

Portfolio Profile

Antares High Growth Shares Fund



September 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 -0.3% (net of fees) for the month of September 2021.¹

Australian shares declined in September. The resources sector recorded a sharp fall with concern that Chinese property developer Evergrande's financial woes would weaken future demand for Australian iron ore. (The iron ore price fell by at least 25% for the second consecutive month.) Information technology also disappointed given rising bond yields. Shortages of gas, oil and coal saw energy prices surge and investors looked past ESG concerns to push the sector higher. Consumer Services stocks, including travel and international education that were directly impacted by the pandemic, were also strong as the prospect of re-opening becomes closer.

Contributing to Fund performance were overweight positions in Santos (STO) and South 32 (S32) together with the decision not to own Fortescue Metals (FMG). The rise in energy prices boosted the STO share price. S32's broad resource exposure to coal, bauxite, alumina and nickel, commodities that have enjoyed substantial price rises, saw its shares perform well during September. In contrast, the 25% fall in the iron ore price saw FMG shares weaker.

Detracting value was a short position in Woodside Petroleum (WPL), an underweight CBA holding and an overweight holding in Northern Star (NST). WPL shares rose as energy shortages saw the Brent Oil price rise by 7.5% and the Natural Gas price rise by 34%. CBA and other financials performed relatively well on concerns about rising inflation. The company has also seen support since announcing its results which included a \$6b share buy-back. Despite the concerns about rising inflation, the gold price finished down during September and NST shares were weaker.

Australia's economy is still struggling given the ongoing lockdowns in New South Wales and Victoria. High frequency data for employment and mobility shows a sharp decline in economic activity. However, there are some hopeful signs with rapid vaccination progress and recent business and consumer surveys are showing more resilience. The Reserve Bank's monetary policy settings also remain supportive with guidance that the current low cash interest rates should remain until 2024.

Portfolio facts

Inception date:	7 December 1999
Fund size at 30 September 2021:	\$397.5m
Benchmark:	S&P/ASX 200 Total Return Index
Investment timeframe:	At least 5 years
Relative risk:	High
Relative return¹:	High
Redemption Unit Price at 30 September 2021	\$1.2393

Top 10 share holdings

as at 30 September 2021 (alphabetical order)

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

Investment returns as at 30 September 2021¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Net return² %	-0.3	4.1	43.6	10.2	11.7	11.0	11.7	11.1
Gross return%	-0.1	4.4	45.8	11.5	13.0	12.2	13.0	12.6
Benchmark return %	-1.9	1.7	30.6	9.7	10.4	9.1	10.8	8.4
Net excess return %	1.6	2.4	13.0	0.5	1.3	1.9	0.9	2.7
Gross excess return %	1.8	2.7	15.2	1.8	2.6	3.1	2.2	4.2

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 fee⁴:	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 30 Sep 21
Aust shares - Net	90%	100%	100%	99.7%
Aust shares - Long	90%	-	125%	122.4%
Aust shares - Short	0%	-	-25%	-22.7%
Cash and cash equivalents	0%	0%	10%	0.3%

Distribution history⁶

Quarter end	Cents per unit
30 September 2021	1.80
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

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.