

Elite Opportunities Fund



Monthly Performance Report November 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 %	4.6	5.3	5.2	5.8	6.8	9.0	9.1	10.1
Benchmark return %	6.6	6.0	5.0	5.9	8.2	9.4	9.4	9.1
Net excess return %	-2.0	-0.7	0.2	-0.1	-1.4	-0.4	-0.3	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

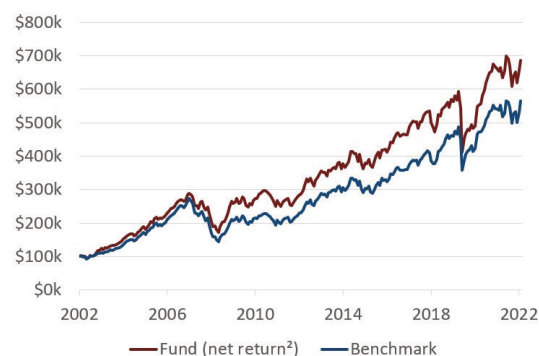
Australian shares delivered strong gains in November. The sharpest gain was in the Utilities sector given signs that inflation and interest rate pressures were moderating. The Resources sector also surged given the strong rally in iron ore and base metal prices on hopes that China's economic growth should revive with a less restrictive Covid strategy. There were also solid gains for healthcare, industrials and real estate given lower bond yields.

The Antares Elite Opportunities Fund delivered a return of 4.6% (net of fees) for the month of November 2022.

Contributing to performance were overweight positions in Northern Star (NST) and Goodman Group (GMG) together with the decision not to own NAB. The gold price enjoyed its strongest rise since May 2021, increasing by over 8.0% during November. The prospect of the Fed moderating the pace of interest rate hikes was supportive and gold producers, including NST rallied. GMG provided an update to investors retaining its FY23 EPS guidance of an 11% increase on FY22. The company noted rental growth was very strong and first quarter completions were 100% pre-let on strong margins. NAB released its FY22 result in November with higher cash profits and dividend. However, the company flagged that competition in housing lending was likely to intensify and that funding costs were expected to rise. Its shares finished down for the month.

Detracting value were overweight positions in Santos (STO) and Aristocrat Leisure (ALL) together with the decision not to own Fortescue Metals (FMG). The oil price slumped during November as OPEC indicated it expected lower demand on global growth uncertainty, hence STO shares were weaker. Despite reporting strong revenue and profit growth for FY22, ALL shares were weaker following relatively subdued guidance for FY23. While the company expects gaming to remain strong it flagged lower growth than previously for its Pixel United business. Overall the company expected growth for FY23 on the proviso of no material changes to economic or industry conditions. Measures introduced by the Chinese government to rescue its ailing property sector as well as a softening of its COVID-Zero policy and an uptick in credit growth have been viewed as positives for growth. Given property makes up around 25-35% of steel demand, it was not

\$100,000 invested since inception



Sector allocation

GICS ³	%
Financials Ex Reits	25.8
Metals & Mining	22.2
Health Care	11.5
Consumer Discretionary	10.1
Communication Services	8.0
Industrials	7.1
Real Estate	5.7
Energy	4.0
Materials Ex Metals & Mining	3.2
Consumer Staples	1.5
Information Technology	0.9
Utilities	0.0

surprising to see iron ore prices rise by over 30% in November. As an iron ore producer, FMG's share price rose strongly.

Australia's economy seems resilient judging by the solid results for business surveys and retail spending. There are also some early signs that inflation pressures are starting to peak with CPI annual inflation edging down from 7.3% in September to 6.9% in October. However, looming increases in retail electricity and gas prices as well as higher rents and wages suggest that the inflation threat is still troubling. The Reserve Bank raised the cash interest rate by a further 0.25% to 2.85% in November and signaled the expectation to increase interest rates further over the period ahead.

Top 10 share holdings

(alphabetical order)

- ANZ Banking Group
- BHP Group
- Commonwealth Bank of Australia
- CSL
- Goodman Group
- Northern Star Resources
- Santos
- Telstra Group
- Wesfarmers
- 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 November 2022
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 November 2022	\$206.2m
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

	Sep 22	Jun 22	Mar 22	Dec 21	Sep 21	Jun 21	Mar 21	Dec 20	Sep 20	Jun 20	Mar 20
Distribution (cents per unit)	1.55	6.60	1.05	0.75	1.38	5.78	0.69	0.48	0.54	0.08	0.64
Franking levels		60.4%	-	-	-	35.2%	-	-	-	116.0%	-

Portfolio managers

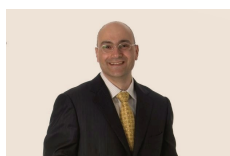
NICK PASHIAS

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: 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 30 September 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

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 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.