

Monthly Performance Report April 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 (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 %	-1.0	9.2	11.8	8.7	8.0	7.8	9.7	10.5
Benchmark return %	-0.9	8.2	10.2	9.4	8.8	7.9	9.9	9.3
Net excess return %	-0.1	1.0	1.6	-0.7	-0.8	-0.1	-0.2	1.2

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 performed relatively better than their global market peers to record a mild fall in April. The resources sector slipped on lower iron ore and metal prices given concerns over China's growth prospects. The information technology sector slumped following the weakness on Wall Street. The bright spots were utilities where revenue is typically tied to inflation and also the industrial sector.

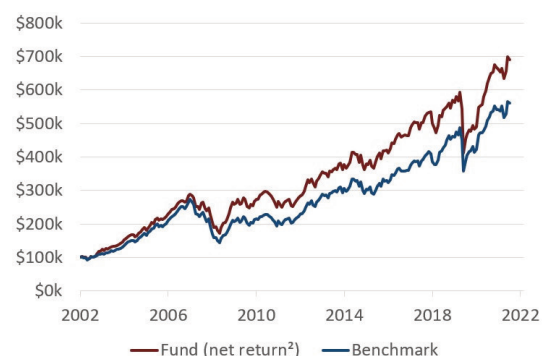
The Antares Elite Opportunities Fund delivered a return of -1.0% (net of fees) for the month of April 2022.

Contributing to the Fund's performance were overweight positions in Orora (ORA), QBE Insurance (QBE) and Lend Lease (LLC). Defensive stocks such as packaging companies like ORA were sought after in April. In addition, ORA hosted an investor day late in the month that was well received. QBE is a beneficiary of rising bond yields and has enjoyed a turnaround in investor sentiment, with some brokers focusing on the underlying strength of its most recent result. At the end of March, Aware Super announced it had purchased a further 24.9% stake in LLC's Retirement Living Trust for \$490m. The funds will be used to grow the company's investment platform as well as its development pipeline.

Detracting value were overweight positions in Northern Star (NST), Block Inc (SQ2) and Aristocrat Leisure (ALL). The gold price fell by 2.1% during April, with gold stocks such as NST, generally weaker. Additionally, NST delivered a soft quarterly production result that saw them increase cost guidance of the full year. SQ2 was sold off in the same fashion as several other technology businesses as rising interest rates became an increasing focus for investors. The company released a March quarterly update that disappointed investors. Aristocrat Leisure shares remained out of favour despite the weakening Australian dollar.

Australia's economy appears to be improving judging by solid gains in business surveys, employment and retail spending. However, the inflation acceleration is concerning with Australian consumer inflation at 5.1% in the year to March 2022. This is the highest inflation since 2001. Accordingly, the Reserve Bank (RBA) raised the cash interest rate by 25bps to 35bps at its meeting in early May.

\$100,000 invested since inception



Sector allocation

GICS ³	%
Financials Ex Reits	26.1
Metals & Mining	22.8
Communication Services	8.7
Health Care	8.3
Consumer Staples	7.1
Real Estate	6.6
Industrials	6.6
Materials Ex Metals & Mining	5.2
Energy	4.2
Consumer Discretionary	3.1
Information Technology	1.3
Utilities	0.0

Top 10 share holdings

(alphabetical order)

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

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 2022
Australian shares	95%	100%	100%	99.0%
Cash and cash equivalents	0%	0%	5%	1.0%

Portfolio facts

Inception date	18 November 2002
Fund size as at 30 April 2022	\$231.2m
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 22	Dec 21	Sep 21	Jun 21	Mar 21	Dec 20	Sep 20	Jun 20	Mar 20	Dec 19
Distribution (cents per unit)	1.05	0.75	1.38	5.78	0.69	0.48	0.54	0.08	0.64	1.27
Franking levels	-	-	-	35.2%	-	-	-	116.0%	-	-

Portfolio managers

NICK PASHIAS

Head of Equities



Years with the group: 24

Years of Industry Experience: 24

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: 14

Years of Industry Experience: 21

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: 21

Years of Industry Experience: 24

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\$5.7 billion (at 31 March 2022) 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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