

Elite Opportunities Fund



Monthly Performance Report April 2023

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 (after management fees) the 'Benchmark' (S&P/ASX 200 Total Return Index) over rolling five-year periods.

Investment returns¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Net return ² %	1.8	-0.7	1.2	15.6	6.8	8.3	7.7	10.0
Benchmark return %	1.8	-0.8	2.8	14.0	8.3	9.2	7.9	9.0
Net excess return %	0.0	0.1	-1.6	1.6	-1.5	-0.9	-0.2	1.0

¹ Past performance is not a reliable indicator of future performance. The value of an investment may rise or fall with the changes in the market.

Investment commentary

Australian Shares made solid gains in April given the global share rebound and signals from the Reserve Bank for a pause in raising interest rates. The strongest gains were from the AREITs which benefitted from the lower rates and the Information Technology sector which followed its global peers higher. The Resources sector was dragged down by the Materials stocks as iron ore prices corrected on weak steel demand, but this was partly mitigated by gains in Energy and Gold stocks.

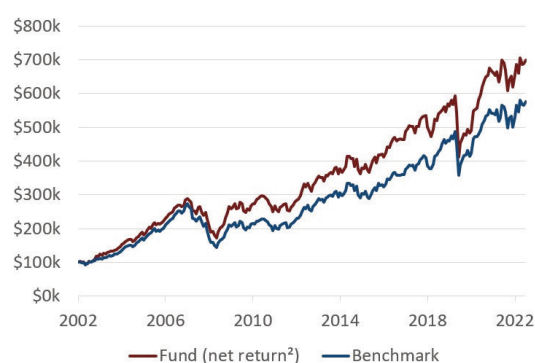
The Antares Elite Opportunities Fund delivered a return of 1.8% (net of fees) for the month of April 2023.

Contributing to performance was an overweight position in Northern Star (NST) together with decisions not to own Rio Tinto (RIO) or Fortescue Metals (FMG). NST shares continued to rally together with the gold price as investors again sought refuge in the precious metal following the US banking crisis. Despite some positive economic signals from China, steel demand was weak which saw iron ore and metals prices drop in April – as did both RIO and FMG shares.

Detracting value were overweight positions in BHP, Block (SQ2) and South32 (S32). BHP shares also declined on lower iron ore and metals prices. SQ2 shares fell on the release of research from a short seller which alleged that many of the cash app accounts on the SQ2 platform were fraudulent or used for nefarious purposes. Having read the report and following additional disclosure from SQ2, as well as a number of discussions with US based analysts and benchmarking of payment issues as disclosed by major US banks such as Bank of America, we do not agree with the short seller's research. S32 released its quarterly production report during the month revealing that wet weather across many of its operations had adversely impacted production and costs had increased. Although the company noted it achieved higher prices across most commodities and retained much of its full-year guidance the stock was sold down.

Australia's economy still appears to be softening. Despite the pause in rate rises in April, consumers have reasons to be cautious given still high inflation and the impact of higher interest rates, particularly for those coming off fixed rate

\$100,000 invested since inception



Sector allocation

GICS ³	%
Financials Ex Reits	26.5
Metals & Mining	20.8
Health Care	12.8
Communication Services	8.5
Industrials	7.9
Real Estate	5.9
Consumer Discretionary	5.3
Energy	4.1
Materials Ex Metals & Mining	3.5
Consumer Staples	3.5
Information Technology	1.1
Utilities	0.0

mortgages onto variable rate mortgages. Although below previous quarterly increases, first quarter 2023 CPI rose by 1.4%, taking annual inflation to 7.0%. The job market remains resilient and the unemployment rate is still historically low, but caution prevails over confidence in regard to our outlook for 2023.

Top 10 share holdings

(alphabetical order)

- ANZ Group
- BHP Group
- Coles Group
- Commonwealth Bank of Australia
- CSL
- Goodman Group
- Santos
- Telstra Group
- Transurban Group
- Westpac Banking Corporation

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 very high level of risk in exchange for the opportunity to earn higher potential returns.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 30 April 2023
Australian shares	95%	100%	100%	99.3%
Cash and cash equivalents	0%	0%	5%	0.7%

Portfolio facts

Inception date	18 November 2002
APIR Code	PPL0115AU
Fund size as at 30 April 2023	\$203.3m
Benchmark	S&P/ASX 200 Total Return Index
Distribution	Quarterly
Management fee⁴	0.70% pa
Performance fee⁵	20% of the Fund's net performance in excess of the performance hurdle (benchmark return +5% pa)

Distribution history⁶ and Franking levels

	Mar 23	Dec 22	Sep 22	Jun 22	Mar 22	Dec 21	Sep 21	Jun 21	Mar 21	Dec 20	Sep 20
Distribution (cents per unit)	0.74	0.96	1.55	6.60	1.05	0.75	1.38	5.78	0.69	0.48	0.54
Franking levels	-	-	-	60.4%	-	-	-	35.2%	-	-	-

Portfolio managers

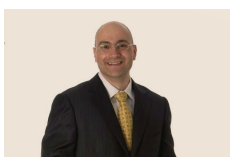
NICK PASHIAS

Head of Equities

Years with the group: 25

Years of Industry Experience: 25

Key Responsibilities: Nick is the Portfolio Manager of the Elite Opportunities Model Portfolio and Managed Fund.



JOHN GUADAGNUOLO

Head of Fundamentals

Years with the group: 15

Years of Industry Experience: 22

Key Responsibilities: John is the Deputy Portfolio Manager of the Elite Opportunities Model Portfolio and Managed Fund.



ANDREW HAMILTON

Head of Implementation

Years with the group: 22

Years of Industry Experience: 25

Key Responsibilities: Andrew is the Deputy Portfolio Manager of the Elite Opportunities Model Portfolio and Managed Fund.



Platform availability

- Asgard
- Hub24
- MLC/Navigator
- Praemium
- BT
- Macquarie
- Netwealth

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

³ GICS - Global Industry Classification Standard % are absolute ie sector proportion of portfolio. Source: Antares Equities.

⁴ Management fee is % per annum of the Fund's net asset value (including net effect of GST). 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.

⁵ Performance fee is calculated as 20% of the Fund's net performance in excess of the performance hurdle. Performance hurdle is the benchmark return +5% pa.

⁶ Distribution rates have been rounded to two decimal places. As a result, the actual payment rate may differ slightly to the rates listed above. A full distribution history and franking levels can be found on our website at <https://www.antarescapital.com.au/home/prices-and-performance/distributions>

About Antares Equities

Antares Equities (Antares) is a specialist Australian equities manager. Since 1994, Antares has managed portfolios for wholesale, advised and direct investors through a suite of products including segregated mandates, investment funds and managed account models. Antares has A\$4.9 billion (at 31 March 2023) under advice across a range of strategies including large capitalisation, concentrated, income and long-short. Antares believes in bottom-up stock picking. A consistent process and detailed, quality research executed by a highly experienced, stable and diverse team underpin this approach. The investment philosophy is based on the belief that markets can misprice stocks and these opportunities can be identified using the proven, proprietary Antares research process. Antares Equities is part of Antares Capital Partners Limited (ABN 85 066 081 114, AFSL 234483).

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

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