



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 December 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

59

Contacts

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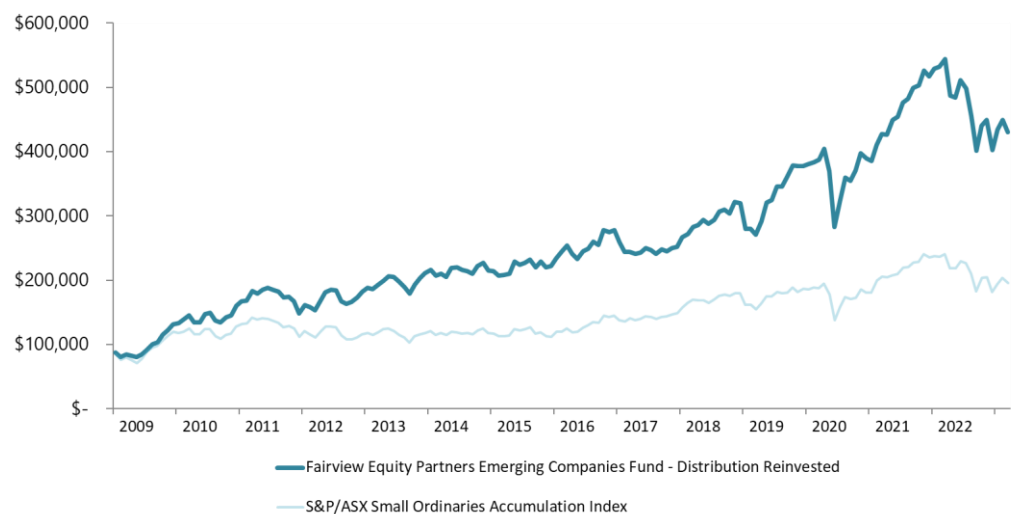
Net Performance

	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	-4.23	6.95	-20.91	3.52	8.70	8.33	10.79
Benchmark³	-3.73	7.54	-18.38	1.38	2.92	5.13	4.84
Excess Return	-0.50	-0.59	-2.53	2.14	5.78	3.20	5.95

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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Monthly Commentary – December 2022

Consumer stocks do it tough

The Small Ordinaries Accumulation index fell -3.7% over the month of December, with all sectors finishing the month lower. This fall was driven by the surge in Chinese COVID case numbers and further hawkish Federal Reserve commentary late in the month. Consumer Discretionary and Information Technology were the laggards, dropping 5%, while the Consumer Staples and Communications Services were relatively stronger. The AUD vs US\$ closed flat over the month of December as it became apparent that markets were pricing in the RBA being too dovish in the first half of 2023.

US equities fell -5.9% over the course of December, with all sectors finishing in the red. Similar to Australia, the Consumer Discretionary sector saw the largest decline of -11.3%, as consumers reduced spending. There was increased investor uncertainty following the Federal Reserve's reiteration of its tightening trajectory throughout 2023.

Everyone talking gold

The gold price rose 3.1%, finishing above US\$1,800 an ounce at the end of December. Despite a poor calendar year for gold equities, bullion increased 1% from the start of January 2022. In mid-December, gold reached its highest level since July as two themes dominated. The first was that the US Fed would temper interest-rate hikes following lower than forecast US inflation data. The second was China's chaotic rapid reversal of its Covid Zero policies.

Citi Chic sale, from \$5.50 to \$0.48 in 12 months

In terms of individual stocks in the S&P ASX Small Ordinaries index for December, there were some clangers. Poor old City Chic (CCX) fell 51%, this is after a 32% drop in November. We do not own it and would need to see clarity on the company's inventory position to revisit. Loneer (INR) fell 41% after environmental concerns for an endangered flower around its proposed mine site were raised. In contrast, two stocks commonly found in the doghouse; Perenti (PRN, was up 18%) and St Barbara (SBM, up 25%) were the month's sector winners. St Barbara still delivered a shocking 2022 calendar year return though, down 64%.

The big questions for the next couple of months

After a tough calendar 2022 for unitholder returns, we are more optimistic regarding 2023. Alas, there are still many questions. Does Europe enter a recession? Or just try to borrow and spend its way out of trouble as per normal practice. More importantly for Australian investors, will the USA enter a recession? If so, and the probability seems more likely every day, how quickly does the US Federal Reserve pivot. The wildcard is China. Currently, markets are anticipating a fast recovery from Covid zero restrictions. The recent abrupt and poorly managed exit from lockdown gives us pause for thought. Governments cannot quickly calm a population that has been brainwashed into living in dread of COVID and then encourage those same individuals to go to work if infected. Western Australia is a recent analogue of a fearful locked-down society that struggled with labour supply and attendance after restrictions were lifted.

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 Insignia Group of companies (comprising Insignia Financial Limited ABN 49 100 103 722 and its related bodies corporate) ('Insignia 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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