

Fund Profile

Antares Elite Opportunities Fund



May 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 3.3% (net of fees) for the month of May 2021.¹

Australian shares made healthy gains in May. Bank shares delivered strong returns given solid profit results for the half year on low funding costs and declining debt impairment costs. Consumer discretionary and healthcare also made solid gains with consumer optimism on the Australian economic recovery. Sectors that disappointed included information technology which essentially reversed all of the previous month's gains. Utilities also fell sharply.

Performance was boosted by overweight positions in Westpac (WBC), Aristocrat Leisure (ALL) and Northern Star (NST). All the major banks provided trading updates in May, with lower impairments driving earnings upgrades across the sector. ALL pre-announced a 12% increase in its 1H21 profit after tax. This was driven by very good gaming product performance and buoyed by stronger than expected consumer sentiment and economic conditions in the US and Australasia. The upbeat announcement was viewed very positively by the market. The gold price rose by more than 8% in May, possibly as a reaction to rising inflation. NST also announced increased gold reserves and resources and an increased share in the central Tanami project.

Detracting from performance was an underweight holding in CBA and overweight positions in A2Milk (A2M) and Santos (STO). A2M provided a trading update that confirmed the Chinese infant nutrition market remained very challenging and as a result they had an excess inventory problem and would not achieve their previous FY21 guidance. STO share price finished the month near flat on no particular news and more subdued increases in the prices of oil and gas than prior months.

Australia's economic data suggests promising prospects for 2021. Strong results for business and consumer surveys suggest that Australia's economic recovery has considerable momentum. Car sales and housing construction activity are showing exceptional strength. The Federal Budget announced a lower budget deficit for 2020/21 with better than expected economic activity. The Budget also provided extended tax benefits for low and middle income earners, incentives for business investment and increased spending measures for health care and infrastructure. The Reserve Bank's monetary policy settings also remain highly supportive with guidance that interest rates should remain steady until 2024. The latest spate of coronavirus cases in Victoria appears to have driven more widespread vaccine uptake.

Fund facts

Inception date:	18 November 2002
Fund size at 31 May 2021:	\$231.6m
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 May 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 May 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 %	3.3	10.2	36.3	8.3	9.2	8.3	8.2	10.5
Gross return %	3.5	10.4	38.1	9.3	10.1	9.2	9.0	11.4
Benchmark return %	2.3	8.5	28.2	9.9	10.1	8.2	8.8	9.4
Net excess return %	1.0	1.7	8.1	-1.6	-0.9	0.1	-0.6	1.1
Gross excess return %	1.2	1.9	9.9	-0.6	0.0	1.0	0.2	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 May 21
Australian shares	95%	100%	100%	99%
Cash and cash equivalents	0%	0%	5%	1%

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\$5.3 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

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