



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

30 April 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

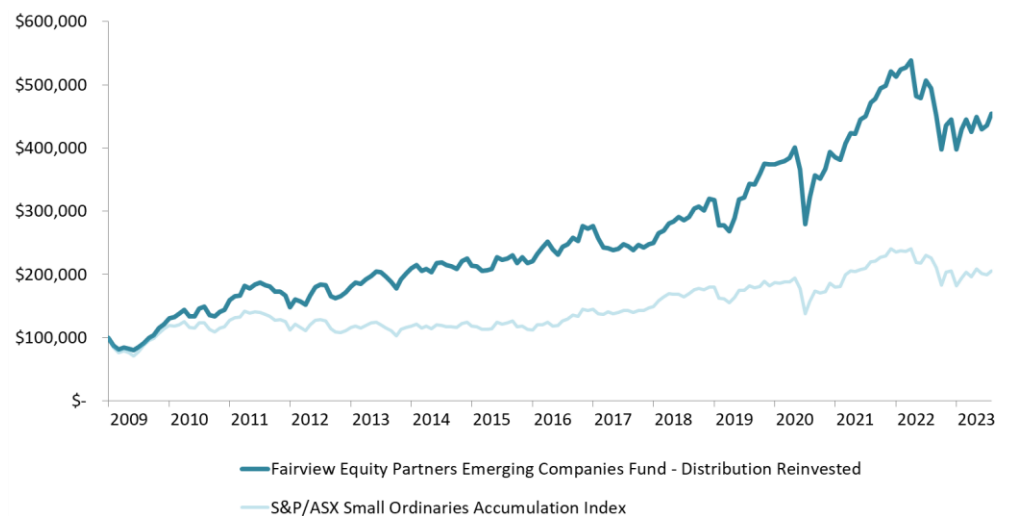
Net Performance

	1 month	3 months	1 year	3 years	5 years	10 years	Since inception ¹
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Fund Return²	4.16	1.23	-8.01	12.16	9.30	8.73	11.00
Benchmark³	2.78	-1.74	-9.43	9.22	3.90	5.95	5.08
Excess Return	1.38	2.97	1.42	2.94	5.40	2.78	5.92

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



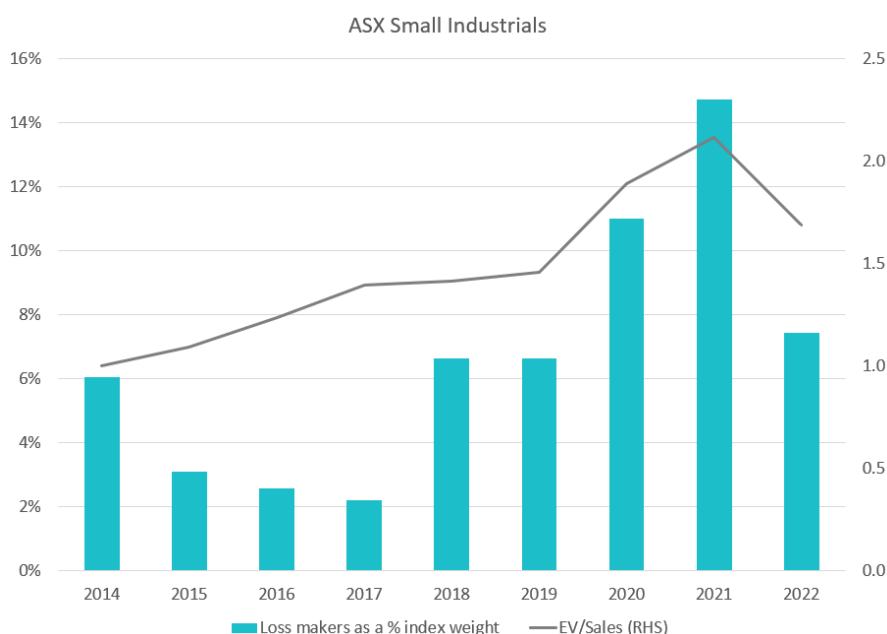
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Monthly Commentary – April 2023

Pleasingly our unitholders outperformed the market, with the fund’s absolute return above 4% for the month. The S&P ASX 200 increased 1.8%, driven up both by tech stocks and, of all sectors, the down and out REIT sector. Looking at the critical US market, earnings outperformance lifted the S&P500 Index +1.5% in April. This is despite the banking turmoil and concerns over a US recession. Gold rose across the month, up +1% as central bank demand supported price levels. Copper was the big disappointment on the London Metals Exchange, falling 5% in the month. Among the best performers inside the ASX S&P Small Ordinaries Index were Telix Pharmaceuticals (up 54% on stunning quarterly Illuccix sales) and Codan (up 36% due to its relative cheap valuation being finally noticed). Syrah (collapsed -37%, primarily from graphite production problems) and Novonix (-22%) were the worst laggards.



This chart gives a great demonstration of how ‘exuberant’ the ASX S&P Small Industrials Index is in any calendar year. During the peak year 2021 almost 15% of the index were loss makers at the net profit line. Obviously Covid had a small impact but there was another factor. This was that a lot of optimistic IPOs had come to market. Novonix and Siteminder being classic examples of IPO companies with enormous growth expectations but a long runway to profitability. The world has changed and already in 2023 the percentage of loss makers has dropped again. We also consider the much-vaunted enterprise value to sales ratio to be a lot less important today than a few years ago. Fairview, has historically, and will continue to invest in loss makers, but generally does so at low portfolio weights. Interestingly, as at 31 December 2021, 55% of the total \$1.1b in net losses in the Small Industrials Index was delivered by just three companies; Mesoblast, Pointsbet and Zip.

So where to next?

After all the macro turmoil since Covid hit, we consider that the equity market environment we enter now is more attuned to stock picking. The relative valuation of an individual stock within its sector and face to face company contact will guide our process, as it has done since inception. It is worth looking at our fund’s portfolio metrics vs the ASX S&P top 100 non-financial industrials. Our fund on a market cap weighted basis has superior ROE (+89%) and balance sheet metrics; net debt / EBITDA (63% lower than the top 100). Our portfolio presents better earnings growth while trading at a 16% PER (price to earnings ratio) discount to the top 100 which is a source of comfort for the team at Fairview.

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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