

Fund Profile

Antares Elite Opportunities Fund



October 2019

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 -1.1% (net of fees) for the month of October 2019.¹

Australian shares were generally subdued in October. There were sharp gains for the health care sector but this was offset by broad based weakness in consumer staples, financials, resources and the information technology sector.

Overweight holdings in Iluka Resources (ILU), Star Entertainment (SGR) and the decision not to own CBA all contributed to performance during the month. A greater awareness of the value of ILU's Mining Area C royalty arrangement with BHP may have added to the increased demand for ILU shares post their half year result. SGR provided a positive trading update during its AGM which was better than expected. Domestic revenue increased versus expectations of a decline (given SGRs very strong 1H2019). The company also gave earnings guidance for 1H20 which was above forecasts. There has been considerable speculation about the longer term growth of bank earnings, especially in a prolonged low interest rate environment. Concerns about the need for additional capital and the prospect of dividend cuts saw bank share prices under pressure.

Detracting from performance were overweight positions in Westpac Bank (WBC) and ANZ together with the decision not to own CSL. After some profit taking in September and a positive report from a broker that had previously not been a bull on CSL, investors pushed CSL's share price up by nearly 10% during October.

While volatility remains part of the investment landscape, recent developments suggest an outlook that is more supportive for equity markets. These include the apparent thaw in China US trade tensions, accommodative central bank policy and positive recent jobs data from the US.

Fund facts

Inception date:	18 November 2002
Fund size at 31 October 2019:	\$245.4m
Benchmark:	S&P/ASX 200 Totql 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 October 2019 (alphabetical order)

- ANZ Banking Group
- Aristocrat Leisure
- BHP Group
- James Hardie Industries
- National Australia Bank
- Santos
- Star Entertainment Group
- Telstra Corporation
- Wesfarmers
- Westpac Banking Corporation

Investment returns as at 31 October 2019¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Net return² %	-1.1	0.3	12.5	11.0	8.4	10.2	8.1	10.7
Gross return %	-1.1	0.5	13.3	11.8	9.1	11.0	8.9	11.6
Benchmark return %	-0.4	-0.9	19.3	12.6	8.5	10.4	8.3	9.5
Net excess return %	-0.7	1.2	-6.8	-1.6	-0.1	-0.2	-0.2	1.2
Gross excess return %	-0.7	1.4	-6.0	-0.8	0.6	0.6	0.6	2.1

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 Oct 19
Australian shares	95%	100%	100%	97%
Cash and cash equivalents	0%	0%	5%	3%

Distribution history ⁶

Quarter end	Cents per unit
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
30 June 2016	0.85
31 March 2016	0.64
31 December 2015	0.73
21 September 2015	1.56
30 June 2015	9.10
31 March 2015	1.76
31 December 2014	0.26

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 2019	60.60%
30 June 2018	27.48%
30 June 2017	33.99%
30 June 2016	110.02%
30 June 2015	27.94%
30 June 2014	24.08%

About Antares

Antares is a dedicated asset management business managing more than \$32.2bn on behalf of Australian investors, with \$5.1bn in Australian equities and more than \$27.1bn in fixed income (as at 30 September 2019).

At Antares we are wholly focussed on delivering performance for investors through an investment approach underpinned by dedication, experience and discipline. We recognise and are ready for market uncertainty, and believe great performance is achieved through a focus on both risk and return. Antares consists of two divisions – Antares Equities (formerly Portfolio Partners and Aviva Investors) and Antares Fixed Income (formerly National Specialist Investment Management).

For further information please contact our Client Services Team - Toll Free: 1800 671 849

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