



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 July 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

54

Contacts

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Client Services: 1300 738 355

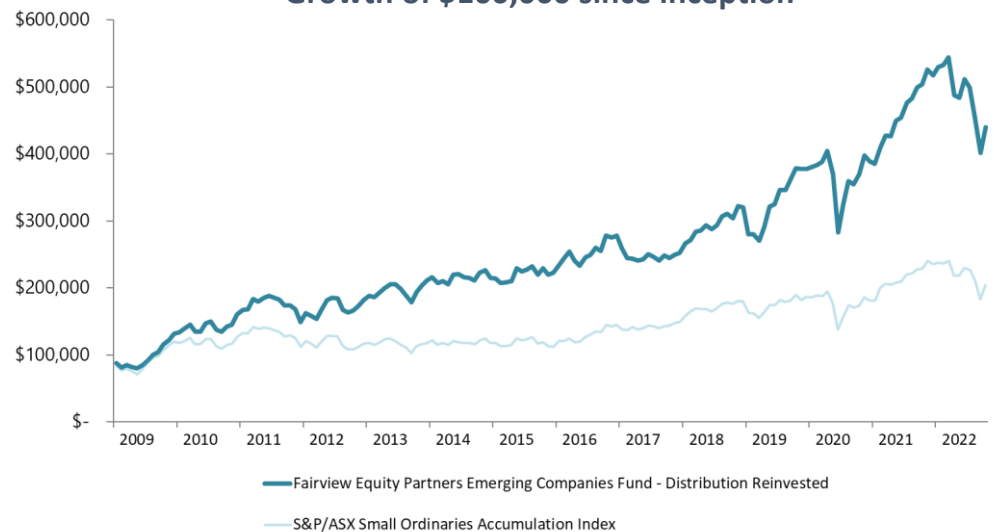
Net Performance

	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	9.63	-11.78	-12.62	5.14	12.43	10.21	11.32
Benchmark³	11.43	-9.94	-10.93	2.55	7.30	6.53	5.30
Excess Return	-1.80	-1.84	-1.69	2.59	5.13	3.68	6.02

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



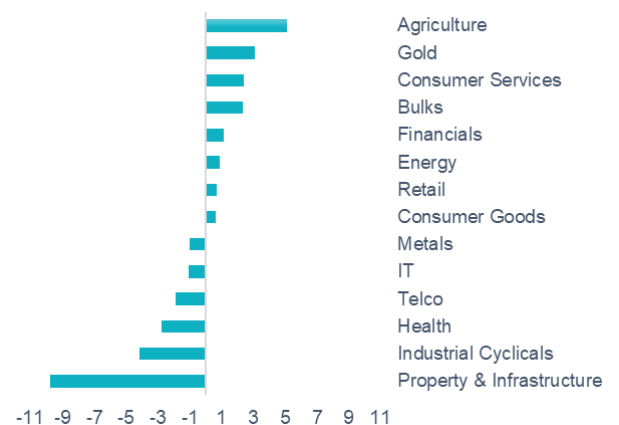
Top Five Holdings⁴

Bapcor
Capricorn Metals
Nufarm
Omni Bridgeway
Steadfast Group

⁴Listed in alphabetical order



Active Sector Weights (%)⁵



⁵Data Source: Fairview Equity Partners Pty Ltd

Monthly Commentary – July 2022

July demonstrated the volatility of the small caps vs the top 100 on the upside. The Small Ordinaries index was up +11.4% in July, easily outperforming top 100 by +6.1%. Small Industrials were up +11.8%. Small Resources were up +10.2%. It was the beaten down growth names that dominated in July with some staggering upward moves. Health Care was the best performing sector, up +22.7%, followed by Information Technology (+17.7%). The top performer in the month was ZIP (+146% vs index). This company which we admit would be hard pressed to enter our portfolio, due to continuing cash needs, rose after announcing it was ending its planned merger with Sezzle. The worst performer in the month was Nuix (-32% vs index) which fell after guiding for FY22 EBITDA of A\$10-12m, down materially from the A\$66.7m EBITDA reported in the PCP (Previous Corresponding Period).

Reporting season

At the time of writing this report, the market was entering the very busy August reporting season. Hence this monthly report will be shorter than normal. Many reporting seasons have a key focus or theme that emerges during the four-week period. This at various times in the past has included sales growth, operating cash flow efficiency or EBITDA margin projections among many other metrics. Any company that reports numbers that go against the trend of this theme is severely punished.

So, what's the focus this season?

We expect that companies will report revenues in line with consensus expectations (high inflation really assists here) whilst the reported cost base and consequently the reported EBITDA margin could be a lot trickier to hit expectations for some firms. We will be focusing more than usual on cost base movement projections. That is if portfolio company management teams are brave enough to disclose them. There are risks both ways here. Management teams that provide greater disclosure as to what they think might happen to their expense line next year will constrain themselves. Investors will hold them to these projections and the market is unforgiving. Those management teams that choose 'less said the better', risk widely divergent forecasts within consensus. A wide spread of estimates generally drops the relative price earnings ratio of the stock versus the broader market. Hence saying nothing can be value destroying.

Relative age is declining

It should also be borne in mind that sell side analysts are generally optimistic people. Also because of their age, which on a relative basis to this writer is becoming younger each year, they have never worked in an inflationary environment during their careers. So, with all that considered, we hazard a guess that the market will have optimistic FY23 forecasts at the end of August.

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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