



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 March 2025



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

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

51

Contacts

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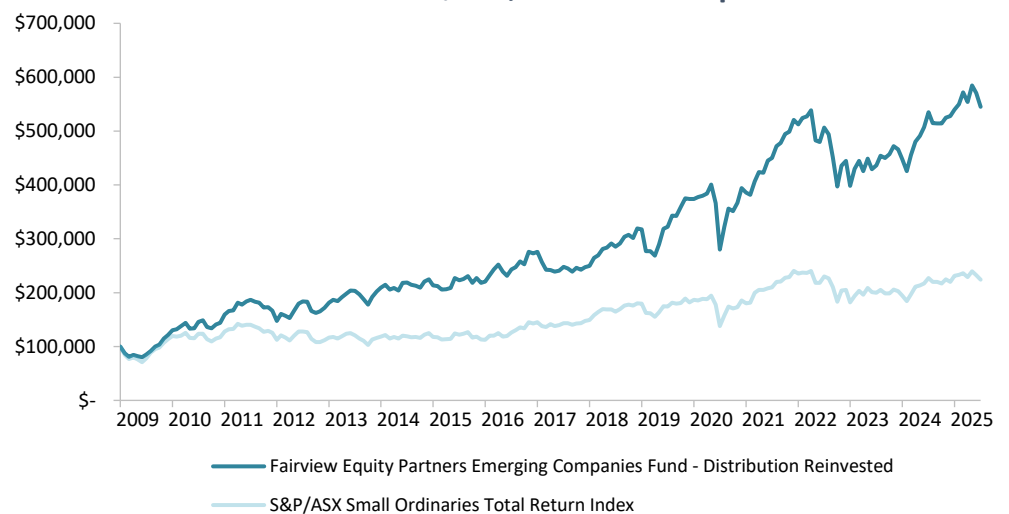
Net Performance

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	15 years % p.a.	Since inception' % p.a.
Fund Return^a	-4.53	-1.59	1.81	2.48	14.25	9.36	9.18	10.82
Benchmark^a	-3.60	-2.00	-1.26	-0.82	10.24	6.31	4.06	5.02
Excess Return	-0.93	0.41	3.07	3.30	4.01	3.05	5.12	5.80

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

^aBenchmark: 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 – March 2025

The Fairview Emerging Companies Fund fell -4.53% during March which was -0.93% behind the benchmark. Over the rolling 12 months, the fund remains 3.07% ahead of the ASX Small Ordinaries Total Return Index.

‘Risk off’ in March

March proved challenging for global equity markets, with both the ASX 100 and ASX Small Ordinaries Total Return Index closing the month down by -3.30% and -3.60%, respectively. There were three trading days where the small cap index declined by more than -1%, reflecting heightened offshore volatility and ongoing political uncertainty. Market sentiment continued to be heavily influenced by the imminent US tariffs announcement, which remain a key driver of investor caution. As a result, while risk appetite diminished, it wasn’t necessarily the longer-duration growth sectors that were worst hit. Healthcare, Real Estate and Communication Services were the most affected.

Gold M&A continues

This risk-off environment created ideal conditions for the gold sector to outperform. By month’s end, gold stocks accounted for approximately 15% of the ASX Small Ordinaries Index, with eight of the 20 largest constituents coming from the sector. As is often the case during periods of elevated commodity prices, M&A activity accelerated. Ramelius Resources launched a cash and scrip offer for Spartan Resources (a fund holding); a much anticipated and logical transaction given the target’s reserves will feed into Ramelius’ existing mill infrastructure. Additionally, South Africa’s Gold Fields made an unsolicited bid for Gold Road Resources, which was ultimately not supported. We expect further consolidation in the sector over the coming months.

Whilst on M&A, the small cap market also saw improved bids for both Insignia Financial and Domain Group.

Gold stocks among the best performers

March typically sees investors digesting February’s reporting season, looking to identify any over- or under-reactions. However, given the prevailing negative sentiment, underperformers from February struggled to recover. Of the 129 Small Ordinaries stocks that declined in February, 94 (or 73%) posted further losses in March. Outside of the gold sector “safe haven” theme, industrial winners were scarce. Broad-based selling pressure saw the ASX Small Ordinaries Index Price-to-Earnings (PE) multiple compress by 1 point to 16.9x.

Binary events impact some key share price laggards

The two most material negative announcements during the month came from Opthea and Helia. Opthea, which had been developing an improved treatment for wet age-related macular degeneration, released its Phase 3 trial results; unfortunately, the data showed no meaningful improvement over existing therapies. Trading in the company remains suspended. Meanwhile, Helia, a provider of mortgage insurance to Australian homeowners, disclosed the loss of its most significant client (44% of FY24 Gross Written Premium), the Commonwealth Bank, a development that could have material implications for its earnings outlook.

Trump tariffs to come

Despite the negative backdrop and a sharp de-rating in growth stocks, we continue to see compelling opportunities for structural winners in the small cap space. Periods of elevated uncertainty, such as the dual headwinds of US tariff policy and domestic political risk, often create mispricing that we’ll seek to exploit. Looking ahead, the most anticipated event for equity markets in years occurs on 2 April when US President Donald Trump announces his trade and tariff policy changes. While, at the time of writing, details remain uncertain, any escalation in protectionist rhetoric, particularly around China, has the potential to impact global risk sentiment and equity market volatility. We will continue to monitor developments closely given their potential implications for portfolio positioning but since November, we’ve sought to reduce portfolio beta as a safeguard.

Investment Team



Leo Barry

Portfolio Manager

BSA, MBA

16+ years investment management experience



Tim Hall

Portfolio Manager

BComm

26+ years investment management experience



Ben Chan

Portfolio Manager

BComm, BEng (Hons), CFA

20+ 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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