

Fairview Equity Partners Emerging Companies Fund

31 July 2020



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

+0.25% / -0.25%

Number of Stocks

55

Contacts

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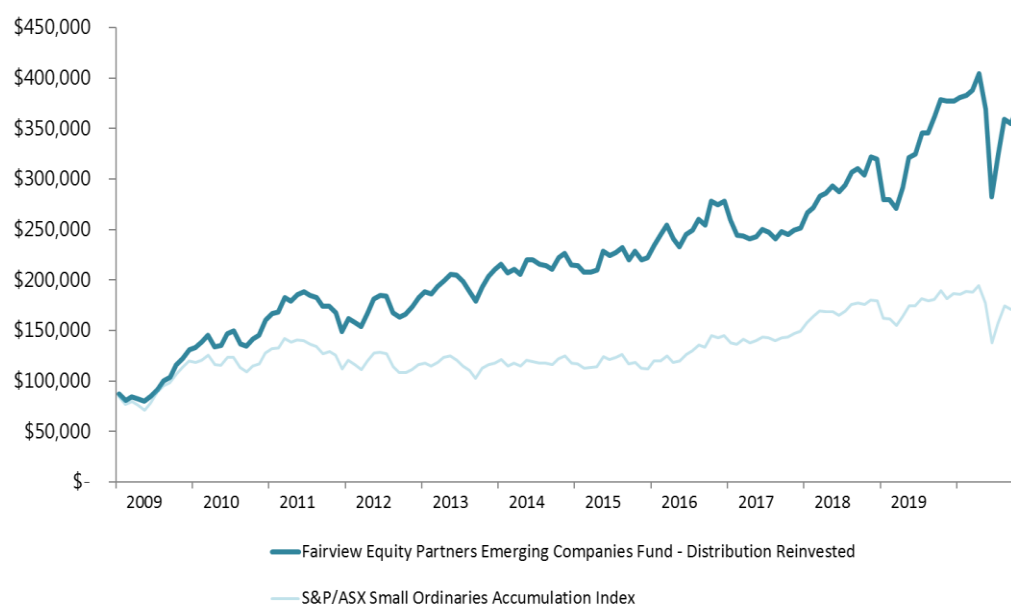
Net Performance

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception' % p.a.
Fund Return¹	4.40	13.97	-2.18	14.78	10.09	10.05	11.72
Benchmark²	1.39	9.94	-8.49	6.47	7.86	4.19	4.76
Excess Return	3.01	4.03	6.31	8.31	2.23	5.87	6.96

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



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**FUND MANAGER
OF THE YEAR 2020**

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WINNER

Australian Small/Mid Cap Equities



Monthly Commentary – July 2020

Fairview Equity Partners Emerging Companies Fund (the “Fund”) outperformed the ASX S&P Small Ordinaries Index by 3.01% in July, providing a positive return in relation to both relative and absolute returns. US equities continued their rally during the month as the NASDAQ surged 6.8%. Gold was the biggest theme, up almost 10% and heading to US\$2,000/oz at month end. As far as the Australian share market went, July was the month we were sort of expecting in April after equity markets were hit in March. That is, a reversion to safe assets and investors chasing non-correlated market moves.

Platforms up

The best performers in the ASX Small Ordinaries Index of size were platform plays Hub24 and Netwealth. We have owned both stocks in the past. The Fund currently does not hold them as we just can’t get enough comfort as to the revenue ramifications of ultra-low cash rates to individual platform investors. The worst performer in the Index of interest was Adbri, a lime and cement producer/importer. Adbri management must be scratching its head after a decades long lime supply agreement was ripped up by Alcoa. It will soon have a high fixed cost lime kiln running at 40% capacity. Despite this, we are pretty sure the company has experienced a better July than the Premier of Victoria.

Looking ahead – supply chains

Reporting season is now underway. Individual stock volatility will be high. The euphoric relief rally, as vast stimulus was applied, is now fading. Management teams are having to grapple with insecure supply chains and a nervous work force. The impacts of Australia’s biggest container port being constrained is not yet evident but will be. There is also the virus. As a consequence, we are comfortable with our overweight in agriculture inputs, gold and information technology related beneficiaries of disruption. The most intriguing international finance dynamic at the moment involves the greenback. A slide in the US dollar is accelerating. Some commentators are suggesting its pressure is due to the country’s mismanagement of COVID-19. We are not so sure. Does the US Federal Reserve want a lower currency? Does it have a choice?

Investment Team



Michael Glenane

Portfolio Manager

BE, MBA

28+ years investment management experience



Tim Hall

Portfolio Manager

BComm

22+ years investment management experience



Leo Barry

Portfolio Manager

BSA, MBA

13+ 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 is 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 particular own 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 a member in the group of companies comprised National Australia Bank Limited ABN 12 004 044 937, AFSL 230686, its related companies, associated entities and any officer, employee, agent, adviser or contractor ('NAB Group'). An investment in the Fund is not a deposit with or liability of, and is not guaranteed by the NAB Group.

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