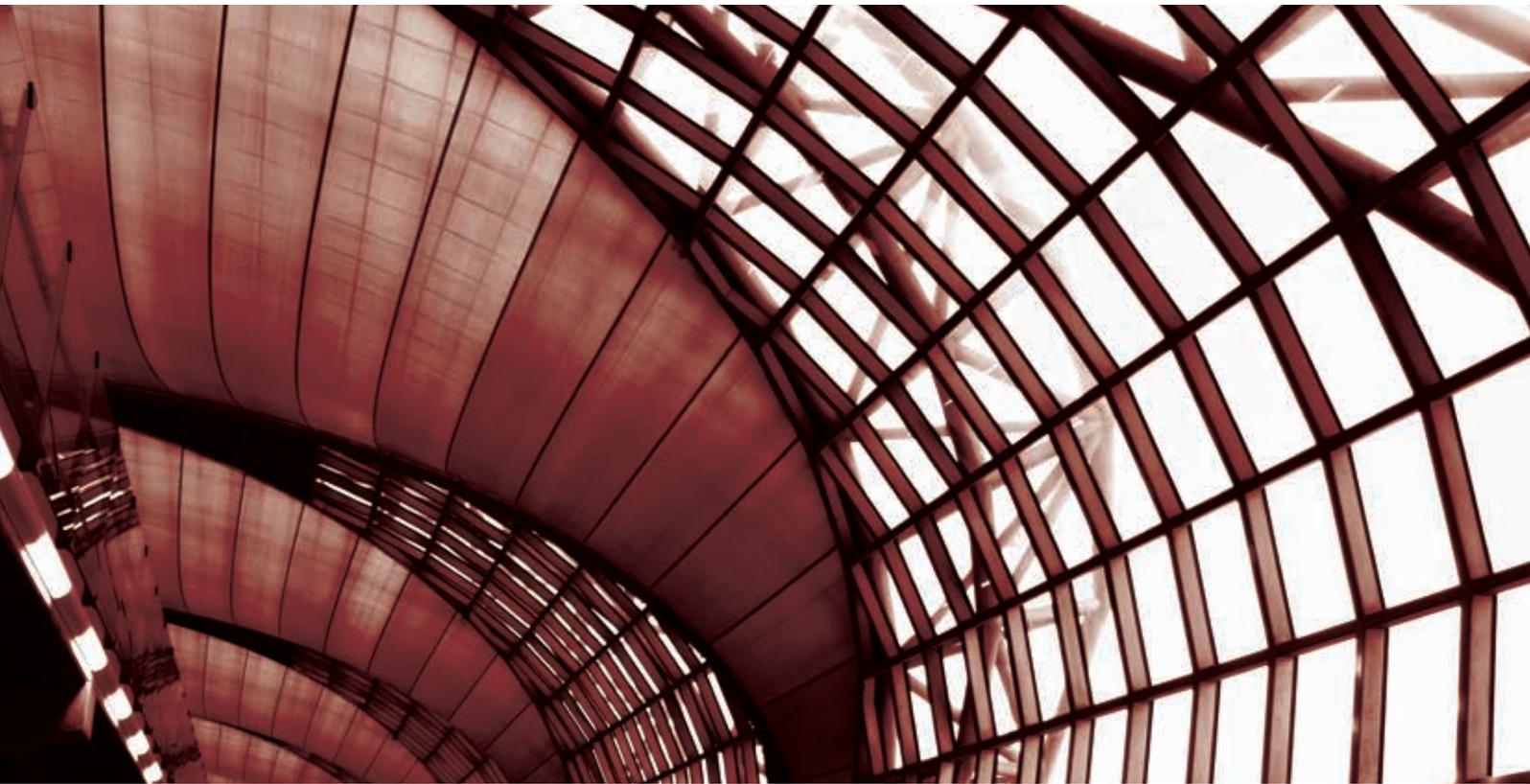


Direct SMA Product Brochure

Antares Dividend Builder Model Portfolio



Key features

- Low turnover, concentrated equity portfolio that is well suited to the SMA environment
- Emphasis on securing franked income and minimising stock turnover
- Benefits from a well resourced and experienced investment team
- Invests in high yielding Australian shares that will grow their dividends over time

The Antares Dividend Builder Model Portfolio is income focused and aims to provide investors with high levels of tax effective income and a growing dividend yield through investment in high quality Australian shares

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 (known as an 'in specie' transfer').

Professional investment management

The Antares Direct SMA Model Portfolio(s), including the Antares Dividend Builder 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 securities that you hold within your Portfolio. You can access this information securely on our website 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 is a business unit within Antares Capital Partners Ltd and 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.

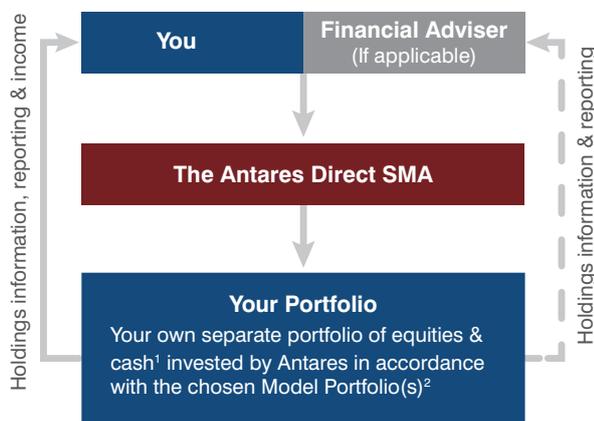
Antares Direct SMA

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.



¹ You retain beneficial ownership of the assets in your Portfolio.

² 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 Dividend Builder Model Portfolio

Investment objective

To deliver higher levels of dividend income, on a tax effective basis relative to the S&P/ASX 200 Industrials Accumulation Index and to achieve moderate capital growth in a tax effective manner.

Investment strategy

A diversified portfolio of high yielding Australian shares that will grow their dividends over time, with an emphasis on securing franked income and minimising share turnover to keep net realised capital gains low.

Investment philosophy

Our investment philosophy is based on the premise that the pricing of individual stocks in the Australian sharemarket is at times inefficient.

This mispricing occurs for a number of reasons:

- investors take a short term view;
- investors under or over react to changes in a company's operating environment; and
- investors make incorrect generalisations about similar companies.

We believe these inefficiencies can be exploited through bottom-up stock selection.

Stock selection

Criteria	Benefits
Primary	
• Top quartile dividend yield	Ensures high yield
Other	
• Discount to Antares valuation	Helps to achieve capital growth
• Preferences for:	
• Diversification of operations	Sustainability of earnings and income
• Large market share	
• Strong cash flow and balance sheet	
• Sustainable payout ratio	
Preference for franked income	Tax efficient income stream
Low turnover	Reduces realised capital gains

Portfolio construction

Sector level = Industrials (S&P/ASX 200 Industrials Accumulation Index)

- Market capitalisation

	Portfolio range
Top 100	90% to 100%
ex 100	0% to 10%

- Turnover - 20% to 25% target
- Stock numbers - 15 to 25
- Diversification - The portfolio is to be diversified across industries

Model Portfolio details

Inception date

22 November 2010

Benchmark

S&P/ASX 200 Industrials Accumulation Index

Minimum suggested investment timeframe

At least 5 years

Risk level (expected volatility)

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:

0.4613% p.a. (incl. net effect of GST)

Availability

Direct via Antares

Ratings

Lonsec - Rated ^{SMA} *

Investor profile

The Dividend Builder Model Portfolio is designed for investors seeking a tax effective income stream through participating in the Australian sharemarket and investing in companies providing dividend growth. It may also act as an income stabiliser in investment portfolios, especially during shifting or uncertain markets.

Using this portfolio

As an Australian equities portfolio, this Model Portfolio will generally sit within the growth assets component of a balanced portfolio. Given the Model Portfolio's focus on generating tax effective income it is suited to investors seeking a consistent distribution yield from their investments.

Portfolio Managers

Glenn Hart
B.Com (Melb), F Fin
Co-Head of Equities



Key responsibilities:

Glenn is the Co-Head of Equities. He is responsible for leading the Australian Equities team and is the Portfolio Manager of Dividend Builder and the Australian Equities Fund.

Years with the group: 19

Years of industry experience: 29

Previous roles:

Glenn joined the company following the merger with CGU Insurance's investment operations, where he was Manager of Equities. Before CGU, Glenn held positions at Structured Asset Management and JBWere Asset Management.

Brett McNeill
B.Com (Economics & Finance) (Monash), CFA
Charterholder



Investment Manager

Key responsibilities:

Brett is the Portfolio Manager of the Listed Property Fund and Deputy Portfolio Manager of Dividend Builder. He is also responsible for researching stocks in the Real Estate, Infrastructure, and Diversified Financials sectors.

Years with the group: 11

Years of industry experience: 14

Previous roles:

Brett was previously a Research Analyst with Navigator Australia.

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

Important information

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