

Dividend Builder Fund



Monthly Performance Report September 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 %	1.5	1.5	5.3	5.5	4.9	5.5	5.8	5.9
Growth return ³ %	-3.7	-1.9	7.0	10.2	1.7	0.4	0.8	1.2
Total net return⁴ %	-2.2	-0.4	12.3	15.7	6.6	5.9	6.6	7.1
Benchmark return %	-2.8	-0.8	13.5	11.9	6.9	7.5	7.9	7.5
Net excess return %	0.6	0.4	-1.2	3.8	-0.3	-1.6	-1.3	-0.4

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.

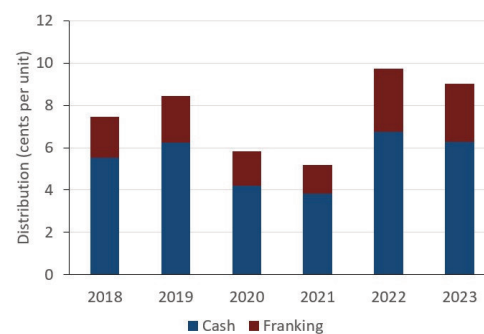
Investment commentary

The Australian market was not exempt from the decline in global shares. The Real Estate and Information Technology sectors led the market declines given concerns about the impact of higher interest rates for longer. Healthcare and Consumer Discretionary sectors were sold down on worry about the consumer's ability to tolerate higher inflation and interest rates. The Resources sector proved more resilient given the surprising rise in iron ore prices to US\$120 per ton despite a weak Chinese property sector. The only positive sector was Energy on the back of higher oil prices.

The annual distribution return to 30 September 2023 for the Antares Dividend Builder Fund was 5.3%. The fund delivered a total return of -2.2% (net of fees) for the month of September which compared to a decline of 2.8% for the S&P/ASX200 Total Return Index. Dividends were received from APA Group, Aurizon, BHP, CBA, IAG, Suncorp, Telstra, The Lottery Corporation, Viva Energy and Woodside during the month.

Contributing to the Fund's outperformance were overweight holdings in Suncorp (SUN), Ventia Services (VNT) and Nine Entertainment (NEC). SUN's share price enjoyed a good September as the market favoured insurance companies and their favourable pricing environment in which they have been able to put through substantial premium increases. SUN's AGM was also held during the month and was generally upbeat about the company's prospects, and optimistic about the sale of its banking business to ANZ. VNT delivered a good half year result and is expected to produce a FY result at the top end of the company's guidance range. Also positive for VNT's share price was the further sell down of stock by former majority owners CIMIC and Apollo which have reduced their combined holding to less than 12%. NEC shares performed relatively well as the company continued with its share buyback program.

Distribution history*



Sector allocation

GICS ⁵	%
Financials Ex Reits	37.3
Metals & Mining	17.1
Communication Services	9.6
Industrials	9.4
Energy	7.8
Materials Ex Metals & Mining	6.8
Consumer Staples	3.5
Consumer Discretionary	3.3
Health Care	3.1
Utilities	2.2
Information Technology	0.0
Real Estate	0.0

Detracting from performance were overweight positions in Orora (ORA) and The Lottery Corporation (TLC) together with not owning Fortescue Metals (FMG). Early in September, ORA announced the acquisition of global high end wine and spirits glass bottles producer Saverglass for A\$2.1bn. Simultaneously it announced it would partially fund this via proposed A\$1.3bn institutional and retail equity raisings. TLC's share price has continued to slip on no particular news. Despite widespread concern about the Chinese property market, the iron ore price rose during September and was reflected in the FMG share price.

Australia's economy continues to display significant signs of slowing down with inflation concerns. Retail spending is subdued as consumers struggle with the squeeze from higher prices, rising mortgage interest rates and rents. Consumer annual inflation rose from 4.9% in July to 5.2% in August largely on the back of higher fuel prices according to the ABS monthly indicator. Employment has been a positive surprise with strong job gains in August despite lower vacancies. The Reserve Bank again held the cash interest rate steady at 4.1% but maintained guidance that further interest rate rises may be required to get inflation back to their target range of 2% to 3%.

Top 10 share holdings

(alphabetical order)

- ANZ Group
- BHP Group
- Commonwealth Bank of Australia
- Medibank Private
- National Australia Bank
- Nine Entertainment
- Suncorp Group
- Telstra 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 30 September 2023	\$96.7m
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 30 September 2023
Australian shares	90%	100%	100%	99.6%
Cash and cash equivalents	0%	0%	10%	0.4%

Portfolio managers

ANDREW HAMILTON

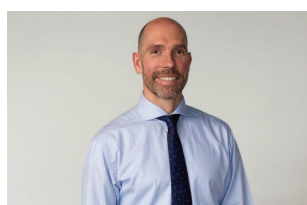
Head of Implementation

Years with the group: 23

Years of Industry Experience: 26

Key Responsibilities:

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



JENNIFER LAM

Investment Manager

Years with the group: 11

Years of Industry Experience: 19

Key Responsibilities:

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



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Platform availability

- BT Panorama
- Macquarie Wrap
- PowerWrap
- eXpand Extra
- MLC Wrap / Navigator
- Rhythm
- Findex / Centric
- North
- uXchange
- Hub 24
- 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\$4.9 billion (at 30 June 2023) 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: MLC Investments Limited ABN 30 002 641 661, AFSL 230705 ("MLCI") is the Responsible Entity of, and the issuer of units in, the Antares Dividend Builder Fund ARSN 115 694 794 ("the Fund"). MLCI has appointed Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483, trading as Antares Equities (Antares) as the Investment Manager of this product. MLCI and Antares are part of the Insignia Financial group of companies (comprising Insignia Financial Holdings Ltd ABN 49 100 103 722 and its related bodies corporate) ("Insignia Group").

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