

Dividend Builder Fund



Monthly Performance Report January 2023

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 %	0.0	1.1	6.9	4.8	4.8	5.9	5.8	5.9
Growth return ³ %	4.6	5.4	6.0	3.2	1.7	1.3	2.2	1.5
Total net return⁴ %	4.6	6.5	12.9	8.0	6.5	7.2	8.0	7.4
Benchmark return %	6.2	9.6	12.2	6.2	8.5	9.1	9.7	8.0
Net excess return %	-1.6	-3.1	0.7	1.8	-2.0	-1.9	-1.7	-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 January. Most notable were the consumer discretionary and real estate sectors on hopes that the cycle of rising interest rates was nearing an end. The resource sector continued its recent strong performance given rising iron ore and metal prices on China recovery hopes. Consumer staples, information technology and financial sector shares also performed well. The only negative sector was Utilities but this comes after robust gains in recent months.

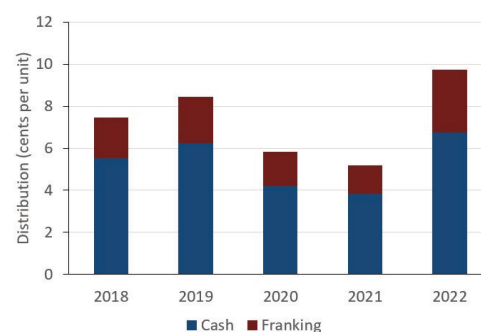
The annual distribution return to 31 January 2023 for the Antares Dividend Builder Fund was 6.9%. The fund delivered a total return of 4.6% (net of fees) for the month of January which compared to a return of 6.2% for the S&P/ASX200 Total Return Index. Dividends were received from Metcash and Region Group (formerly Shopping Centres Australasia) during the month.

Contributing to the Fund's performance were overweight positions in South32 (S32) and CSR and an underweight holding in CSL. S32 shares were stronger on a good quarterly report as well as being buoyed by increases in the prices of its key commodities including aluminium, copper and zinc. The prospect that inflation had peaked and the pace and size of rate increases would diminish was supportive for building materials companies, including CSR. There was no corporate news from CSL but the higher AUD vs USD may have detracted.

Detracting from performance were overweight holdings in Medibank Private (MPL), Aurizon (AZJ) and Telstra (TLS). MPL shares were weaker on press reports that suggested three law firms were merging their class action lawsuits against the company following the data breach last year. There was no corporate news from either Aurizon or Telstra but both lagged the market.

Australia's economy appears to be softening judging by weaker retail spending, falling house prices and more sedate results for the labour market. Both employment and job ads fell in December while retail spending declined sharply

Distribution history*



Sector allocation

GICS ⁵	%
Financials Ex Reits	35.2
Metals & Mining	18.7
Communication Services	9.7
Energy	8.6
Industrials	7.2
Materials Ex Metals & Mining	5.1
Consumer Discretionary	3.1
Consumer Staples	3.0
Health Care	2.9
Information Technology	2.3
Real Estate	2.2
Utilities	1.9

as consumers became more cautious with the higher cost of living. Australia's annual consumer inflation surged to 7.8% in December. Expected sharp increases in retail electricity and gas prices as well as higher rents and wages suggest that inflation will remain in the spotlight in 2023.

Top 10 share holdings

(alphabetical order)

- ANZ Group
- BHP Group
- Medibank Private
- National Australia Bank
- Nine Entertainment
- Suncorp Group
- Telstra Group
- Transurban Group
- Westpac Banking Corporation
- Woodside Energy Group

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
APIR Code	PPL0002AU
Fund size as at 31 January 2023	\$106.4m
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 January 2023
Australian shares	90%	100%	100%	98.9%
Cash and cash equivalents	0%	0%	10%	1.1%

Portfolio managers

ANDREW HAMILTON

Head of Implementation

Years with the group: 22

Years of Industry Experience: 25

Key Responsibilities:

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



JENNIFER LAM

Investment Manager

Years with the group: 10

Years of Industry Experience: 18

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.

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\$5.0 billion (at 31 December 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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