



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 January 2023



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

56

Contacts

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fairviewequity.com.au

Email: client.services@mlcam.com.au

Client Services: 1300 738 355

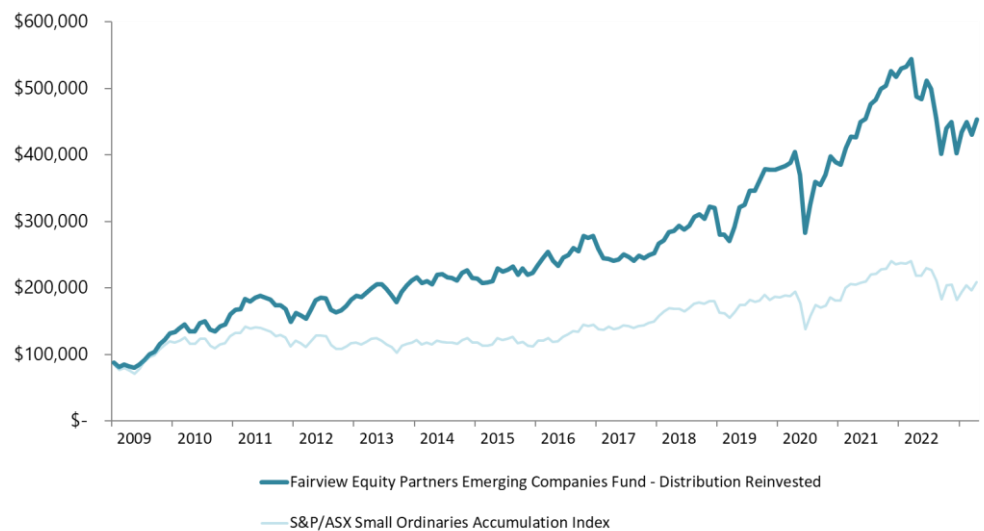
Net Performance

	1 month	3 months	1 year	3 years	5 years	10 years	Since inception'
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Fund Return^a	5.40	4.40	-6.97	3.89	9.65	8.56	11.14
Benchmark^b	6.56	7.64	-4.44	2.41	4.35	5.37	5.28
Excess Return	-1.16	-3.24	-2.53	1.48	5.30	3.19	5.86

^aFund inception date: 8 October 2008. ^aNet returns are calculated after deducting management fees and are pre-tax.

^bBenchmark: 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 – January 2023

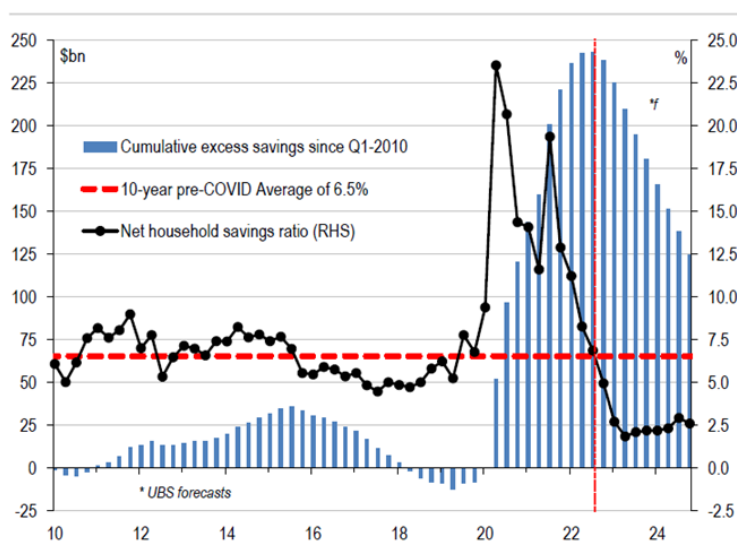
Consumer stocks do it tough

The S&P/ASX Small Ordinaries rose +6.5% for the month of January 2023, outperforming the S&P/ASX 200 rally of 6.2%. The S&P/ASX Small Resources Index outperformed Small Industrials by 3.3%, driven by Chinese reopening. Alas, our fund underperformed the index in January. Interestingly, within the resources sector, energy stocks were rather weak, in contrast to the bulks and metals sectors. Value outperformed growth, especially those beaten down value stocks that had been smashed in calendar year 2022. Westgold (WGX.ASX) was the biggest gainer in the S&P / ASX Small ordinaries, up 39% in the month but still down more than 50% from its highs of 2022. Citi Chic (CCX.ASX) was also up strongly (+36%) but still only one tenth of its share price high in September 2021. As the market grapples with another February reporting season, one question is paramount.

The potential 2023 recession – will it occur?

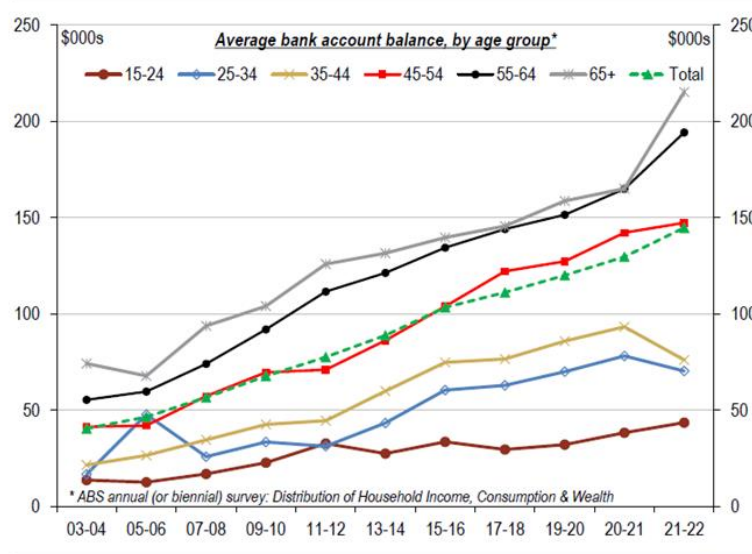
A recession is defined as two consecutive quarters of negative GDP growth. The last one in Australia occurred in 1991-92. During this 31-year period, at least seven recessions were forecast by the economists of the day. A couple of economists (now grumpily in their retirement) seemed to gloat in gloomy predictions. Thankfully, they were wrong. We have been the lucky country in an economic sense for a very long time. With home loan rates up and house prices declining, it seems the next generation of economic doomsayers are in full voice. A couple of factors; employment and savings also need to be considered.

Some excellent historical analysis of Australian household savings rates from George Tharenou, UBS Australia, throws up some interesting charts. The first chart shows that the consumer is still in robust health after the Federal and State Government handouts during the pandemic. Even though cumulative excess savings are declining, the sheer amount of the savings buffer dwarfs anything pre Covid.



Source: ABS, Macrobond, UBS

However, it appears that these excess savings are not evenly distributed by age. The next chart shows that, at the moment, it's best to be either young or old. The mortgagors in the middle (35 to 54 years old) are the group that are hurting.



Source: ABS, UBS

We have hopefully constructed our portfolio to account for these disparities.

Investment Team



Michael Glenane

Portfolio Manager

BE, MBA

31+ years investment management experience



Tim Hall

Portfolio Manager

BComm

25+ years investment management experience



Leo Barry

Portfolio Manager

BSA, MBA

16+ 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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