

Fund Profile

Antares Elite Opportunities Fund



July 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 0.5% (net of fees) for the month of July 2021.¹

Australian shares made slight gains in July. The resources sector performed well given higher metal prices and a weaker Australian Dollar. The industrial sector, utilities and consumer staples also performed solidly given RBA's guidance of low interest rates. However, the information technology sector lost ground after a strong June.

Performance was boosted by overweight holdings in IGO Limited (IGO), BHP and Orora (ORA). A strong rally in lithium prices was reflected in IGO's share price. The market has increased confidence that IGO will be a beneficiary of the drive to electric vehicles following its successful acquisition of a share of the Greenbushes lithium mine and associated downstream processing assets. Materials was the best performing sector during June as base metals prices increased and investors considered the prospects of higher dividend announcements. BHP shares performed well. Solid macro-economic data from the US as its economy continues to re-open as well as strong increases in cardboard box pricing (a key product for ORA's North America division) are seen as beneficial to ORA.

Detracting from performance were overweight holdings in Westpac (WBC) and Santos (STO) together with the decision not to own Sydney Airport (SYD). The collapse of Forum Finance could leave WBC with an exposure of up to \$200m after tax. Santos announced it had submitted an all scrip merger proposal to Oil Search who had acknowledged the rationale but sought a higher price. Early in the month a conditional non-binding takeover offer was made by a consortium of infrastructure investors for SYD at an indicative price of \$8.25 per stapled security.

Australia's economic revival is being challenged by the extended lockdown in Sydney and recent outbreaks in Melbourne and Brisbane. Business and consumer surveys have softened while weekly payroll data shows that employment has stagnated. Mitigating this slowdown risk has been increased budget support from the Federal and State Governments. The Reserve Bank's monetary policy settings also remain highly supportive with guidance that cash interest rates should remain steady until 2024.

Fund facts

Inception date:	18 November 2002
Fund size at 31 July 2021:	\$229.7m
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 July 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 July 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 %	0.5	5.6	36.8	7.2	9.3	8.1	9.0	10.6
Gross return %	0.3	5.5	38.0	8.0	10.1	8.9	9.8	11.4
Benchmark return %	1.1	5.8	28.6	9.5	10.0	8.3	9.8	9.5
Net excess return %	-0.6	-0.2	8.2	-2.3	-0.7	-0.2	-0.8	1.1
Gross excess return %	-0.8	-0.3	9.4	-1.5	0.1	0.6	0.0	1.9

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 Jul 21
Australian shares	95%	100%	100%	99%
Cash and cash equivalents	0%	0%	5%	1%

Distribution history ⁶

Quarter end	Cents per unit
30 June 2021	5.78
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 2021	35.15%
30 June 2020	116.00%
30 June 2019	60.60%
30 June 2018	27.48%
30 June 2017	33.99%

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\$5.5 billion (at 30 June 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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