



MONEY MANAGEMENT
**FUND MANAGER
OF THE YEAR 2020**

AUSTRALIA'S FIRST INDEPENDENT AND WHOLE OF MARKET AWARDS

WINNER
Australian Small/Mid Cap Equities

Fairview Equity Partners Emerging Companies Fund

31 May 2022



Monthly Report

About the Fund

The Fund invests in an actively managed portfolio of mainly small cap equities listed, or expected to be listed, on the Australian share market.

Investment Objective

The Fund aims to earn a return (after fees) which exceeds the benchmark over rolling five-year periods.

Benchmark

S&P/ASX Small Ordinaries Total Return Index ("Benchmark")

Inception Date

8 October 2008

mFund Code

FEP01

APIR Code

ANT0002AU

Minimum Initial Investment

\$20,000

Management Fee

1.20% p.a. of the Fund's Net Asset Value.

Performance Fee

20.5% of the Funds quarterly return (after deducting the management fee) in excess of the benchmark's quarterly return after recouping any prior periods' underperformance in dollar terms multiplied by the Fund's average Net Asset Value over the quarter.

Distribution Frequency

Annually calculated on 30 June. However, there may be periods in which no distributions are made or the Fund may make additional distributions.

Buy/Sell Spread

+0.30% / -0.30%

Number of Stocks

55

Contacts

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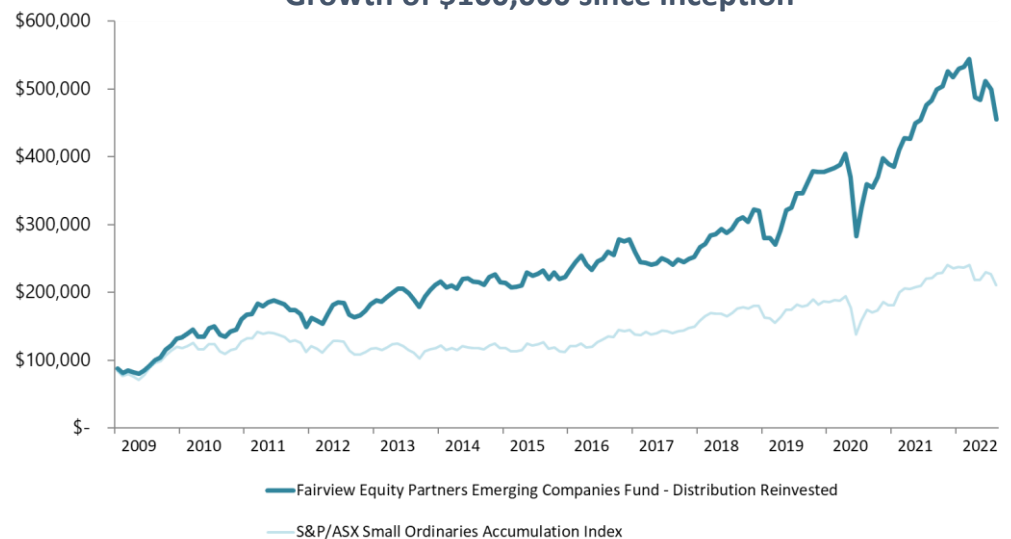
Net Performance

	1 month	3 months	1 year	3 years	5 years	10 years	Since inception ¹
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Fund Return²	-8.70	-5.95	-5.63	9.63	13.59	10.53	11.75
Benchmark³	-7.01	-3.59	-4.56	5.50	8.49	6.33	5.61
Excess Return	-1.69	-2.36	-1.07	4.13	5.10	4.20	6.14

¹Fund inception date: 8 October 2008. ²Net returns are calculated after deducting management fees and are pre-tax.

³Benchmark: S&P/ASX Small Ordinaries Total Return Index. Past performance is not a reliable indicator of future performance. The value of an investment may rise or fall with the changes in the market.

Growth of \$100,000 since inception



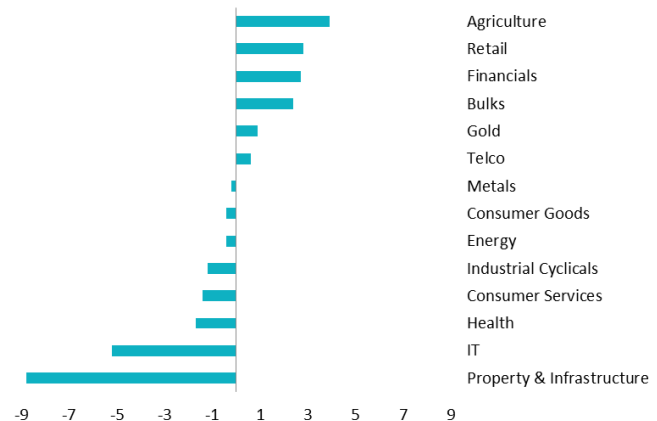
Top Five Holdings⁴

Capricorn Metals
Credit Corp Group
Karoon Energy
Nufarm
Steadfast Group

⁴Listed in alphabetical order



Active Sector Weights (%)⁵



⁵Data Source: Fairview Equity Partners Pty Ltd

Monthly Commentary – May 2022

The key US market index, the S&P 500, finished flat for the month. This result masked some intense daily moves. In Australia the ASX S&P 200 was off 3%. Alas in a risk off month, the dominant equity market themes were the Price Earnings ratio derating and a flight to liquidity. Hence the ASX S&P Small Ordinaries Accumulation Index was down -7.0%. The performance was similar between the two key subsectors. Small Industrials were down -7.4%, whilst Small Resources were down -6.0%. Energy was the best performing sector in May, up +6.7%. Consumer Discretionary was the worst performing sector over the past month, down -7.6%.

So inflation is not that transitory?

We look back fondly on 2019, the issues the world faced at that time now seem so very benign. (US Presidential impeachments and Venezuelan political turmoil). We now face a world that is not accustomed to shortages and is really struggling to adapt. This is not helped by:

- Coalescing trade blocs that will march back globalisation.
- Recovery from a virus that resulted in the greatest human vocational migration in history and changed the labour supply dynamic to favour labour over capital.
- Western countries starting a politically popular energy transition that could be more traumatic than expectations.
- A war started by an autocrat who wants to recreate the glories of the imperial past.
- And worst of all, potentially hunger in vulnerable, food importing countries.

The key remit

Our current global economy is a supply-constrained economy. Supply constraints are almost always inflationary. The key remit of the US Federal Reserve is to control price inflation, it is wonderful if its' policies also stabilise capital markets but that is not the prime directive. The Volker-led Federal Reserve disciplined behaviour in the late '70s and early '80s showed that the only sure way to kill inflation is demand destruction. It now remains to be seen if this current Federal Reserve is as resolute.

Capital market reactions

The Covid-induced free money era is now consigned to history. IPOs have been the first casualty, as expected, while vendor expectations will need to be reset. However tightening credit lending has not yet stopped M&A. The most fascinating M&A during the month in our view, revolved around Infomedia. The stock had been under pressure, falling from \$1.78 in mid-October 2021 to \$1.16 in early May. This fall was due to large EPS downgrades, a contract loss and the MD resigning, heading off to Nuix. TA Associates made its first approach in early May and proposed \$1.75 on the 27th of May. As shown with the recent protracted battle for Virtus Health, which attracted its first bid in December last year and is still not off the boards six months later, these takeovers can take time and always have a chance of falling over.

Investment Team



Michael Glenane

Portfolio Manager

BE, MBA

30+ years investment management experience



Tim Hall

Portfolio Manager

BComm

24+ years investment management experience



Leo Barry

Portfolio Manager

BSA, MBA

14+ years investment management experience

This report is issued by Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483 ('ACP'), the responsible entity of, and the issuer of units in, the Fairview Equity Partners Emerging Companies Fund, ARSN 133 197 501 (the 'Fund'). ACP has appointed Fairview Equity Partners Pty Ltd ('Fairview'), ABN 45 131 426 938, AFSL 329052, a specialist Australian small company equities manager, as investment manager of the Fund. An investor should consider the current Product Disclosure Statement ('PDS') for the Fund in deciding whether to acquire, or continue to hold, units in the Fund and consider whether units in the Fund are an appropriate investment for the investor, and the risks of any investment. The PDS is available from mlcam.com.au or by calling the Client Services Team on 1300 738 355. The information in this report 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 own particular objectives, financial situation or needs. We believe that the information contained in this report is correct and that any estimates, opinions, conclusions or recommendations are reasonably held or made at the time of compilation. However, no warranty is made as to their accuracy or reliability. The information in this communication is subject to change without notice. All statements as to future matters are not guaranteed to be accurate and any statement as to past performance is not a reliable indication of future performance. ACP is part of the IOOF group of companies (comprising IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate) ('IOOF Group'). The capital value, payment of income and performance of the Fund are not guaranteed. An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

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