

Fund Profile

Antares Elite Opportunities Fund



February 2021

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 4.0% (net of fees) for the month of February 2021.¹

Australian shares made modest gains in February. Reporting season was generally positive, with most companies either beating or meeting market expectations. Rising iron ore, metal and energy prices boosted returns for the resources sector, with gold a notable exception. Financial sector shares also made strong gains with the view that Australian businesses and consumers are in a much better position to meet debt commitments. In contrast the information technology and utilities sectors proved sensitive to global shifts in risk appetites and rising bond yields, recording declines for the month.

Performance was boosted by overweight holdings in Westpac (WBC), Virgin Money UK (VUK) and Vocus (VOC). The spike in bond yields has continued to support bank stocks. WBC also provided an upbeat trading update citing improved optimism given the improving economy and vaccine rollout. VUK also made an upbeat 1Q21 earnings announcement including a return to statutory profit and the maintenance of guidance with upside potential. VOC shares rose after the company confirmed that it had received a non-binding, indicative proposal from Macquarie Infrastructure and Real Assets Holdings (MIRA) to acquire 100% of its shares for a price of \$5.50 per share through a scheme of arrangement.

Detracting from performance were overweight holdings in Northern Star (NST) and Atlas Arteria (ALX) and the decision not to own Rio Tinto (RIO). Continued weakness in the gold price overshadowed NST's record interim profit and dividend announcement in February. Traffic numbers and revenue for European toll road operator ALX, have been impacted by the movement restrictions imposed due to the prolonged and severe second wave of the coronavirus. Very late in January the company reported that 4Q20 traffic was down by over 25% and toll revenue by nearly 20% on 4Q19. The strength in Chinese demand and rising prices for iron ore, good FY20 results and an unequivocal apology from its CEO in regard to Juukan Gorge together with the declaration of a greater commitment to ESG were all positives for RIO during February.

Australia's economic data continues to strengthen. Strong January results for car sales, employment and retail spending as well as positive business and consumer surveys suggest that Australia's economic recovery is gathering pace. When this positive momentum is combined with the commencement of Australia's coronavirus vaccine rollout, 2021 appears to be off to an encouraging start.

Fund facts

Inception date:	18 November 2002
Fund size at 28 February 2021:	\$212.9m
Benchmark:	S&P/ASX 200 Total Return Index
Investment timeframe:	At least 5 years
Relative risk:	High - Very High
Relative return¹:	High - Very High

Top 10 share holdings

as at 28 February 2021 (alphabetical order)

- ANZ Banking Group
- Aristocrat Leisure
- BHP Group
- Commonwealth Bank
- CSL
- South32
- Telstra Corporation
- Transurban Group
- Westpac Banking Corporation
- Woolworths Group

Investment returns as at 28 February 2021¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Net return² %	4.0	5.7	6.8	4.9	9.6	7.2	7.0	10.1
Gross return %	4.7	6.5	8.2	5.8	10.5	8.0	7.8	11.0
Benchmark return %	1.5	3.0	6.5	7.4	10.7	7.4	7.8	9.0
Net excess return %	2.5	2.7	0.3	-2.5	-1.1	-0.2	-0.8	1.1
Gross excess return %	3.2	3.5	1.7	-1.6	-0.2	0.6	0.0	2.0

¹ 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.

² 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

Minimum investment:	\$20,000
Minimum additional investment:	\$5,000
Distribution:	Quarterly
Entry fee:	Nil
Exit fee:	Nil
Management fee:⁴	0.70% per annum of the Fund's net asset value (including GST net of Reduced Input Tax Credit).
Performance fee:⁵	20% of the Fund's net performance in excess of the performance hurdle. ⁵

⁴ 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 hurdle is the benchmark return +5%p.a.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 28 Feb 21
Australian shares	95%	100%	100%	99%
Cash and cash equivalents	0%	0%	5%	1%

Distribution history ⁶

Quarter end	Cents per unit
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
31 December 2016	2.42
30 September 2016	1.42
30 June 2016	0.85

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.

Franking levels

Year end	
30 June 2020	116.00%
30 June 2019	60.60%
30 June 2018	27.48%
30 June 2017	33.99%
30 June 2016	110.02%
30 June 2015	27.94%

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\$5.2 billion (at 31 December 2020) 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

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