

Fund Profile

Antares Elite Opportunities Fund



March 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 2.9% (net of fees) for the month of March 2021.¹

Australian shares made mild gains in March, as increases from the industrials were tempered by declines in resources. The consumer discretionary and communication sectors performed strongly with the view that consumer spending prospects were rapidly improving. However, the 7.3% decline in the iron ore price and small declines in the oil and gold prices resulted in a weaker performance from the resources sector which finished March down by 4.1%.

Performance was boosted by not holding positions in Rio Tinto (RIO), Fortescue Metals (FMG) and Afterpay (APT). Greater awareness that China's economic growth is decelerating (albeit still increasing), together with greater environmental concerns saw the iron ore price retreat after a very strong run. This was reflected in the share prices of both RIO and FMG. The rise in US bond yields has negatively impacted the valuations of tech stocks globally, particularly those with long dated growth stories, such as APT. APT was also partially impacted by the launch of new competitors, especially PayPal.

Detracting from performance were overweight holdings in IGO Limited (IGO), Northern Star (NST) and a2 Milk (A2M). IGO is a pivotal player in lithium ion battery supply for electric vehicles though its nickel and lithium resource exposure. During March the company's share price consolidated as the market waited to see the formal completion of its lithium acquisition – with the recent lift in lithium prices, there were some concerns the vendor may renege on its offer. NST shares were impacted as the gold price further weakened in March as optimism around vaccine rollouts and economic growth continued. The loss of the Daigou channel has also led to a loss of advocacy in China for A2M, also hurting its other channels, especially on-line trade.

Australia's economic data suggests promising prospects for 2021. Strong February results for business surveys, consumer sentiment and employment suggest that the economic recovery is gathering speed. And while Australia's coronavirus vaccine rollout is slower than predicted and lags many countries in the northern hemisphere, it has commenced.

Fund facts

Inception date:	18 November 2002
Fund size at 31 March 2021:	\$220.8m
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 31 March 2021 (alphabetical order)

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

Investment returns as at 31 March 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 %	2.9	7.9	45.1	7.3	9.0	7.7	7.2	10.2
Gross return %	3.0	8.7	47.0	8.2	9.9	8.5	8.0	11.1
Benchmark return %	2.4	4.3	37.5	9.7	10.2	7.7	8.0	9.1
Net excess return %	0.5	3.6	7.6	-2.4	-1.2	0.0	-0.8	1.1
Gross excess return %	0.6	4.4	9.5	-1.5	-0.3	0.8	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 31 Mar 21
Australian shares	95%	100%	100%	98%
Cash and cash equivalents	0%	0%	5%	2%

Distribution history ⁶

Quarter end	Cents per unit
31 March 2021	0.69
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

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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