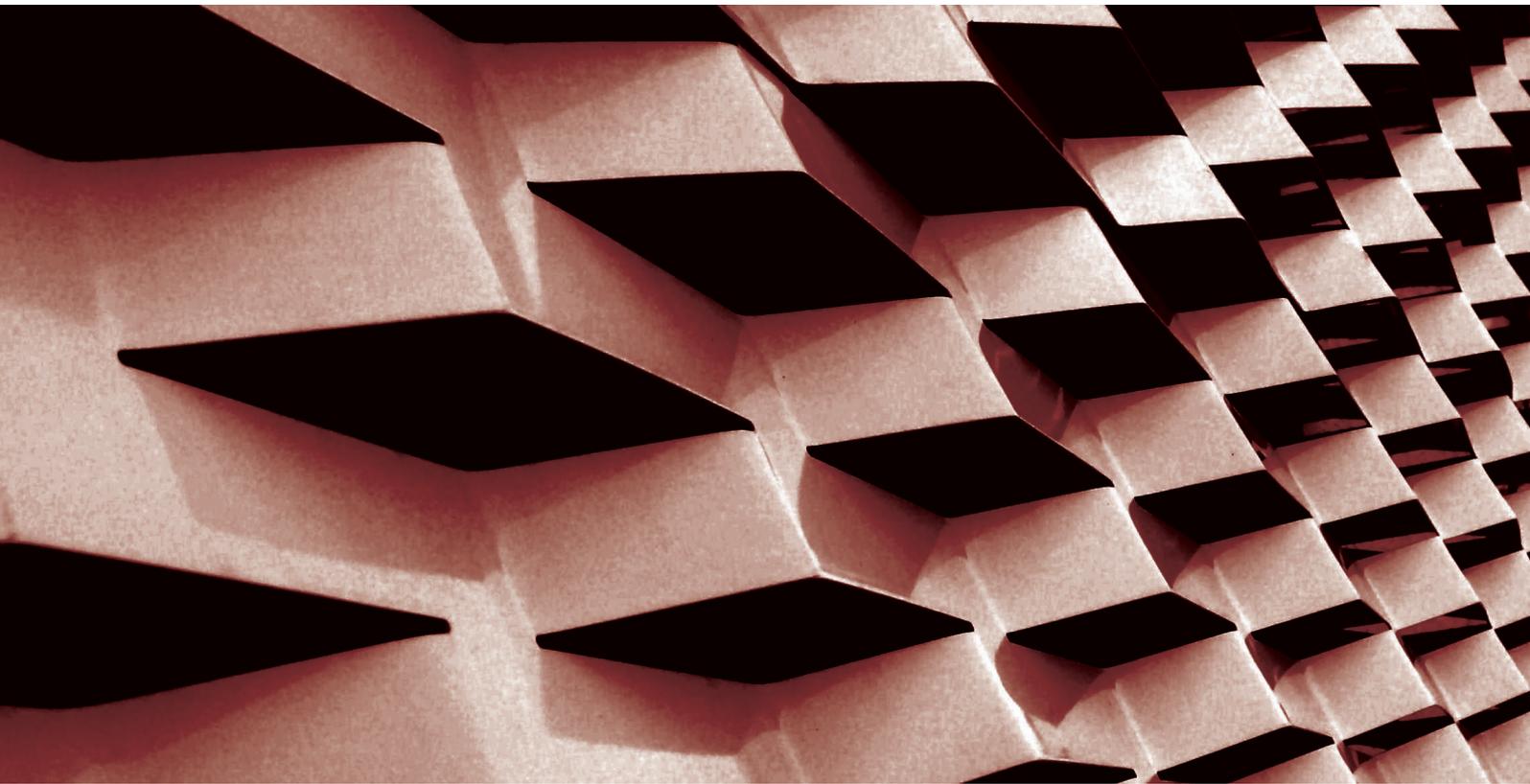


# Direct SMA Product Brochure

## Antares Ex-20 Australian Equities Model Portfolio



### Key features

- A concentrated portfolio of Australian securities from outside of the largest 20 companies by market capitalisation.
- Invests in a relatively unconstrained portfolio of Antares best investment ideas.
- Experienced investment team that manages a disciplined and robust investment process.
- Targets long term capital growth.

The Antares Ex-20 Australian Equities SMA is an actively managed, highly concentrated portfolio of Australian equities outside of the largest 20 companies by market capitalisation.

## Benefits of Separately Managed Accounts (SMAs):

### Individual accounts

Each SMA investor has an absolute entitlement to, and beneficial ownership in, the assets that make up their portfolio.

### Transferability

In most circumstances you will be able to transfer your existing Australian equities into your portfolio when you make your initial investment, while still retaining beneficial ownership.

### Professional investment management

The Antares Direct SMA Model Portfolio(s), including the Antares Ex-20 Australian Equities Model Portfolio, are managed by investment professionals who draw upon Antares' \* experienced and well-resourced Australian equities team.

### Transparency

The SMA allows you to view the underlying equities that you hold within your chosen model portfolio(s). You can access this information securely on our website [antarescapital.com.au](http://antarescapital.com.au).

### Access to income

All dividend and distribution income earned on the equities within your Portfolio are paid directly to you along with any associated franking credits. Realised gains and losses generated as a result of the sale of equities within your portfolio also flow directly to you.

### No inherited capital gains

When you purchase or transfer equities into your Portfolio your own cost base is established for tax purposes. This means you only pay tax on realised capital gains accumulated from the day you invested in the equities. There are no tax consequences for you as a result of other clients' transactions.

### Reduced administrative burden

Your Portfolio is administered on your behalf, including tax record keeping, receipt of income, reporting, mail and corporate actions. This means you receive the benefits of investing directly in equities without the administrative burden.

\* Antares Capital Partners Ltd ("Antares") is the responsible entity and investment manager of the SMA. Antares is responsible for making investment decisions in relation to the SMA and implementing the SMA's investment strategy.

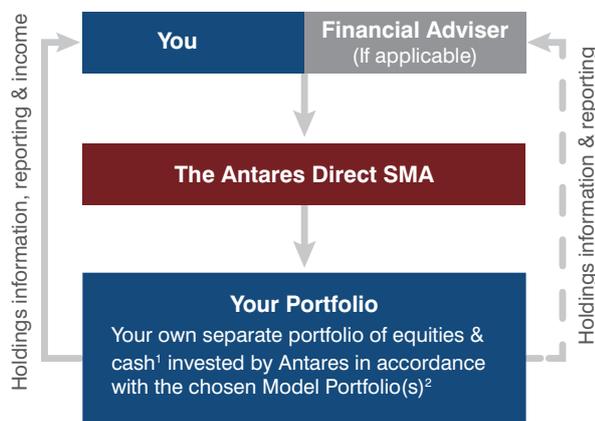
## Antares Direct SMA

The Antares Direct SMA is distinctive in the market place as it does not operate on a platform. Instead, the adviser deals directly with Antares via a customised administration system. The benefits of the Antares Direct SMA include:

- wholesale investment management fees available to retail investors
- online access to account information and reporting
- ability to provide Portfolio data directly into financial planning software
- portfolios designed to meet a range of investment needs.

Furthermore as a large institutional fund manager, Antares is able to use institutional brokers for the execution of trades providing significant advantages, including:

- wholesale brokerage rates which are generally lower than the rates paid by retail clients for self-directed investing
- access to institutional placements that are generally unavailable to retail clients.



<sup>1</sup> You retain beneficial ownership of the assets in your Portfolio.

<sup>2</sup> The 4 Model Portfolios available are:

- Antares Core Opportunities
- Antares Dividend Builder
- Antares Listed Property
- Antares Ex-20

## The risks of investing in the Antares Direct SMA

All investments carry risk. Different investment strategies carry different levels of risk depending on the underlying mix of assets that make up the strategy. While Antares' disciplined, risk-controlled investment approach aims to generate investment returns over the long term, it is important for you to carefully consider the risks of investing in the Antares Direct SMA.

The significant risks of investing in the SMA include:

- market risk – risks that affect entire equity markets
- security specific risk – investments in shares in a company or units in a Real Estate Investment Trust can fall in value
- liquidity risk – risk an investment may not be able to be sold quickly enough to prevent or minimise a loss
- scheme risk – the Antares Direct SMA or a particular model portfolio could be terminated and fees and costs could change
- implementation risk – the performance of your portfolio may differ to the performance of the relevant model portfolio

If you have a financial adviser, they can assist in assessing investment risks as well as selecting the appropriate Model Portfolio(s).

# Antares Ex-20 Australian Equities Model Portfolio

## Investment objective and strategy

The investment objective is to outperform the Benchmark (before fees) over a rolling 5 year period.

The portfolio contains only Antares' highest conviction investment ideas in Australian shares that are outside of the largest 20 companies listed on the Australian share market. Otherwise it is relatively unconstrained at the stock and sector level.

## Investment philosophy – selectively contrarian

|   |   |
|---|---|
| <p><b>Market philosophy</b></p> <ul style="list-style-type: none"> <li>Markets are imperfect and this may provide opportunities for excess returns</li> <li>Investors often display herd-like tendencies that may be able to be exploited if you are willing to invest against the crowd</li> </ul> | <p><b>Investment analysis</b></p> <ul style="list-style-type: none"> <li>Fundamental analysis is the key</li> <li>We are style agnostic and model agnostic</li> <li>Disciplined and robust analytical process supports our research</li> </ul>  |
| <p><b>Investment team</b></p> <ul style="list-style-type: none"> <li>Highly experienced investment team</li> <li>Broad range of backgrounds and skills</li> </ul>   | <p><b>Portfolio construction</b></p> <ul style="list-style-type: none"> <li>Sometimes it pays to invest against the crowd</li> <li>We back high conviction with large active positions</li> <li>Stock weightings determined by the Portfolio Manager with no reference to the stock's benchmark or sector weight</li> </ul> |

## Stock selection

The approach to stock selection is bottom-up, and is focused on identifying companies where Antares believes the potential value of each company's business is not fully reflected in the current share price. The Portfolio Manager draws on the research of the broader equities team as an input into stock selection and portfolio construction. While stock valuations provide a starting point for preferred and non-preferred stocks, the Portfolio Manager retains ultimate discretion over which stocks make it into the Model Portfolio and their respective weightings.

## Portfolio construction

Successful portfolio management involves balancing the 'science' of stock research and understanding, with the 'art' of portfolio management. In managing the portfolio, the Portfolio Manager selects and weights stocks on the basis of the strength of his conviction, without being constrained by individual stock or sector limits. The Portfolio Manager's views are determined by factors such as the stock's valuation, the volatility of earnings, liquidity and any correlated risks that may be affecting the portfolio.

### Model Portfolio details

**Inception date:**

15 June 2015

**Benchmark:**

S&P/ASX 200 Accumulation Index excluding the S&P/ASX 20 Leaders Accumulation Index

**Minimum suggested investment timeframe**

5 years

**Risk level (expected volatility)**

High – Very High

**Minimum initial investment**

\$20,000

**Minimum additional investment**

\$2,000

**Payment of dividend income**

Choice of monthly distribution or re-investment

**Entry fee**

Nil

**Exit fee**

Nil

**Management fee**

0.7500% p.a. (incl GST net of RITC)

**Availability**

Direct via Antares

**Ratings**

Lonsec – Rated <sup>SMA</sup> \*

### Investor profile

The Ex-20 Australian Equities SMA is designed for investors seeking an actively managed, highly concentrated portfolio of Australian securities that excludes the top 20 stocks by market capitalisation. This SMA aims to provide investors with long term capital growth.

### Using this portfolio

As a concentrated Australian equities portfolio, this Model Portfolio will generally sit within the growth assets component of a balanced portfolio. The Model Portfolio can be used on a stand-alone basis, however the style agnostic investment philosophy also makes it suitable to blend with other investment styles.

## Portfolio Managers

**John Guadagnuolo**  
Portfolio Manager  
B.Com & B.A. (Hons),  
Ph.D. (Melb)



**Key responsibilities:**

John is Portfolio Manager of the Ex-20 Australian Equities SMA. He is also responsible for managing the Select Alpha institutional strategy. In addition he is the Deputy Portfolio Manager for the Antares Elite Opportunities Fund and the institutional Large Companies portfolio. John is also responsible for researching stocks in the Transport, Supermarkets and Online Media sectors.

**Years with the group:** 10

**Years of industry experience:** 17

**Previous roles:**

John was previously at Equity Trustees where he developed and ran their Australian Equity research and portfolio construction processes and was Portfolio Manager of the EQT Flagship Fund, operational head of the Asset Management Team and was a member of their Investment Management Committee where he was responsible for asset allocation research.

**Andrew Hamilton**  
Deputy Portfolio Manager  
B.E. (Hons), CFA  
Charterholder



**Key responsibilities:**

Andrew is the Deputy Portfolio Manager of the Ex-20 Australian Equities SMA. In addition, he is responsible for managing the institutional Large Companies portfolio and is Deputy Portfolio Manager for the Elite Opportunities Fund and for the Core Opportunities portfolio. Andrew is Head of Research and is also responsible for researching stocks in the Energy and Healthcare sectors. He has previously covered Insurance, Building Materials, Transport, Infrastructure and Utilities sectors.

**Years with the group:** 17

**Years of industry experience:** 20

**Previous roles:**

Andrew joined the company after several years in London in a variety of positions with Salomon Brothers International and Nomura International. Prior to this, Andrew worked as a mechanical engineer in product design and development.

**For further information please contact our Client Services Team – Toll Free: 1800 671 849  
investorservices@antaresequities.com.au – www.antarescapital.com.au**

**Important information**

Antares Capital Partners Ltd ABN 85 066 081 114. AFS Licence No. 234483 (Antares) at Level 20, 8 Exhibition Street, Melbourne VIC 3000 GPO Box 2007, Melbourne VIC 3001 is the Responsible Entity of the Antares Direct SMA Portfolios and can be contacted on Telephone: (03) 9220 0300 Facsimile: (03) 9220 0333 Email: investorservices@antaresequities.com.au website: www.antarescapital.com.au This information prepared by Antares is of a general nature and has been prepared without taking account of your individual objectives, financial situation or particular needs. Before acting on this information you should consider the appropriateness of the information having regard to your personal objectives, financial situation and needs. We recommend you consult with your financial adviser, who can help you determine whether investing in a Model Portfolio is appropriate for you.

You should consider the PDS for the Antares Direct SMA Portfolios in deciding whether to acquire, or continue to hold, an investment in the Antares Direct SMA Portfolios. Investment in the Antares Direct SMA will only be made upon receipt of a completed application form from the current PDS, a copy of which can be obtained from Antares.

Antares Capital Partners Ltd, the Responsible Entity of the SMA, is a fully owned subsidiary within the National Australia Bank Limited (NAB) group of companies (NAB Group). No company in the NAB Group, nor Antares nor any related party, guarantees the capital value, payment of income or performance of your investment in the SMA. An investment in the SMA does not represent a deposit with or liability of the NAB Group and is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

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