

Ex-20 Australian Equities Fund



Monthly Performance Report June 2022

Fund description and investment return objective

The Fund is an actively managed, concentrated portfolio of equities outside the largest 20 Australian listed companies by market capitalisation (as defined by the S&P/ASX 20 Total Return Index) that Antares identifies as having the potential to offer significant long-term capital growth. The Fund may also invest in equities expected to be listed on the Australian share market.

The Fund's objective is to outperform (after management fees) the 'Benchmark' (S&P/ASX 200 Total Return Index excluding the companies listed in the S&P/ASX 20 Total Return Index) over rolling five year periods.

Investment returns¹

Period	1 month	3 months	1 year	2 years pa	3 years pa	Since inception pa
Net return ² %	-8.9	-15.0	-10.5	9.7	--	4.8
Benchmark return %	-9.8	-13.8	-8.4	6.1	--	0.5
Net excess return %	0.9	-1.2	-2.1	3.6	--	4.3

¹ 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.

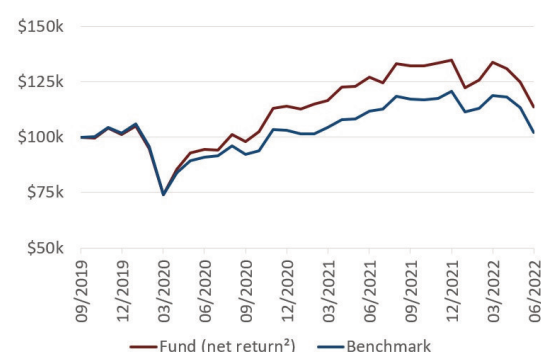
Investment commentary

The market was down sharply in June with our benchmark down 9.8%. The Fund outperformed the benchmark by 0.9%.

Contributing positively to performance during the month were positions in Iress (IRE), Tabcorp and Metcash. IRE rose nearly 10% on limited stock specific news. We believe investors are increasingly attracted to IRE's cash generation and attractive valuation vs other software stocks. Tabcorp saw continued share price strength post demerger. Investors also reacted positively to the settlement of the Racing Queensland litigation (reduced uncertainty) and the announcement of proposed positive regulatory reforms in Queensland. Metcash released its FY22 results late in June, delivering solid profit growth in excess of market expectations across its three pillars. The company also noted that FY23 had started well with group sales growth of 8.6% for the first seven weeks, continuing the strong momentum of 4Q22.

Detracting from performance in June were our positions in Independence Group (IGO), Oz Minerals (OZL) and Qantas (QAN). IGO and OZL were sold down on the back of the risk of trade as global growth concerns have weighed on commodity stocks, albeit we note that copper prices (OZL) have fallen, while lithium prices have held up (IGO). The Qantas share price was also weaker. During the month the company reiterated its guidance for FY22 and significant debt reduction. It also announced capacity reductions for FY23 to combat higher fuel prices and resourcing pressure, noting that the reductions were not demand driven.

\$100,000 invested since inception



Sector allocation

GICS ³	%
Consumer Staples	13.7
Metals & Mining	13.5
Financials Ex Reits	13.3
Consumer Discretionary	12.3
Industrials	12.5
Communication Services	11.2
Health Care	8.4
Energy	7.6
Information Technology	7.0
Materials Ex Metals & Mining	0.0
Real Estate	0.0
Utilities	0.0

Top 10 share holdings

(alphabetical order)

- Aurizon
- Cochlear
- IDP Education
- Lynas Rare Earths
- Medibank Private
- Metcash
- Qantas Airways
- QBE Insurance
- Seek
- Treasury Wine Estates

Investor profile

The Ex-20 Australian Equities Fund is designed for investors seeking an actively managed, highly concentrated portfolio of Australian securities that excludes the top 20 stocks by market capitalisation. The Fund aims to provide investors with long term capital growth. The Fund may suit investors who are willing to accept a very high level of risk in exchange for the opportunity to earn higher potential returns.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 30 June 2022
Australian shares	90%	100%	100%	95.2%
Cash and cash equivalents	0%	0%	10%	4.8%

Portfolio facts

Inception date	1 October 2019
Fund size as at 30 June 2022	\$38.3m
Benchmark	S&P/ASX 200 Total Return Index excluding the companies listed on the S&P/ASX 20 Total Return Index.
No. of shares	15 to 30
Distribution	Half-yearly distribution or reinvestment
Management fee⁴	0.85% pa
Performance fee⁵	15% of the Fund's net quarterly return in excess of the benchmark quarterly return

Distribution history⁶ and Franking levels

	Jun 22	Dec 21	Jun 21	Dec 20	Jun 20
Distribution (cents per unit)	11.21	0.57	3.43	0.60	0.91
Franking levels		-	29.5%	-	97.6%

Portfolio managers

JOHN GUADAGNUOLO

Head of Fundamentals

Years with the group: 14

Years of Industry Experience: 21

Key Responsibilities:

John is the Portfolio Manager of the Ex-20 Australian Equities Model Portfolio and Managed Fund.



WINSTON CHONG

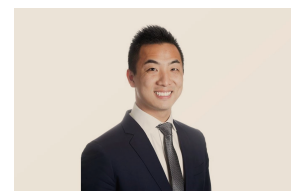
Investment Manager

Years with the group: 4

Years of Industry Experience: 11

Key Responsibilities:

Winston is the Deputy Portfolio Manager of the Ex-20 Australian Equities Model Portfolio and Managed Fund.



Platform availability

- BT Panorama
- Macquarie Wrap
- Netwealth
- Hub24
- MLC/Navigator
- Praemium

² Investment returns are based on exit prices, and are net of management fees and assume reinvestment of all distributions. The performance inception date is 2 October 2019.

³ GICS - Global Industry Classification Standard % are absolute ie sector proportion of portfolio. Source: Antares Equities.

⁴ Management fee is % per annum of the Fund's net asset value (including net effect of GST).

⁵ Performance fee is calculated as 15% of the difference between the Fund's quarterly return (after deducting the management fee and assuming the reinvestment of distributions) and the Benchmark's quarterly return (the Benchmark of the Fund is S&P/ASX 200 Total Return Index excluding the S&P/ASX 20 Total Return Index).

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. A full distribution history and franking levels can be found on our website at <https://www.antarescapital.com.au/home/prices-and-performance/distributions>

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\$5.7 billion (at 31 March 2022) under advice across a range of strategies including large capitalisation, concentrated, 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

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