

Monthly Performance Report March 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 %	0.2	4.3	-1.5	18.7	7.3	8.5	7.8	9.9
Benchmark return %	-0.2	3.5	0.1	16.5	8.7	9.4	8.2	8.9
Net excess return %	0.4	0.8	-1.6	2.2	-1.4	-0.9	-0.4	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 slipped into negative territory in March. The sharpest falls were in the real estate and financial sectors given the turmoil in the global banking system and lower bond yields. However, strength in the resource sector on hopes of a Chinese economic recovery helped limit the downside in Australian share markets. There were also gains for communications, consumer discretionary and consumer staples sectors on hopes that the Reserve Bank would pause on further interest rate increases.

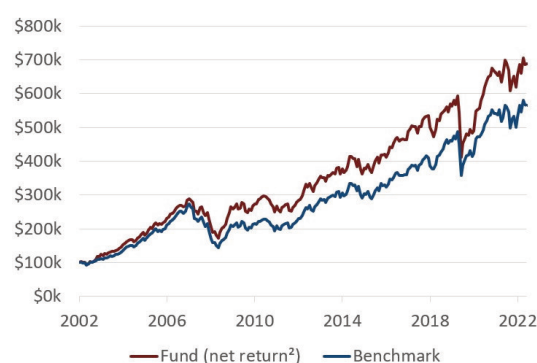
The Antares Elite Opportunities Fund delivered a return of 0.2% (net of fees) for the month of March 2023.

Contributing to outperformance was an overweight position in Northern Star (NST) together with decisions not to own NAB and Macquarie Group (MQG). Northern Star (NST) shares rallied during the month as the US banking crisis saw gold prices increase by 8%. The company provided an update on its Pogo Operation in Alaska where gold production was halted in order to repair damage to the ball mill motor that was discovered during routine repairs. While the disruption is expected to impact production by 20-40k oz in FY23, the company's production guidance remains unchanged. The global banking turmoil impacted the sector in Australia and NAB and MQG shares were not exempt.

Detracting value were overweight positions in APM Human Services (APM) and Goodman Group (GMG) together with the decision not to own Newcrest Mining (NCM). Despite announcing several new north American contracts during the month, APM shares have continued to languish. There was no company news from GMG during the month, although sentiment towards the real estate sector was generally negative. NCM shares were beneficiaries of the higher gold price and were underpinned by the scrip takeover offer of former owner and gold producer, Newmont.

Australia's economy still appears to be softening judging by more sedate retail spending. Consumers have become more cautious given high inflation and rising mortgage interest rates. There was only a mild rise in nominal retail spending in February, with the annual gain at 6.4% now failing to keep up with inflation. There

\$100,000 invested since inception



Sector allocation

GICS ³	%
Financials Ex Reits	26.2
Metals & Mining	21.4
Health Care	12.5
Communication Services	8.6
Industrials	7.8
Consumer Discretionary	6.7
Real Estate	5.9
Energy	3.9
Consumer Staples	3.5
Materials Ex Metals & Mining	3.5
Information Technology	0.0
Utilities	0.0

were some encouraging signs of labour market resilience with stronger job gains in February and the unemployment rate edged down from 3.7% to 3.5%. Also positive was that consumer inflation appears to have peaked, with the new ABS monthly CPI measure showing annual inflation falling from 7.4% in January to 6.8% in February.

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 31 March 2023
Australian shares	95%	100%	100%	98.8%
Cash and cash equivalents	0%	0%	5%	1.2%

Portfolio facts

Inception date	18 November 2002
APIR Code	PPL0115AU
Fund size as at 31 March 2023	\$200.8m
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

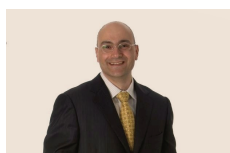
NICK PASHIAS

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\$5.0 billion (at 31 December 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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