Portfolio Profile

Antares High Growth Shares Fund

July 2021

antares

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 -0.1% (net of fees) for the month of July 2021.[1]

Australian shares made slight gains in July. The resources sector performed well given higher metal prices and a weaker Australian Dollar. The industrial sector, utilities and consumer staples also performed solidly given RBA's guidance of low interest rates. However, the information technology sector lost ground after a strong June.

Contributing to Fund performance were overweight positions in IGO Limited (IGO) and BHP and a short position in Appen (APX). A strong rally in lithium prices was reflected in IGO's share price. The market has increased confidence that IGO will be a beneficiary of the drive to electric vehicles following its successful acquisition of a share of the Greenbushes lithium mine and associated downstream processing assets. Materials was the best performing sector during June as base metals prices increased and investors considered the prospects of higher dividend announcements. BHP shares performed well. There was no particular news for APX during the month with its shares reflecting the overall weakness in IT stocks.

Detracting value were overweight holdings in Afterpay (APT) and Westpac (WBC) together with the decision not to own Sydney Airport (SYD). While there was no new news, the market's preference for value oriented stocks, driven especially by M & A appeal (including SYD), saw a rotation away from longer duration growth stocks such as APT. Early in the month a conditional non-binding takeover offer was made by a consortium of infrastructure investors for SYD at an indicative price of $8.25 per stapled security. The collapse of Forum Finance could leave WBC with an exposure of up to $200m after tax.

Australia's economic revival is being challenged by the extended lockdown in Sydney and recent outbreaks in Melbourne and Brisbane. Business and consumer surveys have softened while weekly payroll data shows that employment has stagnated. Mitigating this slowdown risk has been increased budget support from the Federal and State Governments. The Reserve Bank's monetary policy settings also remain highly supportive with guidance that cash interest rates should remain steady until 2024.

Portfolio facts

Inception date:	7 December 1999
Fund size at 31 July 2021:	$387.7m
Benchmark:	S&P/ASX 200 Total Return Index
Investment timeframe:	At least 5 years
Relative risk:	High
Relative return[1]:	High
Redemption Unit Price at 31 July 2021	$1.1889

Top 10 share holdings

as at 31 July 2021 (alphabetical order)

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

Investment returns as at 31 July 2021[1]

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Net return[2] %	**-0.1**	**5.3**	**40.4**	**8.5**	**11.1**	**9.7**	**10.4**	**11.0**
Gross return%	-0.5	5.1	41.8	9.6	12.3	10.8	11.5	12.5
Benchmark return %	1.1	5.8	28.6	9.5	10.0	8.3	9.8	8.5
Net excess return %	**-1.2**	**-0.5**	**11.8**	**-1.0**	**1.1**	**1.4**	**0.6**	**2.5**
Gross excess return %	-1.6	-0.7	13.2	0.1	2.3	2.5	1.7	4.0

[1] 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.
[2] 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

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

[4] 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).
[5] The Benchmark of the Fund is S&P/ASX 200 Total Return Index.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 Jul 21
Aust shares - Net	90%	100%	100%	99.3%
Aust shares - Long	90%	-	125%	123.1%
Aust shares - Short	0%	-	-25%	-23.8%
Cash and cash equivalents	0%	0%	10%	0.7%

Distribution history[6]

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
3 0 June 2019	2.87
31 March 2019	0.33
31 December 2018	1.68

[6] 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.