



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

28 February 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

FEPO1

### 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

www.mlcam.com.au  
fairviewequity.com.au  
Email: client.services@mlcam.com.au  
Client Services: 1300 738 355

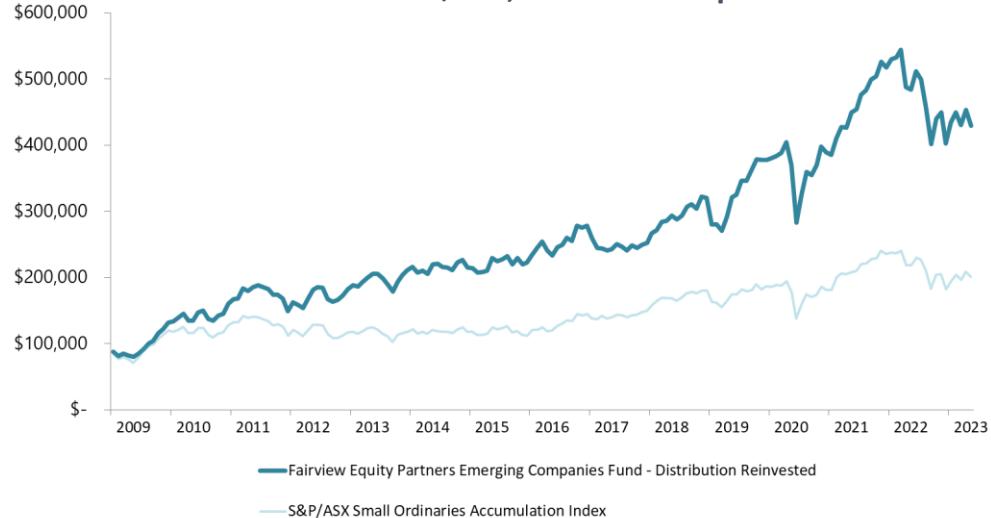
### Net Performance

	1 month	3 months	1 year	3 years	5 years	10 years	Since inception <sup>1</sup>
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
<b>Fund Return<sup>2</sup></b>	-4.38	-3.48	-10.48	5.42	8.08	7.71	10.70
<b>Benchmark<sup>3</sup></b>	-3.70	-1.21	-7.97	4.24	3.56	4.88	4.99
<b>Excess Return</b>	-0.68	-2.27	-2.51	1.18	4.52	2.83	5.71

<sup>1</sup>Fund inception date: 8 October 2008. <sup>2</sup>Net returns are calculated after deducting management fees and are pre-tax.

<sup>3</sup>Benchmark: 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



## Monthly Commentary – February 2023

The focus of the February 2023 reporting season was on management comments regarding calendar 2023 year to date trading. Downwards EPS revisions far outweighed upgrades in the month. The Small Ordinaries Accumulation index was down -3.7% in February, underperforming the S&P/ASX100 by -1.3%. Small Industrials were off a relatively benign -1.7%, alas Small Resources were slammed down a dismal -9.1%. Fairview's portfolio weight in resources weighed on performance, resulting in a month of underperformance vs the index.

### **Forgiving market for some**

Due to the highly uncertain domestic economic outlook, trading updates for the first weeks of calendar year 2023 were more important than usual. GUD was up +28% for the month, despite slightly missing consensus estimates. Management spun a positive 2H23 outlook statement, propelling GUD's share price rally. Auto sector stocks, especially fund holding APE Eagers, outperformed as buoyant car sales and strong margins with few discounts were rewarded by investors. Travel stocks were also generally higher with European leisure a standout recovery market. Our key fund travel sector holding, Webjet, reports out of cycle but hopefully reinforces this message when it reports in May as it is significantly exposed to the European travel thematic.

### **but not for the retail sector**

The worst performer in the month was Temple and Webster (-38% vs index). This online retailer reported a soft 1H23 result, but more importantly a decline in year-to-date trading. This slide in the share price occurred despite reaffirmation of full-year EBITDA margin guidance by a well-respected management team. Citi Chic (-26%) was once again among the under-performers. The apparel retailer fell after also reporting an uneven start to 2023 trade and residual inventory concerns. Housing and real estate listing exposed stocks also had a tough reporting season: GWA, Pexa, Domain, Beacon Lighting, Wagners, Fletcher Building and Adelaide Brighton all underperformed.

### **Resources key detractor**

Generally, in February there is not as much attention on resource stocks, industrial stocks steal the limelight. However, last month gold and lithium stocks had a very choppy ride. Sentiment in the sector has turned cautious. This is due to both gold and lithium market prices softening, as well as development projects facing higher capital estimates. Production cost inflation remains stubbornly high.

## 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](http://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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