

Portfolio Profile

Antares Dividend Builder



September 2021

Fund description and investment return objective

The Fund is an actively managed portfolio of high yielding equities listed (or expected to be listed) on the Australian share market which aims to deliver regular dividend income and moderate capital growth.

The Fund's primary objective is to regularly deliver higher levels of dividend income on a tax effective basis than the Benchmark. The Fund's other objective is to achieve moderate capital growth in a tax effective manner over rolling five-year periods.

Fund commentary

The annual income yield to 30 June 2021 for the Antares Dividend Builder Fund was 4.35% compared to the Benchmark's 2.77%. The fund delivered a return of 0.5% (net of fees) for the month of September 2021.¹ During the month, dividends were received from Alumina, Amcor, APA, Aurizon, CBA, Coles, Downer, IAG, Iress, Medibank, Suncorp, Tabcorp, Telstra and Viva Energy.

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 performance were overweight holdings in Alumina (AWC) and Woodside Petroleum (WPL) and the decision not to own CSL. Concerns about supply shortages of bauxite, especially following a military uprising in Guinea which is a major bauxite producer have seen the prices of alumina and aluminium increase, the latter by more than 60% over the past year. WPL shares rose as energy shortages were reflected in rising commodity prices including the Brent Oil price (+7.5%) and Natural Gas (+34%). CSL shares were weaker on no particular news.

Detracting from performance was an overweight holding in Iress (IRE), an underweight holding in CBA and the decision not to own Macquarie Group (MQG). During the month the board of IRE announced that it had not been able to reach an agreement on a takeover transaction with suitor EQT which disappointed the market. 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. MQG provided a trading update during September flagging that 1Q22 profit would be significantly higher than 1Q21. The company also noted that it expected to deliver superior performance over the medium term.

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:	6 September 2005
Fund size at 30 September 2021:	\$120.9m
Benchmark:	S&P/ASX 200 Industrials Total Return Index
Investment timeframe:	At least 5 years
Relative risk:	High
Relative return¹:	High

Top 10 share holdings

as at 30 September 2021 (alphabetical order)

- ANZ Banking Group
- Coles Group
- GPT Group
- Medibank Private
- National Australia Bank
- Suncorp Group
- Tabcorp Holdings
- Telstra Corporation
- Transurban Group
- Westpac Banking Corporation

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 return ⁴ %	0.5	5.6	43.4	8.4	6.7	7.1	11.1	7.5
Income yield as at 30 June 2021								
Income yield ² %			4.35	4.75	4.65	4.42	4.33	4.02
Benchmark yield ³ %			2.77	3.37	3.63	3.68	3.76	3.58

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 Calculated as the sum of the income yields over the period where the yield is income distributed during the period divided by the unit price (before fees) at the start of the distribution period.

³ Calculated as the sum of the monthly returns of the S&P/ASX 200 Industrials Total Return Index minus the monthly returns of the S&P/ASX 200 Industrials Index (price index).

⁴ Investment returns are based on exit prices, and are net of management fees and assume reinvestment of all distributions.

Investor profile

Dividend Builder aims to provide investors with a stable, tax effective income stream through participating in the Australian sharemarket and investing in companies providing dividend growth. It may also act as an income stabiliser in investment portfolios, especially during shifting or uncertain markets.

Investment details

Minimum investment:	\$20,000
Minimum additional investment:	\$5,000
Income treatment:	Quarterly
Entry fee:	Nil
Exit fee:	Nil
Management fee:⁵	0.60% per annum of the Fund's net asset value (including GST net of Reduced Input Tax Credit).

⁵Certain sophisticated and professional investors or wholesale clients (as defined in the Corporations Act 2001 (Cth)) may be able to negotiate this fee by contacting Client Services.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 30 Sep 21
Australian shares	90%	100%	100%	97%
Cash and cash equivalents	0%	0%	10%	3%

Franking levels

Year end	
30 June 2021	79.73%
30 June 2020	86.61%
30 June 2019	80.74%
30 June 2018	79.85%
30 June 2017	50.61%

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

Distribution history⁶

Quarter end	Cents per unit
30 September 2021	1.74
30 June 2021	0.74
31 March 2021	1.44
31 December 2020	0.83
30 September 2020	0.85
30 June 2020	0.54
31 March 2020	1.25
31 December 2019	1.07
30 September 2019	1.37
30 June 2019	1.82
31 March 2019	1.06
31 December 2018	1.13
30 September 2018	2.26
30 June 2018	1.07
31 March 2018	1.15
31 December 2017	1.39
30 September 2017	1.94
30 June 2017	4.55
31 March 2017	2.28
31 December 2016	2.36

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

Distribution yield as at 30 June 2021

	1 year	3 years pa	5 years pa
Distribution yield⁷	4.36%	4.76%	5.38%

⁷ Calculated as the sum of income and capital gains distributed over the period divided by the unit price (before fees) at the start of the distribution period. Please Note: This calculation is not designed to be compared to the benchmark.

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 Dividend Builder ARSN 115 694 794 ('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.