Monash ABSOLUTE INVESTMENT FUND

Monthly Performance Report

February 2021

Superior SQM RESEARCH

Monthly Update

In February, the portfolio rose 2.34% (after fees). This compares to the S&P/ASX200 that was up 1.45%, and the Small Ords, which was up 1.55%. For the financial year to date, the portfolio is up 39.16% (after fees). This compares to the S&P/ASX200 that was up 15.20%, and the Small Ords, which was up 21.84%.

February is when most stocks report their half-year financial result. The best stock performer in the portfolio for this reporting season was Lovisa (ASX: LOV) which jumped 19% on results day and ended up 36% for the month. Following closely behind was EML Payments Limited (ASX: EML) which climbed 16% on results day and 30% overall for the month. Both LOV and EML beat consensus analyst estimates having achieved better than expected recoveries from COVID-19 related disruptions. Positions in these stock positions have since been trimmed to take profits and maintain original portfolio weights in each stock.

Return Summary Since Inception[1] (after all fees)

Since Inception (p.a.)	12.69%
1 Month	2.34%
3 Months	5.18%
6 Months	22.19%
FYTD	39.16%
1 Year	45.54%
3 Years	16.98%
5 Years	11.28%
Cumulative	181.34%

Monthly Portfolio Metrics

Outlook Stocks (Long)	13 Positions: 64%
Outlook Stocks (Short)	1 Positions: -2%
Event, Pair and Group (Long)	2 Positions: 12%
Event, Pair and Group (Short)	1 Positions: 0%
Cash	26%
Gross Exposure	79%
Net Exposure	74%

Portfolio Analytics Since Inception[2]

Sharpe Ratio	0.66
Sortino Ratio	1.18
Standard Deviation (p.a.)	16.23%
Positive Months	63%
Maximum Drawdown	-29.10%
Avg. Gross Exposure	90.20%
Avg. Net Exposure	78.90%
Avg. Beta	0.63
Avg. VAR	1.20%

[1] Inception date is 2 July 2012. Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

[2] Glossary of terms can be found on the Fund's website at www.monashinvestors.com/glossary/

Monash ABSOLUTE INVESTMENT FUND

Monthly Performance Report

February 2021

Superior SQM RESEARCH

During February, the long position in Afterpay (ASX: APT) was exited. The portfolio has held Afterpay at various portfolio weights over time, but mostly between 3% and 7%. Selling in Afterpay was completed on the 12th February at approximately $153 per share. The decision to sell was entirely due to its share price. At price of $150 per the share price assumes Afterpay will meet our demanding expectations for its revenue growth, profit margins, cash flow and balance sheet. Such a price pays investors for this growth not only across its current geographies of Australia, USA and UK, but also across those it has only recently announced or barely entered such as Canada and Europe. In effect, shareholders are being rewarded for the future business now, so there is no need to wait any further to find out if they do a good job of execution, or what problems they face in the future.

We still like Afterpay and if the opportunity presents itself to buy the stock again at considerably lower prices or with a significant uplift in valuation due to new information, we would consider doing so. For example, new information that would materially expand our valuation includes increased customer usage patterns and faster growth in customer numbers, penetration into new geographies, easing competitive pressures, expanding profitability or new products. However, in the absence of new information and at our exit share price, we believe the portfolio has been adequately compensated for a long run-way of growth yet to be achieved by the company.

For all business development enquiries, please contact
Winston Capital Partners (Acting on behalf of Monash Investors)

SA, NT and WA Advisers	Andrew Fairweather	P: +61 401 716 043 andrew@winstoncapital.com.au
VIC, NSW and ACT Advisers	Stephen Robertson	P: +61 418 387 427 stephen@winstoncapital.com.au
VIC, QLD & NSW Advisers	Cameron Harris	P: +61 400 248 435 cameron@winstoncapital.com.au

For all investors enquiries, please contact
Link Fund Solutions Pty Limited (Acting on behalf of the Fund)
+612 9547 4311
LFS_registry@linkgroup.com

Monash ABSOLUTE INVESTMENT FUND

Monthly Performance Report

February 2021

Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance. Comparisons are provided for information purposes only and are not a direct comparison against benchmarks or indices that have the same characteristics as the Fund. Monash Investors, Winston Capital and Perpetual do not guarantee repayment of capital or any particular rate of return from the Fund and do not give any representation or warranty as to the reliability, completeness or accuracy of the information contained in this document. All opinions and estimates included in this document constitute judgments of Monash Investors as at the date of this document are subject to change without notice. Perpetual is not responsible for this document.

The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme