

# Elite Opportunities Fund



## Monthly Performance Report September 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 returns<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
Net return <sup>2</sup> %	-3.2	-3.4	8.3	11.6	4.6	6.9	6.9	9.6
Benchmark return %	-2.8	-0.8	13.5	11.0	6.7	8.0	7.4	8.7
Net excess return %	-0.4	-2.6	-5.2	0.6	-2.1	-1.1	-0.5	0.9

<sup>1</sup> 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

The Australian market was not exempt from the decline in global shares. The Real Estate and Information Technology sectors led the market declines given concerns about the impact of higher interest rates for longer. Healthcare and Consumer Discretionary sectors were sold down on worry about the consumer's ability to tolerate higher inflation and interest rates. The Resources sector proved more resilient given the surprising rise in iron ore prices to US\$120 per ton despite a weak Chinese property sector. The only positive sector was Energy on the back of higher oil prices.

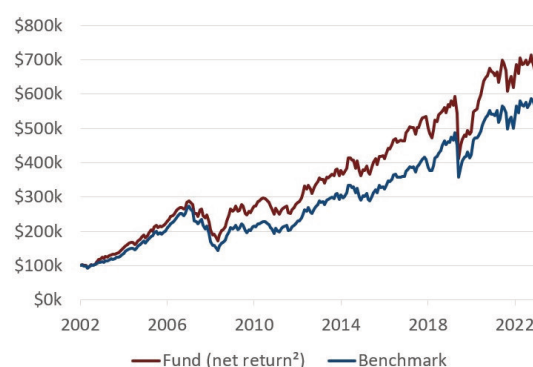
The Antares Elite Opportunities Fund delivered a return of -3.2% (net of fees) for the month of September 2023.

Contributing to performance were overweight positions in Santos (STO), Treasury Wine Estates (TWE) and ANZ. The higher oil price helped boost the Santos share price. TWE shares received a fillip when Australia's Prime Minister and China's Premier met for constructive talks on Chinese tariffs, with wine one of the areas that was discussed. ANZ shares posted a small increase in September. Reports are that ANZ had been steadily increasing its market share having overcome prior difficulties with its lending systems that had resulted in lengthy processing times.

Detracting value were overweight positions in Block Inc (SQ2), Goodman Group (GMG) and CSL. SQ2 suffered a small outage in its Square Seller retail point of sale equipment globally which hurt sentiment, while the march up in longer duration interest rates hurt its valuation as discount rates spiked, disproportionately impacting longer duration equities such as SQ2. GMG shares were weaker in September on no particular news. Property related stocks were sold down as bond yields moved higher. CSL shares have continued their post results weakness.

Australia's economy continues to display significant signs of slowing down with inflation concerns. Retail spending is subdued as consumers struggle with the squeeze from higher prices, rising mortgage interest rates and rents. Consumer annual inflation rose from 4.9% in July to 5.2% in August largely on the back of higher fuel prices according to the ABS monthly indicator. Employment has been a positive surprise with strong job gains in August despite lower vacancies. The

### \$100,000 invested since inception



### Sector allocation

GICS <sup>3</sup>	%
Financials Ex Reits	24.0
Metals & Mining	21.2
Health Care	12.1
Communication Services	8.4
Real Estate	7.0
Consumer Discretionary	5.9
Consumer Staples	5.2
Energy	5.1
Industrials	4.6
Materials Ex Metals & Mining	2.4
Information Technology	2.1
Utilities	2.0

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Reserve Bank again held the cash interest rate steady at 4.1% but maintained guidance that further interest rate rises may be required to get inflation back to their target range of 2% to 3%.

## Top 10 share holdings

(alphabetical order)

- ANZ Group
- Aristocrat Leisure
- BHP Group
- Coles Group
- Commonwealth Bank of Australia
- CSL
- Goodman Group
- Santos
- South32
- Telstra 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 September 2023
<b>Australian shares</b>	95%	100%	100%	98.0%
<b>Cash and cash equivalents</b>	0%	0%	5%	2.0%

## Portfolio facts

<b>Inception date</b>	18 November 2002
<b>APIR Code</b>	PPL0115AU
<b>Fund size as at 30 September 2023</b>	\$164.9m
<b>Benchmark</b>	S&P/ASX 200 Total Return Index
<b>Distribution</b>	Quarterly
<b>Management fee<sup>4</sup></b>	0.70% pa
<b>Performance fee<sup>5</sup></b>	From 3 October 2023 onwards, MLC has elected to not charge a performance fee (ie 0% pa)

## Distribution history<sup>6</sup> and Franking levels

	Jun 23	Mar 23	Dec 22	Sep 22	Jun 22	Mar 22	Dec 21	Sep 21	Jun 21	Mar 21	Dec 20
<b>Distribution (cents per unit)</b>	6.01	0.74	0.96	1.55	6.60	1.05	0.75	1.38	5.78	0.69	0.48
<b>Franking levels</b>	48.8%	-	-	-	60.4%	-	-	-	35.2%	-	-

## Portfolio managers

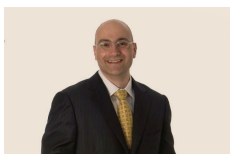
### NICK PASHIAS

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: 16

Years of Industry Experience: 23

**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: 23

Years of Industry Experience: 26

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



## Platform availability

- Asgard
- eXpand Extra
- MLC Wrap / Navigator
- Praemium
- BT Panorama
- Hub 24
- Netwealth Wrap
- PowerWrap
- CFS First Wrap
- Macquarie Wrap
- North
- uXchange
- Clearview
- MLC Masterkey Fundamentals
- OneVue
- Voyage

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

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

<sup>4</sup> 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.

<sup>5</sup> Prior to 3 October 2023, the performance fee was charged if the Fund's return (after deducting the management fee) exceeded its performance hurdle during the performance fee period.

<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. 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 June 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**

**Important information:** MLC Investments Limited ABN 30 002 641 661, AFSL 230705 ("MLCI") is the Responsible Entity of, and the issuer of units in, the Antares Elite Opportunities Fund ARSN 102 675 641 ('the Fund'). MLCI has appointed Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483, trading as Antares Equities (Antares) as the Investment Manager of this product. MLCI and Antares are part of the Insignia Financial group of companies (comprising Insignia Financial Holdings Ltd ABN 49 100 103 722 and its related bodies corporate) ('Insignia Group').

The information contained in this communication may constitute general advice and does not take into account your objectives, financial situation or needs. Because of that, before making any decision about whether to acquire or continue to hold an investment in the Fund, you should consider its appropriateness, having regard to your objectives, financial situation and needs, plus consider the relevant Product Disclosure Statement. We recommend you obtain financial advice tailored to your own personal circumstances.

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 MLCI or Antares nor any other member of the Insignia Financial Group guarantees the repayment of your capital, payment of income or the performance of your investment. 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.

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