

# Fund Profile

## Antares Elite Opportunities Fund



February 2022

### 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 3.4% (net of fees) for the month of February 2022.<sup>1</sup>

Australian shares proved more resilient to the global share correction with a 2.1% return for the ASX 200 largely as a result of a generally positive reporting season where more companies beat earnings estimates than missed. The energy sector surged as oil prices spiked to over US\$100 per barrel with concerns over the Russia – Ukraine conflict. Grain prices also rocketed given both Russia and Ukraine are major producers. The resource sector also benefitted from the sharp gains in most prices in February. Consumer staples rebounded after a disappointing January given reassurances from the Reserve Bank that interest rates are likely to remain stable this year. However, there were some disappointments with the Information Technology sector continuing to weaken on concerns about rate rises in the US.

Contributing to the Fund's outperformance were overweight positions in South 32 (S32), Northern Star (NST) and Sims (SGM). A well-received interim profit result coupled with its share buy-back program and buoyant prices for its key commodities saw continued strength in S32's share price. The Russia - Ukraine hostilities saw investors reposition into "safe-haven" assets such as gold which resulted in a spike in the price of gold and gold producers including Northern Star. The focus on decarbonisation has seen growing demand for recycled steel. As a global recycler of scrap metal SGM is well placed. The company's interim results and increased dividend also pleased investors.

Detracting from performance were overweight positions in Aristocrat Leisure (ALL) and IGO Limited (IGO) and the decision not to own Woodside Petroleum (WPL). ALL shares were lower in February as the company announced its proposal to acquire playtech had lapsed. IGO shares were weaker on media speculation and acknowledgment by the company that it was considering the acquisition of Glencore's CSA copper mine. Subsequent to month end the IGO announced the acquisition would not proceed. WPL's share price reflected the surge in the oil price as war broke out between Russia and Ukraine. Further, WPL's CY21 result, delivered during the month, revealed that 25% of its CY22 LNG sales will be priced at spot prices rather than long-term contract prices. The spot LNG price has spiked just like the oil price, hence the market is excited by WPL's exposure and its shares were keenly sought.

Australia's economy appears to be improving judging by solid gains in business surveys and employment in January. Retail sales have been stronger yet surveys show a more cautious consumer apparently due to worries over the ongoing coronavirus threat as well as rising energy prices. The result of February's reporting season was an increase in consensus FY22 earnings forecasts and sentiment. However, debate continues as to whether inflation is likely to be temporary or not.

### Fund facts

<b>Inception date:</b>	18 November 2002
<b>Fund size at 28 February 2022:</b>	\$221.8m
<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 28 February 2022 (alphabetical order)

- ANZ Banking Group
- BHP Group
- Commonwealth Bank
- CSL
- Goldman Group
- Santos
- South32
- Telstra Corporation
- Transurban Group
- Westpac Banking Corporation

### Investment returns as at 28 February 2022<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>3.4</b>	<b>0.3</b>	<b>13.0</b>	<b>7.7</b>	<b>7.7</b>	<b>6.8</b>	<b>9.4</b>	<b>10.2</b>
Gross return %	3.5	0.5	13.1	8.4	8.4	7.5	10.1	11.1
Benchmark return %	2.1	-1.7	10.2	8.4	8.5	6.8	9.6	9.1
<b>Net excess return %</b>	<b>1.3</b>	<b>2.0</b>	<b>2.8</b>	<b>-0.7</b>	<b>-0.8</b>	<b>0.0</b>	<b>-0.2</b>	<b>1.1</b>
Gross excess return %	1.4	2.2	2.9	0.0	-0.1	0.7	0.5	2.0

<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 28 Feb 22
<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
31 December 2021	0.75
30 September 2021	1.38
30 June 2021	5.78
31 March 2021	0.69
31 December 2020	0.48
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

<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 2021	35.15%
30 June 2020	116.00%
30 June 2019	60.60%
30 June 2018	27.48%
30 June 2017	33.99%

## 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\$5.7 billion (at 31 December 2021) under advice across a range of strategies including large capitalisation, concentrated, property, 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**

**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 part of the Insignia Financial group of companies (comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate) ('Insignia Financial Group'). The capital value, payment of income and performance of the Fund are not guaranteed. An investment in the Fund is subject to investment risk, including possible delays in repayment of capital and loss of income and principal invested. Neither ACP nor any other member of the Insignia Financial Group guarantees the repayment of your capital, payment of income or the performance of your investment.