



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 November 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

55

## Contacts

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fairviewequity.com.au  
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Client Services: 1300 738 355

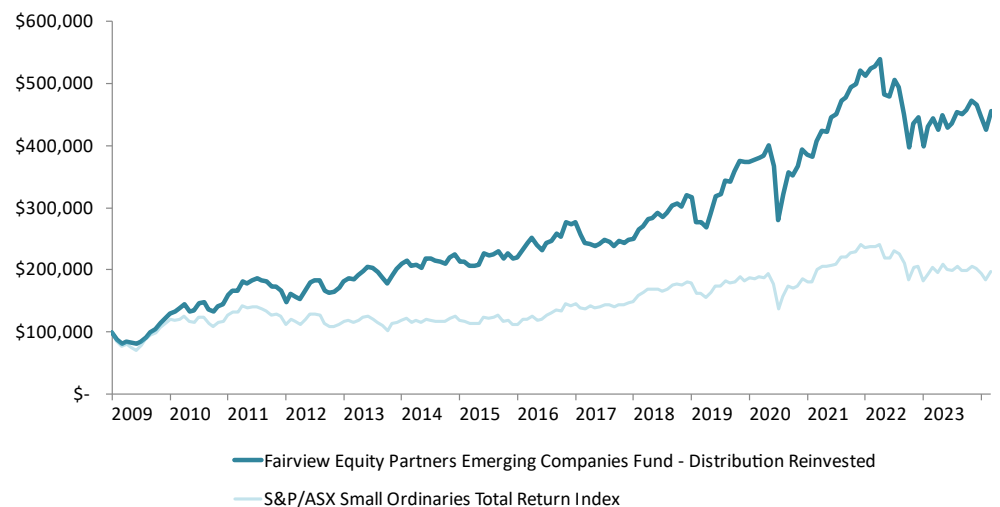
## Net Performance

	1 month	3 months	1 year	3 years	5 years	10 years	Since inception <sup>1</sup>
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
<b>Fund Return<sup>2</sup></b>	6.97	-2.30	2.45	3.86	10.45	8.28	10.52
<b>Benchmark<sup>3</sup></b>	7.04	-2.88	-3.19	-0.48	4.03	5.54	4.57
<b>Excess Return</b>	-0.07	0.58	5.64	4.34	6.42	2.74	5.95

<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



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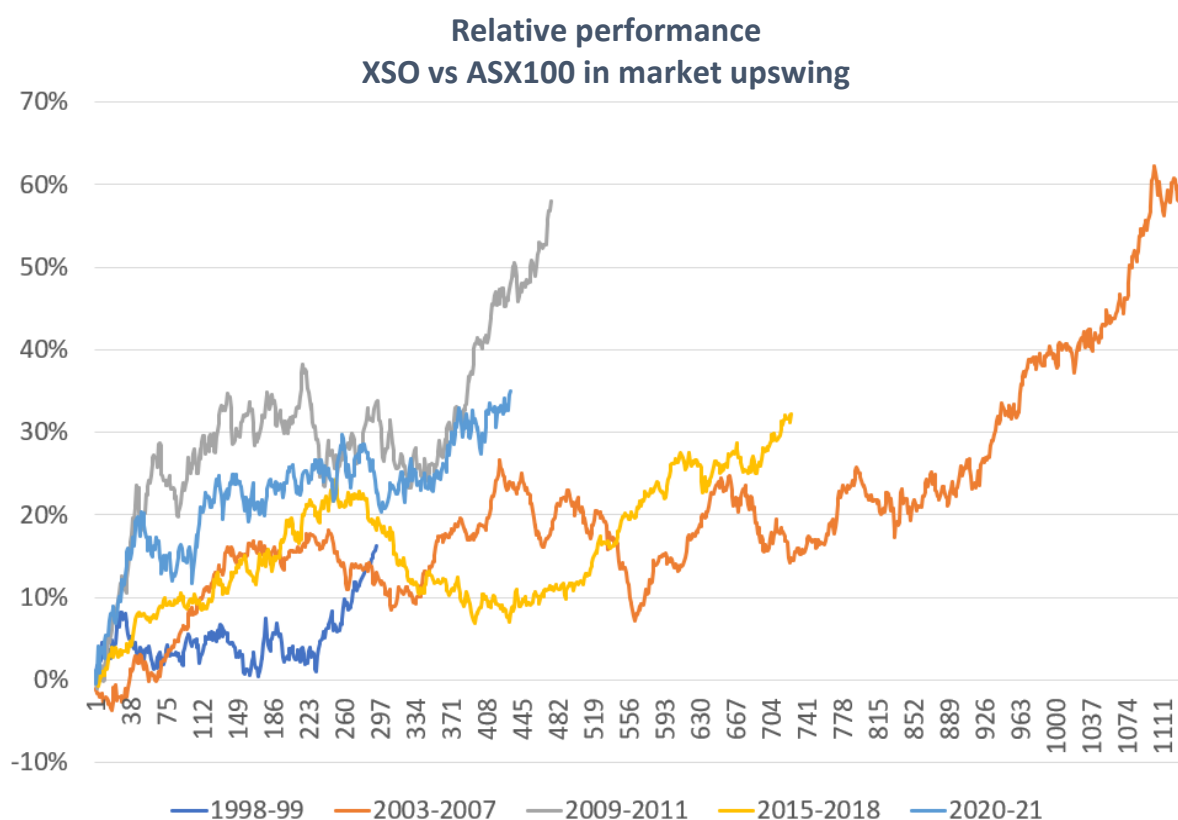
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## Monthly Commentary – November 2023

Whilst the fund just kept track with the index in November, the 6.97% increase in the unit price is hopefully welcomed by our unitholders. Pleasingly, small caps strongly outperformed the ASX top fifty stocks, which rose 4.16%. Within the ASX S&P Small Ordinaries Index, Health Care (16.61%) and Information Technology (12.13%) were the best performing sectors. Energy (-3.13%) and Communication Services (2.20%) were the weakest sectors.

### Looking at history

The Fairview team has received great feedback about last month's chart. This chart showed the underperformance of the small cap index vs the ASX top fifty stocks on the exchange over the past two years. Keeping with this theme, it is worth exploring the historical outperformance of small caps vs the ASX S&P Top 100 during an upswing.



Source; S&P, Iress

### Why?

As this month's chart shows, this outperformance by small caps has been dramatic during the past five upswings. One key reason is illiquidity. Hunting for liquidity is one of the most challenging parts of a small cap fund manager's job, which hurts on the way down but can supercharge performance in an upswing. It pays to hold fast to limits on small cap fund capacity or suffer serious liquidity risk.

Given this is the last monthly report this side of Christmas, we'd like to thank you for your ongoing support and wish you a happy and healthy festive season, and a prosperous 2024.

## 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 MLC Investments Limited ABN 30 002 641 661, AFSL 230705 ('MLCI'), the responsible entity of, and the issuer of units in, the Fairview Equity Partners Emerging Companies Fund, ARSN 133 197 501 (the 'Fund'). MLCI 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. MLCI is part of the Insignia Group of companies (comprising Insignia Financial Limited ABN 49 100 103 722 and its related bodies corporate) ('Insignia Financial 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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