

High Growth Shares Fund

antares

Monthly Performance Report July 2022

Fund description and investment return objective

The Fund is an actively managed portfolio of Australian equities listed (or expected to be listed) on the Australian share market that invests in both long and short positions. It uses a range of investment strategies including active trading along with the ability to use exchange traded derivatives.

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

Investment returns¹

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 %	6.7	-6.7	0.8	6.8	9.3	8.3	10.6	10.5
Benchmark return %	5.7	-6.0	-2.2	4.3	8.0	7.1	9.4	8.0
Net excess return %	1.0	-0.7	3.0	2.5	1.3	1.2	1.2	2.5

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

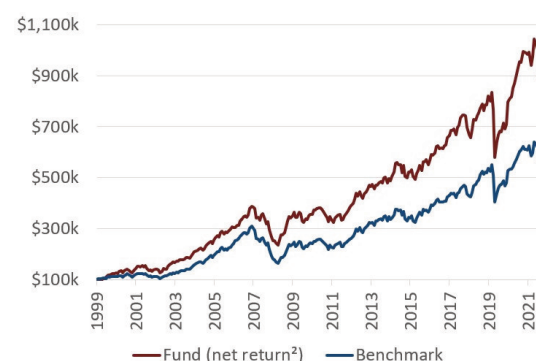
Australian shares recorded strong gains in July with the S&P/ASX 200 delivering a 5.7% return. Leading the market was the robust surge in the Information Technology and Real Estate sectors given a recovery in risk appetite and fall in long term bond yields. Financial shares also benefitted from bond yields. Consumer discretionary posted a strong performance in July with signs of solid retail spending against the tide of higher interest rates and soft consumer confidence. By contrast, there was a weak performance from the Resource sector, weighed down by concerns over global growth prospects.

The Antares High Growth Shares Fund delivered a return of 6.7% (net of fees) for the month of July 2022.

Contributing to outperformance were overweight positions in Telix Pharmaceuticals (TLX), Austal (ASB) and Goodman Group (GMG). TLX shares rose by more than 60% in July as the company made a string of positive announcements including the US commercial launch of its prostate cancer imaging product Illucix, completion of a 300 person trial of its kidney cancer imaging trial and appointment of a new CFO; this saw a significant lift in consensus earnings upgrades. ASB shares jumped after the company announced it had been awarded a US\$3.3b contract for US Coast Guard patrol boats. It simultaneously announced an upward revision to FY22 EBIT guidance. As a fund manager within the real estate sector, GMG performed very strongly responding positively to the lower bond yields.

Detracting value was the decision not to own NAB together with overweight positions in Santos (STO) and South 32 (S32). Like other banks, NAB responded positively to the lower long-term bond yields. STO shares retreated as did the oil price. During the month the company reported record 1H production and revenue but slightly lowered its sales guidance. S32 shares continued to slide as did the prices of most metals including copper, nickel and zinc on the back of fears of slowing growth and a possible recession.

\$100,000 invested since inception



Sector allocation

GICS ³	%
Financials Ex Reits	26.5
Metals & Mining	18.3
Health Care	15.6
Communication Services	10.0
Industrials	6.8
Consumer Staples	5.4
Energy	5.2
Real Estate	4.3
Materials Ex Metals & Mining	4.1
Consumer Discretionary	3.3
Information Technology	1.2
Utilities	-0.8

Despite the global activity slowdown, Australia's economy appears resilient judging by solid results in business surveys, employment and retail spending. Strong gains in employment were recorded in June with the unemployment rate falling to 3.5% which is the lowest since 1974. However, the inflation acceleration is concerning with consumer prices rising 6.1% in the year to June. The Australian Treasurer, Jim Chalmers, updated the Federal Government's inflation forecasts to 7.75% by the end of 2022. Given these persistent inflation pressures, the Reserve Bank raised the cash interest rate by 0.5% in early July with a further 0.5% hike expected in August.

Top 10 share holdings

(alphabetical order)

- ANZ Banking Group
- BHP Group
- Commonwealth Bank of Australia
- CSL
- Goodman Group
- Santos
- Telstra Corporation
- Transurban Group
- Westpac Banking Corporation
- Woolworths Group

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 a very high level of risk in exchange for the opportunity to earn higher potential returns. The Fund offers investors the potential for long-term capital growth and income through a range of investment strategies such as short selling, enhanced long positions and active and opportunistic trading such as pairs trading.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 July 2022
Australian shares - Net	90%	100%	100%	97.6%
Australian shares - Long	90%	-	125%	119.0%
Australian shares - Short	0%	-	-25%	-21.4%
Cash and cash equivalents	0%	0%	10%	2.4%

Portfolio facts

Inception date	7 December 1999
Fund size as at 31 July 2022	\$321.4m
Benchmark	S&P/ASX 200 Total Return Index
Redemption Unit Price as at 31 July 2022	\$1.0247
Distribution	Quarterly
Management fee⁴	1.05% pa
Performance fee⁵	20% of the Fund's net performance in excess of the performance hurdle (benchmark return +5% pa)

Distribution history⁶

	Jun 22	Mar 22	Dec 21	Sep 21	Jun 21	Mar 21	Dec 20	Sep 20	Jun 20	Mar 20	Dec 19
Distribution (cents per unit)	11.08	2.30	1.76	1.80	9.10	0.68	0.26	0.42	0.00	1.00	0.95

Portfolio managers

NICK PASHIAS

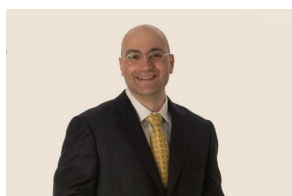
Head of Equities

Years with the group: 24

Years of Industry Experience: 24

Key Responsibilities:

Nick is the Portfolio Manager of the High Growth Shares Fund.



ANDREW HAMILTON

Head of Implementation

Years with the group: 21

Years of Industry Experience: 25

Key Responsibilities:

Andrew is the Deputy Portfolio Manager of the High Growth Shares Fund.



Platform availability

- Asgard
- CFS FirstWrap
- Macquarie
- Netwealth
- Praemium
- BT Panorama/BT Wrap
- Hub24
- MLC/Navigator
- Powerwrap

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 share market 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.

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

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. 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 Performance fee is calculated as 20% of the Fund's investment return (net of management fee) above the sum of the Benchmark (the Benchmark of the Fund is S&P/ASX 200 Total Return Index) and 5%.

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. 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. 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 billion (at 30 June 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

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 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 Insignia Financial Group of companies (comprising Insignia Financial Ltd 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 of capital and loss of income and principal invested. Neither ACP nor any other member of the Insignia Financial Group guarantees the repayment of your capital, payment of income or the performance of your investment.