

# Fund Profile

## Antares Elite Opportunities Fund



April 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 3.7% (net of fees) for the month of April 2021.<sup>1</sup>

Australian shares made strong gains in April. The resource sector returned 5.4% boosted by the surge in commodity prices including iron ore (20%) and copper (13%). The information technology sector also performed well partly buoyed by strong results from the major global technology companies. Sectors posting declines included energy, on the back of the fall in the oil price, consumer staples and utilities.

Performance was boosted by overweight positions in IGO Limited (IGO), Boral (BLD) and Aristocrat Leisure (ALL). IGO's March quarter report was well received by the market with confirmation that its lithium acquisition was on-track for completion in the June 21 quarter. The company also announced it had agreed to sell its 30% stake in the Tropicana Gold Mine asset to Regis Resources for approximately \$900m – regarded by some analysts as a premium price. BLD announced the sale of its 50% share in USG Boral for US\$1bn with proceeds to be used to fund a share buyback program. There was no particular news from ALL but the rapid opening up of the economy in North America and Australia and with it casinos and gaming has helped ALL. There also has been increased attention on the sector as a result of M&A activity.

Detracting from performance was an underweight holding in Afterpay (APT), not owning Fortescue Metals (FMG) and Rio Tinto (RIO). Technology stocks were the strongest performers in April, in large part driven by the decline in Australian bond yields, which fell by approximately 10 basis points in April following a similar fall in March. APT released its 3Q21 update which revealed underlying sales were up by 123% in constant currency on 3Q20. The company also noted the successful launch and potential of its new European operations. The iron ore price continued to rise in April taking the increase in the past year to 114%. RIO shares benefitted from this as well as more favourable sentiment post its management changes and the release of its proposed pathway to cultural heritage management. As a pure iron ore play, FMG shares were also sought.

Australia's economic data continues to point to a promising year in 2021. Strong results for business and consumer sentiment surveys as well as healthy employment gains suggest that Australia's economic recovery has considerable momentum. Australia's 1.1% annual consumer inflation rate for the March quarter provides some comfort for the Reserve Bank to maintain low cash interest rates. Sporadic coronavirus cases appear to be containable and despite some reluctance in relation to take up of the Astra Zeneca vaccine, the vaccination rollout program continues.

### Fund facts

<b>Inception date:</b>	18 November 2002
<b>Fund size at 30 April 2021:</b>	\$227.4m
<b>Benchmark:</b>	S&P/ASX 200 Total Return Index
<b>Investment timeframe:</b>	At least 5 years
<b>Relative risk:</b>	High - Very High
<b>Relative return<sup>1</sup>:</b>	High - Very High

### Top 10 share holdings

as at 30 April 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 30 April 2021<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
<b>Net return<sup>2</sup> %</b>	<b>3.7</b>	<b>11.0</b>	<b>36.4</b>	<b>7.1</b>	<b>9.1</b>	<b>8.0</b>	<b>7.6</b>	<b>10.4</b>
Gross return %	3.6	11.7	37.9	8.0	9.9	8.8	8.4	11.2
Benchmark return %	3.5	7.5	30.8	9.5	10.3	8.0	8.4	9.3
<b>Net excess return %</b>	<b>0.2</b>	<b>3.5</b>	<b>5.6</b>	<b>-2.4</b>	<b>-1.2</b>	<b>0.0</b>	<b>-0.8</b>	<b>1.1</b>
Gross excess return %	0.1	4.2	7.1	-1.5	-0.4	0.8	0.0	1.9

<sup>1</sup> 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.

<sup>2</sup> 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

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

<sup>4</sup> 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> Performance hurdle is the benchmark return +5%p.a.

## Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 30 Apr 21
<b>Australian shares</b>	95%	100%	100%	99%
<b>Cash and cash equivalents</b>	0%	0%	5%	1%

## Distribution history <sup>6</sup>

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

<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.

## 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\$5.3 billion (at 31 March 2021) 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**

**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 or reasonableness 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 subsidiary of the National Australia Bank Limited group of companies ('NAB Group') An investment in the Fund is not a deposit with or liability of National Australia Bank Limited ('NAB') or any other member of the NAB group of companies ('NAB Group') and is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither ACP nor any other member of the NAB Group guarantees the repayment of your capital, payment of income or the performance of your investment. NAB does not provide a guarantee or assurance in respect of the obligations of ACP.