

# Fund Profile

## Antares Elite Opportunities Fund



September 2020

### Fund description and investment return objective

The Fund is an actively managed concentrated portfolio of equities listed (or expected to be listed) on the Australian share market. The Fund's objective is to outperform the Benchmark (after fees) over rolling five-year periods.

### Fund commentary

The Antares Elite Opportunities Fund delivered a return of -2.3% (net of fees) for the month of September 2020.<sup>1</sup>

Australian shares performed poorly in September. The Energy sector recorded the largest falls on falling oil prices and expectations for asset write-downs as anti-carbon sentiment increases. Following a strong run over recent months, the Information Technology sector declined in line with a more cautious global appetite. Financial sector shares were also weak with concerns over rising doubtful debts as the 'Jobkeeper' and 'loan repayment deferral' programs taper off. The only significant bright spot in September was a small gain for the healthcare sector.

Performance was boosted by overweight holdings in James Hardie (JHX), Aristocrat Leisure (ALL) and Boral (BLD). The strength in US housing demand continues. Locally the home building sector has been resilient with share prices also supported by the anticipated stimulus measures in the Federal Government budget. These factors have been seen as beneficial to both JHX and BLD. Investor interest in sectors, including gaming, that will open up post coronavirus-related closures boosted ALL shares during September.

Detracting from performance were overweight positions in Santos (STO), Oil Search (OSH) and Virgin Money UK (VUK). The oil price weakened over the month, reflecting the continuation of weak demand due to coronavirus restrictions as well as more commentary on the structural shift to electric vehicles. Both STO and OSH shares were weaker. Also out of favour were VUK shares which exited the S&P/ASX 100 during September. It was also a month in which the UK experienced a second wave of the coronavirus and accompanying disruption and uncertainty.

Australia's economic signals are mixed. On the plus side, the recent revival in employment continues, with August recording job gains of 111,000 and the unemployment rate edging down from 7.5% to 6.8%. Consumer sentiment also rebounded in September. Countering this is confirmation that the Australian economy is in a deep recession, with the economy contracting by 7% in the June quarter, the largest decline since quarterly data started in 1959. There was further bad news with retail spending falling 4.2% in August given Melbourne's virus lockdown. Some state borders are opening up but the majority remain closed, with 1 November (after the Queensland election) flagged as the possible opening for QLD/NSW. Victoria remains isolated.

In the US, it's not just the presidential election result, but its validity and timing that is creating uncertainty. President Trump's confirmation that he has coronavirus has added to confusion around how it will play out. While volatility appears to have diminished, uncertainty remains.

### Fund facts

<b>Inception date:</b>	18 November 2002
<b>Fund size at 30 September 2020:</b>	\$189.5m
<b>Benchmark:</b>	S&P/ASX 200 Total Return Index
<b>Investment timeframe:</b>	At least 5 years
<b>Relative risk:</b>	High - Very High
<b>Relative return<sup>1</sup>:</b>	High - Very High

### Top 10 share holdings

as at 30 September 2020 (alphabetical order)

- ANZ Banking Group
- Aristocrat Leisure
- BHP Group
- CSL
- James Hardie Industries
- South32
- Telstra Corporation
- Transurban Group
- Westpac Banking Corporation
- Woolworths Group

### Investment returns as at 30 September 2020<sup>1</sup>

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
<b>Net return<sup>2</sup> %</b>	<b>-2.3</b>	<b>0.4</b>	<b>-15.4</b>	<b>1.3</b>	<b>5.9</b>	<b>4.9</b>	<b>6.1</b>	<b>9.2</b>
Gross return %	-2.2	0.6	-14.8	2.0	6.6	5.6	6.9	10.0
Benchmark return %	-3.7	-0.4	-10.2	4.8	7.3	5.9	6.9	8.3
<b>Net excess return %</b>	<b>1.4</b>	<b>0.8</b>	<b>-5.2</b>	<b>-3.5</b>	<b>-1.4</b>	<b>-1.0</b>	<b>-0.8</b>	<b>0.9</b>
Gross excess return %	1.5	1.0	-4.6	-2.8	-0.7	-0.3	0.0	1.7

<sup>1</sup> Past performance is not a reliable indicator of future performance. Returns are not guaranteed and actual returns may vary from any target returns described in this document.

<sup>2</sup> Investment returns are based on exit prices, and are net of management fees and assume reinvestment of all distributions.

## Investor profile

The concentrated nature of the Fund means that there may be a greater level of risk. The Fund's returns may be quite volatile. As such, the Fund may suit investors who are willing to accept a higher level of risk in exchange for the opportunity to earn greater returns.

## Investment details

<b>Minimum investment:</b>	\$20,000
<b>Minimum additional investment:</b>	\$5,000
<b>Distribution:</b>	Quarterly
<b>Entry fee:</b>	Nil
<b>Exit fee:</b>	Nil
<b>Management fee:<sup>4</sup></b>	0.70% per annum of the Fund's net asset value (including GST net of Reduced Input Tax Credit).
<b>Performance fee:<sup>5</sup></b>	20% of the Fund's net performance in excess of the performance hurdle. <sup>5</sup>

<sup>4</sup> Certain sophisticated and professional investors or wholesale clients (as defined in the Corporations Act 2001 (Cth)) may be able to negotiate this fee by contacting Client Services.

<sup>5</sup> Performance hurdle is the benchmark return +5%p.a.

## Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 30 Sep 20
<b>Australian shares</b>	95%	100%	100%	99%
<b>Cash and cash equivalents</b>	0%	0%	5%	1%

## Distribution history <sup>6</sup>

Quarter end	Cents per unit
30 September 2020	0.54
30 June 2020	0.08
31 March 2020	0.64
31 December 2019	1.27
30 September 2019	1.03
30 June 2019	5.39
31 March 2019	1.28
31 December 2018	1.18
30 September 2018	2.11
30 June 2018	8.50
31 March 2018	1.23
31 December 2017	2.27
30 September 2017	1.71
30 June 2017	6.41
31 March 2017	1.88
31 December 2016	2.42
30 September 2016	1.42
30 June 2016	0.85
31 March 2016	0.64
31 December 2015	0.73

<sup>6</sup> Distribution rates have been rounded to two decimal places. As a result, the actual payment rate may differ slightly to the rates listed above.

## Franking levels

Year end	
30 June 2020	116.00%
30 June 2019	60.60%
30 June 2018	27.48%
30 June 2017	33.99%
30 June 2016	110.02%
30 June 2015	27.94%

## About Antares

Antares is a dedicated asset management business managing more than \$29.3bn on behalf of Australian investors, with \$4.1bn in Australian equities and more than \$25.2bn in fixed income (as at 30 June 2020).

At Antares we are wholly focussed on delivering performance for investors through an investment approach underpinned by dedication, experience and discipline. We recognise and are ready for market uncertainty, and believe great performance is achieved through a focus on both risk and return. Antares consists of two divisions – Antares Equities (formerly Portfolio Partners and Aviva Investors) and Antares Fixed Income (formerly National Specialist Investment Management).

**For further information please contact our Client Services Team - Toll Free: 1800 671 849**

**Important information:** Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483 ('ACP'), is the Responsible Entity of, and the issuer of units in, the Antares Elite Opportunities Fund ARSN 102 675 641 ('the Fund'). An investor should consider the current Product Disclosure Statement and Product Guide for the Fund ('PDS') in deciding whether to acquire, or continue to hold, units in the Fund and consider whether units in the Fund is an appropriate investment for the investor and the risks of any investment. This report has been prepared in good faith, where applicable, using information from sources believed to be reliable and accurate as at the time of preparation. However, no representation or warranty (express or implied) is given as to its accuracy, reliability or completeness (which may change without notice). This communication contains general information and may constitute general advice. This report does not take account of an investor's particular objectives, financial situation or needs. Investors should therefore, before acting on information in this report, consider its appropriateness, having regard to the investor's particular own objectives, financial situation or needs. We recommend investors obtain financial advice specific to their situation. Past performance is not a reliable indicator of future performance. Returns are not guaranteed and actual returns may vary from any target returns described in this document. Any projection or other forward looking statement ('Projection') in this report is provided for information purposes only. No representation is made as to the accuracy or reasonableness of any such Projection or that it will be met. Actual events may vary materially. Any opinions expressed by ACP constitute ACP's judgement at the time of writing and may change without notice. ACP is a subsidiary of the National Australia Bank Limited group of companies ('NAB Group') An investment in the Fund is not a deposit with or liability of National Australia Bank Limited ('NAB') or any other member of the NAB group of companies ('NAB Group') and is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither ACP nor any other member of the NAB Group guarantees the repayment of your capital, payment of income or the performance of your investment. NAB does not provide a guarantee or assurance in respect of the obligations of ACP.