



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 2024



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

58

Contacts

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Client Services: 1300 738 355

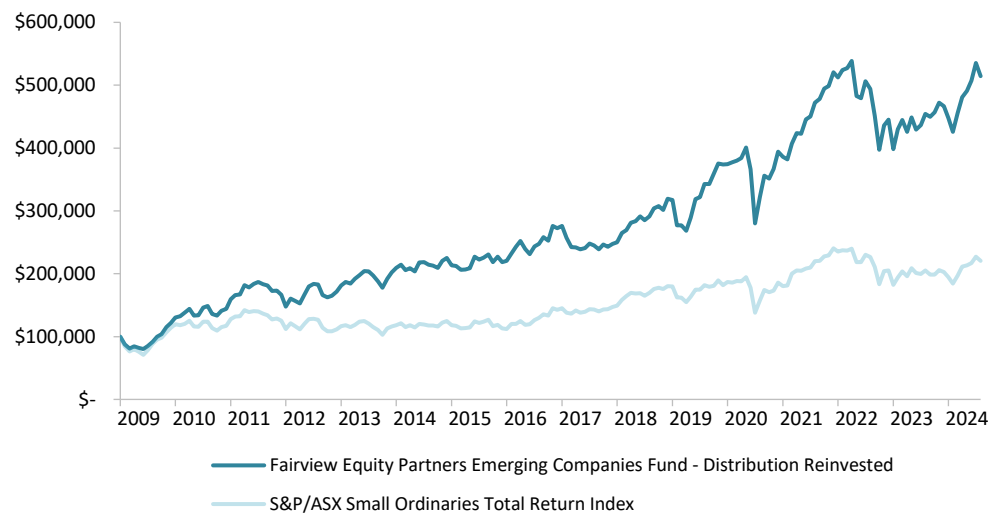
Net Performance

| | 1 month | 3 months | 1 year | 3 years | 5 years | 10 years | Since inception' |
|----------------------|---------|----------|--------|---------|---------|----------|------------------|
| | % | % | % | % p.a. | % p.a. | % p.a. | % p.a. |
| Fund Return* | -3.86 | 4.77 | 13.25 | 2.92 | 8.46 | 9.15 | 11.09 |
| Benchmark* | -3.06 | 3.33 | 7.36 | 0.02 | 3.93 | 6.49 | 5.20 |
| Excess Return | -0.80 | 1.44 | 5.89 | 2.90 | 4.53 | 2.66 | 5.89 |

*Fund inception date: 8 October 2008. *Net returns are calculated after deducting management fees and are pre-tax.

*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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Monthly Commentary – April 2024

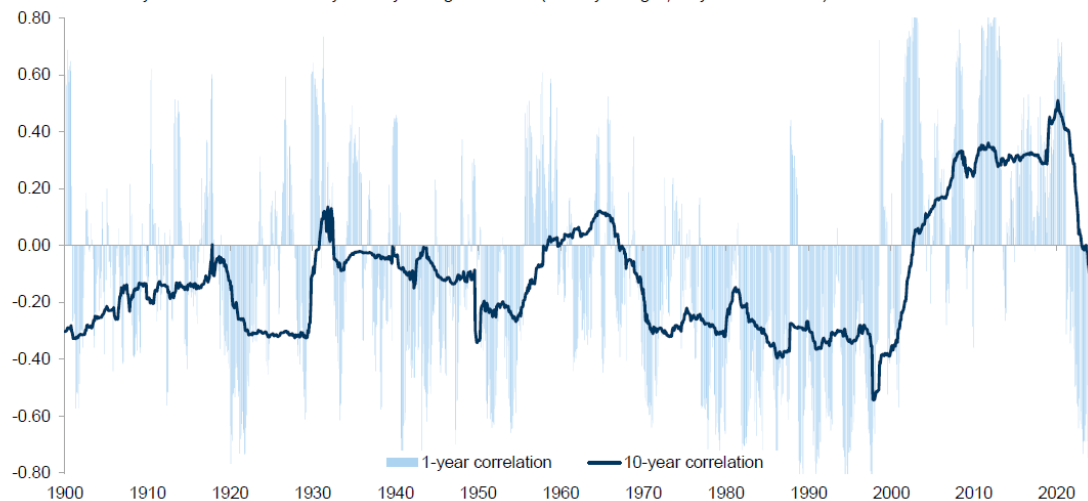
US markets fell during April with the S&P500 down -4.16%. Real Estate stocks fell the most, down 8.6%. Stronger than forecast inflation data throughout the month cast doubt over the timing of future Federal Reserve rate cuts. Only the Utilities sector (+1.6%) finished the month up.

Australia

The ASX S&P Small Ordinaries Index lost -3.14% over the month. Materials markedly outperformed various other interest rate sensitive sectors, primarily due to gold being such a large weight in this sector. Rate sensitive sectors are generally considered to include Real Estate, Information Technology, Financials and Consumer Discretionary. The repricing of the Reserve Bank of Australia’s rate trajectory back to potential hikes weighed down such exposures.

With interest rates dominating, this excellent chart from Goldman Sachs shows that the equity yield / bond yield relationship might be turning. For almost all this millennium it has been positively correlated, but intuitively the relationship so powerfully shown in the chart in the 20th century makes more sense in a higher inflation environment.

Positive equity/bond yield correlations have been prevalent only since the late 1990s
 S&P 500 vs. US 10y Bond Yield Correlation. 1y and 10y Rolling Correlation (monthly changes, daily where available).



Source: Goldman Sachs

When looking back to the 1970s, it seems to be the decade with the most in common to where we sit now. That being a high inflation, multi polar world with energy vulnerabilities. This decade featured a steepening inverse equity yield / bond yield relationship. We take from this that what worked for the past 25 years might not in future, and that stock picking comes to the fore again.

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 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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