

# Portfolio Profile

## Antares High Growth Shares Fund



June 2021

### Fund description and investment return objective

The Fund aims to outperform the S&P/ASX 200 Total Return Index (after fees) over rolling five year periods. The Fund seeks to enhance returns through a range of investment strategies including long/short positions and active trading, along with the ability to use exchange traded derivatives.

### Fund commentary

The Antares High Growth Shares Fund delivered a return of 2.4% (net of fees) for the month of June 2021.<sup>1</sup>

Australian shares delivered strong returns in June. The information technology sector made robust gains reversing its slump in May. Communications, consumer staples and consumer discretionary sectors also made strong gains with optimism on the Australian economic recovery. The only negative sector performance came from financials but this follows the sector's strong 20% gain over the past six months.

Contributing to Fund performance were overweight positions in Afterpay (APT) and Telix Pharmaceuticals (TLX) and the decision not to own NAB. APT announced it had entered into a series of agreements with major US online retailers such as Amazon and Nike. While this announcement is significant, the stock was already enjoying a strong month, rebounding as fears abated that inflation would force an early and sharper rise in longer term bond rates globally, which affects the valuation of longer duration growth stocks like APT. TLX launched a new gallium wave website as part of a campaign to build investor awareness. The company also revealed that the first patient had been treated in the first phase of a clinical study. NAB shares were not exempt as financial shares fell in response to lower bond yields, albeit after a strong run.

Detracting value were overweight positions in Northern Star Resources (NST) and Westpac (WBC) and a short position in Altium (ALU). NST suffered a poor month as inflationary expectations cooled, dulling the appeal of gold as an inflationary hedge. Hence shares of gold producers fell. WBC shares also fell in response to lower bond yields. ALU announced it had received and rejected a \$38.50 per share takeover proposal from US company Autodesk on the basis it significantly undervalued the company. However, ALU indicated it would engage with potential bidders in the context of an appropriate valuation – ALU shares surged in response.

Australia's economic data suggests promising prospects although the viral threat continues to persist. Strong results for business surveys suggest that Australia's economic recovery has considerable momentum. Car sales and housing construction activity are showing exceptional strength. The Reserve Bank's monetary policy settings remain highly supportive with guidance that cash interest rates should remain steady until 2024. However there has been another virus outbreak in Sydney which has spread across the continent. Lockdowns and stay at home guidance have come into place for some capital cities in the last week of June (Sydney, Brisbane, Perth and Darwin) which may temper economic activity over coming months. This has spurred demand for vaccinations but supply constraints and debate over the suitability of the Astra Zeneca vaccine for the under 60s are slowing uptake.

### Portfolio facts

<b>Inception date:</b>	7 December 1999
<b>Fund size at 30 June 2021:</b>	\$390.8m
<b>Benchmark:</b>	S&P/ASX 200 Total Return Index
<b>Investment timeframe:</b>	At least 5 years
<b>Relative risk:</b>	High
<b>Relative return<sup>1</sup>:</b>	High
<b>Redemption Unit Price at 30 June 2021</b>	\$1.2815

### Top 10 share holdings

as at 30 June 2021 (alphabetical order)

- Afterpay
- ANZ Banking Group
- Aristocrat Leisure
- BHP Group
- Commonwealth Bank
- CSL
- Telstra Corporation
- Transurban Group
- Westpac Banking Corporation
- Woolworths Group

### Investment returns as at 30 June 2021<sup>1</sup>

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
<b>Net return<sup>2</sup> %</b>	<b>2.4</b>	<b>9.6</b>	<b>39.9</b>	<b>9.2</b>	<b>12.6</b>	<b>10.4</b>	<b>10.0</b>	<b>11.0</b>
Gross return%	2.5	9.9	41.9	10.5	13.9	11.6	11.2	12.5
Benchmark return %	2.3	8.3	27.8	9.6	11.2	8.8	9.3	8.5
<b>Net excess return %</b>	<b>0.1</b>	<b>1.3</b>	<b>12.1</b>	<b>-0.4</b>	<b>1.4</b>	<b>1.6</b>	<b>0.7</b>	<b>2.5</b>
Gross excess return %	0.2	1.6	14.1	0.9	2.7	2.8	1.9	4.0

<sup>1</sup> Past performance is not a reliable indicator of future performance. Returns are not guaranteed and actual returns may vary from any target returns described in this document.

<sup>2</sup> Investment returns are based on exit prices, and are net of management fees and assume reinvestment of all distributions.

## Investor profile

The Fund is actively managed and its returns may be volatile when compared with the benchmark return. As such, it may suit investors who are willing to accept higher risk in exchange for the potential opportunity to earn greater returns.

The Fund holds its investments on revenue account. Therefore, gains which are made by the Fund on its investments and distributed to unitholders are treated as revenue, rather than capital, with no entitlement to the capital gains tax (CGT) discount.

## Investment details

<b>Minimum investment:</b>	\$20,000
<b>Minimum additional investment:</b>	\$5,000
<b>Income treatment:</b>	Quarterly
<b>Entry fee:</b>	Nil
<b>Exit fee:</b>	Nil
<b>Management fee<sup>4</sup>:</b>	1.05% pa of the net asset value of the Fund
<b>Performance fee:</b>	20% of the Fund's investment return (net of management fee) above the sum of the Benchmark <sup>5</sup> and 5%.

<sup>4</sup> ACP may, from time to time, negotiate fees which are different to those described in the PDS with certain sophisticated and professional investors or wholesale clients (as defined in the Corporations Act).

<sup>5</sup> The Benchmark of the Fund is S&P/ASX 200 Total Return Index.

## Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 30 Jun 21
<b>Aust shares - Net</b>	90%	100%	100%	99.0%
<b>Aust shares - Long</b>	90%	-	125%	122.3%
<b>Aust shares - Short</b>	0%	-	-25%	-23.3%
<b>Cash and cash equivalents</b>	0%	0%	10%	1.0%

## Distribution history<sup>6</sup>

Quarter end	Cents per unit
30 June 2021	9.10
31 March 2021	0.68
31 December 2020	0.26
30 September 2020	0.42
30 June 2020	0.00
31 March 2020	1.00
31 December 2019	0.95
30 September 2019	0.99
30 June 2019	2.87
31 March 2019	0.33
31 December 2018	1.68

<sup>6</sup> Distribution rates have been rounded to two decimal places. As a result, the actual payment rate may differ slightly to the rates listed above.

## Investment terms and guidelines

**Short selling** involves borrowing a share from a prime broker to sell to the market, with an agreement to purchase that share back at a later date. When the Fund short sells a share, we anticipate taking advantage of declines in the price of that share by selling the share at one price, and then aiming to buy back that share at a subsequent lower price. Short selling is limited to 25% of the value of the Fund's net assets.

**Enhanced long positions** refer to the shares in which the Fund holds the largest overweight positions when compared to its benchmark weighting. Long positions are limited to 125% of the value of the Fund's net assets. All long and short positions will be managed to provide investors with a gross exposure to the sharemarket of up to 150%, but the overall net exposure will be between 90 - 100%.

**Active trading** refers to trading in shares where the Fund has held a range of different positions over a relatively short period of time, with a view to fully exploiting all available opportunities to add value as market circumstances change. It may also involve simply managing an overweight or other position held - adding to or reducing the position to benefit from smaller movements in the share price.

## About Antares Equities

Antares Equities (Antares) is a specialist Australian equities manager. Since 1994, Antares has managed portfolios for wholesale, advised and direct investors through a suite of products including segregated mandates, investment funds and managed account models. Antares has A\$5.5 billion (at 30 June 2021) under advice across a range of strategies including large capitalisation, concentrated, property, income and long-short. Antares believes in bottom-up stock picking. A consistent process and detailed, quality research executed by a highly experienced, stable and diverse team underpin this approach. The investment philosophy is based on the belief that markets can misprice stocks and these opportunities can be identified using the proven, proprietary Antares research process. Antares Equities is part of Antares Capital Partners Limited (ABN 85 066 081 114, AFSL 234483).

**For further information please contact our Client Services Team - Toll Free: 1800 671 849**

**Important information:** Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483 ('ACP'), is the Responsible Entity of, and the issuer of units in, the Antares High Growth Shares Fund ARSN 090 554 082 ('the Fund'). An investor should consider the current Product Disclosure Statement and Product Guide for the Fund ('PDS') in deciding whether to acquire, or continue to hold, units in the Fund and consider whether units in the Fund is an appropriate investment for the investor and the risks of any investment. This report has been prepared in good faith, where applicable, using information from sources believed to be reliable and accurate as at the time of preparation. However, no representation or warranty (express or implied) is given as to its accuracy, reliability or completeness (which may change without notice). This communication contains general information and 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 particular own objectives, financial situation or needs. We recommend investors obtain financial advice specific to their situation. Past performance is not a reliable indicator of future performance. Returns are not guaranteed and actual returns may vary from any target returns described in this document. Any projection or other forward looking statement ('Projection') in this report is provided for information purposes only. No representation is made as to the accuracy or reasonableness of any such Projection or that it will be met. Actual events may vary materially. Any opinions expressed by ACP constitute ACP's judgement at the time of writing and may change without notice. ACP is a part of the IOOF group of companies (comprising IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate) ('IOOF 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 of capital and loss of income and principal invested. Neither ACP nor any other member of the IOOF Group guarantees the repayment of your capital, payment of income or the performance of your investment.