

Dividend Builder Fund



Monthly Performance Report March 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 %	0.6	0.6	5.5	5.0	4.8	5.7	5.7	5.9
Growth return ³ %	-0.8	2.1	-4.8	14.4	2.3	1.0	1.4	1.3
Total net return⁴ %	-0.2	2.7	0.7	19.4	7.1	6.7	7.1	7.2
Benchmark return %	-0.2	3.5	0.1	16.6	8.6	8.5	8.7	7.7
Net excess return %	0.0	-0.8	0.6	2.8	-1.5	-1.8	-1.6	-0.5

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.

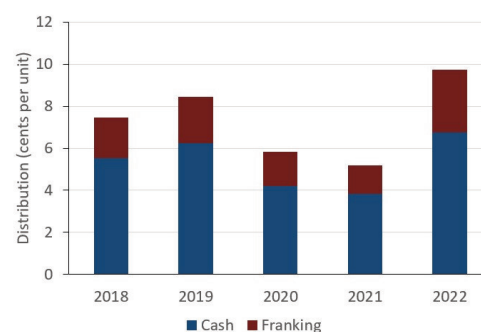
Investment commentary

Australian shares slipped into negative territory in March. The sharpest falls were in the real estate and financial sectors given the turmoil in the global banking system and lower bond yields. However, strength in the resource sector on hopes of a Chinese economic recovery helped limit the downside in Australian share markets. There were also gains for communications, consumer discretionary and consumer staples sectors on hopes that the Reserve Bank would pause on further interest rate increases.

The annual distribution return to 31 March 2023 for the Antares Dividend Builder Fund was 5.5%. The fund delivered a total return of -0.2% (net of fees) for the month of March which compared to a return of -0.2% for the S&P/ASX200 Total Return Index. Dividends were received from Ansell, APA Group, Aurizon, BHP, IAG, Medibank Private, Suncorp, The Lottery Corporation, Telstra and Viva Energy during the month.

Contributing to the Fund's performance were overweight positions in Ventia (VNT) and BHP together with not owning Macquarie Group (MQG). VNT shares were stronger after delivering a CY22 result in late February that beat consensus expectations and prospectus guidance and a major share sell-down by its majority shareholders. The result highlighted the predictability of its contracted revenue stream and a business that has managed costs well in an inflationary environment. VNT also provided guidance for CY23 NPATA growth of 7-10%, underpinned by strong pipeline visibility and record work-in-hand. VNT's share price rallied after Apollo and CIMIC sold down 93 million shares in March, representing 22% of the company's issued capital which has improved liquidity in the stock and reduced the stock overhang concerns that had affected the share price. BHP shares performed well on hopes of Chinese economy recovery following the release of a larger than expected increase in the China Manufacturing PMI Index. The global banking turmoil impacted the sector in Australia and MQG shares were not exempt.

Distribution history*



Sector allocation

GICS ⁵	%
Financials Ex Reits	34.3
Metals & Mining	18.8
Communication Services	10.1
Industrials	9.5
Energy	7.6
Materials Ex Metals & Mining	5.4
Consumer Discretionary	3.5
Consumer Staples	3.4
Health Care	2.9
Utilities	2.4
Real Estate	2.0
Information Technology	0.0

Detracting from performance were overweight holdings in NAB and Suncorp (SUN) and not holding a position in Newcrest Mining (NCM). NAB and SUN reflected the general weakness in bank stocks. NCM shares were beneficiaries of the higher gold price and were underpinned by the scrip takeover offer of former owner and gold producer, Newmont.

Australia's economy still appears to be softening judging by more sedate retail spending. Consumers have become more cautious given high inflation and rising mortgage interest rates. There was only a mild rise in nominal retail spending in February, with the annual gain at 6.4% now failing to keep up with inflation. There were some encouraging signs of labour market resilience with stronger job gains in February and the unemployment rate edged down from 3.7% to 3.5%. Also positive was that consumer inflation appears to have peaked, with the new ABS monthly CPI measure showing annual inflation falling from 7.4% in January to 6.8% in February.

Top 10 share holdings

(alphabetical order)

- ANZ Group
- BHP Group
- Lottery Corporation
- Medibank Private
- National Australia Bank
- 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 March 2023	\$102m
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 2023
Australian shares	90%	100%	100%	98.4%
Cash and cash equivalents	0%	0%	10%	1.6%

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

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 Fund 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 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.