Monash Absolute Investment Fund (ARSN 606 855 501) (**Fund**). This notice has been authorised for release by The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150) as the responsible entity of the Fund. This notice contains general information only and is not intended to provide you with financial advice. This notice has been prepared without taking into account your objectives, financial situation or needs. You should consider whether the information is suitable for your circumstances and for further information on the Fund please refer to the PDS together with the Target Market Determination ("TMD") which are available at www.monashinvestors.com/maif/

Annexure A

	Current	Proposed change
Name	Monash Absolute Investment Fund	Monash Investors Small Companies Fund
Investment objective	<p>The Fund aims to deliver double digit returns while limiting loss of capital over a full Market Cycle.</p> <p>The Market Cycle is the time period over which the stock market reflects the strong and weak phases of an economy. This typically has previously occurred over circa 7 years (though this is not indicative that it will continue to be the case).</p>	<p>The Fund aims to outperform the S&P/ASX Small Ordinaries (Total Return) Index over a full Market Cycle.</p> <p>The Market Cycle is the time period over which the stock market reflects the strong and weak phases of an economy. This typically has previously occurred over circa 7 years (though this is not indicative that it will continue to be the case).</p>
Investment strategy	<p>Monash Investors 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 Fund is an actively managed Australian small companies fund predominantly invests in securities that are generally trading outside the S&P/ASX 100 Index.</p> <p>The Fund has a net exposure range of 90 -100% of net asset value (NAV), however it also has a limited capacity for short selling.</p>
Derivatives	<p>Both exchanged 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 Monash Investors believes this to be in the best interests of investors in the Fund.</p>	<p>The Fund will not invest in derivatives.</p>
Borrowing cash	<p>From time to time, the Fund may borrow cash using an overdraft facility with the prime broker.</p>	<p>The Fund will not borrow cash.</p>
Distributions policy	<p>The Responsible Entity intends to target a cash distribution of at least 1.50% of NAV each quarter. Distributions can be made more or less frequently at the Responsible Entity's discretion.</p> <p>Distributions are automatically reinvested unless you instruct the administrator otherwise in the application form.</p>	<p>The Responsible Entity will determine distributions annually as at 30 June each year. Distributions will be paid as soon as reasonably practicable and in any event within 90 days of the calculation date.</p> <p>Distributions are automatically reinvested unless you instruct the administrator otherwise in the application form.</p>