

Dividend Builder Fund



Monthly Performance Report March 2022

Fund description and investment return objective

The Fund is an actively managed portfolio of equities listed (or expected to be listed) on the Australian share market. It seeks to deliver regular tax-effective income by identifying and investing in companies with sustainable, and where possible, franked dividends, and provide moderate capital growth over rolling five year periods.

The Fund's benchmark is the S&P/ASX 200 Total Return Index.

Investment returns¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Distribution return ² %	1.2	1.2	4.4	4.4	5.1	5.9	5.7	5.9
Growth return ³ %	4.6	4.4	15.2	5.9	0.7	-0.7	4.6	1.7
Total net return⁴ %	5.8	5.6	19.7	10.3	5.8	5.2	10.3	7.6
Benchmark return %	6.9	2.2	18.4	11.7	8.5	7.4	11.8	8.2
Net excess return %	-1.1	3.3	1.3	-1.3	-2.7	-2.2	-1.5	-0.6

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

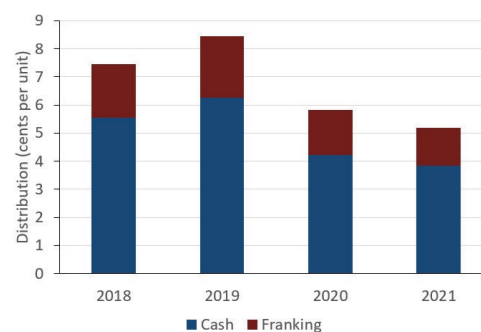
Australian shares made strong gains in March. The resources sector surged 9.9% with the benefit of the sharp gains in iron ore and base metal prices. The energy sector made similar gains as oil prices climbed above US\$100 per barrel given the Russia – Ukraine conflict. Financial shares also delivered a strong return with continued reassurances from the Reserve Bank that interest rates are likely to remain stable this year.

The annual distribution return to 31 March 2022 for the Antares Dividend Builder Fund was 4.4%. The fund delivered a total return of 5.8% (net of fees) for the month of March 2022 which compared to a return of 6.9% for the S&P/ASX200 Total Return Index. During the month dividends were paid by Alumina, Amcor, Ansell, APA Group, Aurizon, BHP, Coles, Downer, IAG, Iress, Medibank Private, Orora, Tabcorp and Woodside Petroleum.

Contributing to performance were overweight positions in NAB and Iress (IRE) together with no holding in James Hardie Industries (JHX). As a major and liquid part of the Australian market, bank shares have benefitted from increased international interest in Australia as a commodity rich economy with good governance practices. IRE shares bounced back after the market became more comfortable with the company's ability to deliver its 2025 targets. JHX shares finished down for the month due to general concerns about the impact of rising rates on housing demand. The strengthening of the AUD vs the USD also has a dampening effect on JHX's AUD share price.

Detracting from performance was the decision not to own CBA together with overweight positions in Medibank Private (MPL) and IAG. MPL shares continued to drift on no particular news. The severe east coast storms in February and March saw IAG note that its FY22 profit would likely be in the lower half of its guidance range. There has also been speculation regarding the company's exposure to Greensill - related claims and litigation but the company has announced it has

Distribution history*



Sector allocation

GICS ⁵	%
Financials Ex Reits	36.3
Metals & Mining	16.7
Communication Services	10.9
Industrials	7.1
Energy	6.1
Materials Ex Metals & Mining	5.2
Consumer Staples	3.8
Consumer Discretionary	3.5
Real Estate	3.2
Information Technology	2.8
Health Care	2.6
Utilities	1.9

no net insurance exposure to trade credit policies sold through Tokio Marine subsidiary, BCC.

Australia's economy appears to be improving judging by solid gains in business surveys, employment and retail spending. Yet surveys show consumers are more cautious which appears to be due to inflation worries, given rising energy and food prices. The Federal Budget was delivered in March and provides some temporary relief over coming months with an increased tax offset for low to middle income earners, a \$250 payment to welfare recipients and a reduction in the fuel excise tax.

Top 10 share holdings

(alphabetical order)

- ANZ Banking Group
- BHP Group
- Medibank Private
- Metcash
- National Australia Bank
- Suncorp Group
- Telstra Corporation
- Transurban Group
- Westpac Banking Corporation
- Woodside Petroleum

Investor profile

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

Portfolio facts

Inception date	6 September 2005
Fund size as at 31 March 2022	\$110.9m
Benchmark⁶	S&P/ASX 200 Total Return Index
Distribution	Quarterly
Management fee⁷	0.60% pa

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 March 2022
Australian shares	90%	100%	100%	98.5%
Cash and cash equivalents	0%	0%	10%	1.5%

Portfolio managers

ANDREW HAMILTON

Head of Implementation

Years with the group: 21

Years of Industry Experience: 24

Key Responsibilities:

Andrew is the Portfolio Manager of the Dividend Builder Model Portfolio and Managed Fund.



JENNIFER LAM

Investment Manager

Years with the group: 9

Years of Industry Experience: 17

Key Responsibilities:

Jennifer is the Deputy Portfolio Manager of the Dividend Builder Model Portfolio and Managed Fund.



Platform availability

- Asgard
- BT
- Hub24
- IOOF
- Macquarie
- MLC/Navigator
- Netwealth
- Praemium

* Cash amounts are based on total distributions per financial year. Franking amounts are calculated based on annual franking levels. A full distribution history and franking levels can be found on our website at <https://www.antarescapital.com.au/home/prices-and-performance/distributions>

² Distributions generated by the fund's assets (eg dividends, realised capital gains and any return of capital).

³ Changes in the unit price reflecting movements in the value of the fund's net assets.

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

⁵ GICS - Global Industry Classification Standard % are absolute ie sector proportion of portfolio. Source: Antares Equities.

⁶ Performance is compared to the S&P/ASX200 Industrials Total Return Index prior to 1 October 2021 because from that date the Funds Benchmark changed to the S&P/ASX200 Total Return Index.

⁷ Management fee is % per annum of the Fund's net asset value (including GST net of Reduced Input Tax Credit). Certain 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.

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For further information please contact our Client Services Team - Toll free: 1800 671 849

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