

Portfolio Profile

Antares Listed Property Model Portfolio (closed to new investments) May 2019



Termination of the Antares Direct Separately Managed Accounts

After careful consideration, Antares Capital Partners Ltd, as responsible entity (RE) of the DSMA, has decided to terminate the DSMA effective 17 June 2019 (Termination Date). We will no longer accept new and additional investments, switches or in specie transfers into the DSMA from 2 April 2019.

Model description and investment return objective

The Antares Listed Property Model Portfolio is an actively managed portfolio that primarily invests in property and property related securities that are listed or expected to be listed on the Australian Stock Exchange (and other regulated exchanges). The types of securities may include Real Estate Investment Trusts (REITs), property development and funds management companies, as well as infrastructure companies, where the income and assets are property related in nature.

The investment objective is to outperform the Benchmark (after fees) over rolling 5 year periods.

Portfolio commentary

The Antares Listed Property Model Portfolio delivered a return of 3.6% (net of fees) for the month of May 2019, outperforming its benchmark by 1.1%.¹

The S&P/ASX 200 AREIT Accumulation Index rose by 2.5% in May 2019, outperforming the S&P/ASX 200 Accumulation Index by 0.8%.

Only the Retail AREIT sector posted a decline for the month (-1.5%). Diversified AREITs (+7.2%) led the sector, followed by Office (+2.7%) and Industrial AREITs (+1.8%).

We are holding a concentrated 15 stock portfolio with a view that the sector is moderately expensive. Our security selection and portfolio construction continue to be driven by our proprietary, bottom up research process. The outcome is that our biggest portfolio positions will be in the stocks which we rate highly on our qualitative investment criteria, and that show the greatest value based on our long term valuation models.

The Model Portfolio's biggest overweight positions are in large cap stocks that represent attractive value based on our bottom-up stock valuations – being Scentre Group, Stockland, Mirvac Group, GPT and Viva Energy REIT. The Fund also owns overweight positions in the following small cap REIT's – Abacus Property Group, Carindale Property Trust, APN Convenience Retail REIT and Vital Harvest REIT. The portfolio's other key overweight positions are Sydney Airport, and small-cap residential developer Peet.

Portfolio facts

Inception date:	9 October 2014
Portfolio size at 31 May 2019:	\$1.2m
Benchmark:	S&P/ASX 200 A-REIT Accumulation Index
Investment timeframe:	At least 5 years
No. of shares:	10 to 30
Indicative portfolio turnover:	10-30% pa

Net return² vs benchmark return



Top 10 share holdings

as at 31 May 2019 (alphabetical order)

Abacus Property Group, Dexus, Goodman Group, GPT Group, Mirvac Group, Scentre Group, Stockland, Sydney Airport, Vicinity Centres and Viva Energy REIT.

Investment returns as at 31 May 2019¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	Since inception pa
Net return² %	3.6	7.2	10.6	5.5	-	-	11.0
Gross return ³ %	3.7	7.4	11.4	6.3	-	-	11.8
Benchmark return %	2.5	6.1	17.0	7.9	-	-	12.9
Net excess return %	1.1	1.1	-6.4	-2.4	-	-	-1.9
Gross excess return %	1.2	1.3	-5.6	-1.6	-	-	-1.1

¹ 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.

² Performance is based on the income and market value of the Model Portfolio and is net of fees. The performance of individual portfolios may differ to the performance of the Model Portfolio due to cash flows, portfolio reweighting and timing issues.

³ Gross returns are provided to show performance against the investment objective.

Investor profile

This Portfolio is designed for investors who wish to benefit from the returns and diversification benefits provided by listed property and property related securities. Returns from listed property can comprise both distribution of income and capital growth, and are mainly derived from the Portfolio's investments in listed securities. The types of securities may include Listed Property Trusts, Real Estate Investment Trusts, property development and funds management companies, as well as infrastructure companies, where the income and assets are property related in nature. Investors should also be comfortable with potential fluctuations in capital values in the short to medium-term.

Investment details

Status:	Closed to new investments
Income treatment:	Monthly distribution or re-investment
Administration fee:	Nil
Entry fee:	Nil
Exit fee:	Nil
Management fee:	0.67% (incl. net effect of GST) per annum

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 May 19
Australian shares	90%	100%	99%	98%
Cash and cash equivalents	1%	0%	10%	2%

Stock Activity

Buys / Additions

Nil

Sales / Reductions

Nil

About Antares

Antares is a dedicated asset management business managing more than \$34.4bn on behalf of Australian investors, with \$6.3bn in Australian equities and more than \$28.1bn in fixed income (as at 31 March 2019).

At Antares we are wholly focused on delivering performance for investors through an investment approach underpinned by dedication, experience and discipline. We recognise and are ready for market uncertainty, and believe great performance is achieved through a focus on both risk and return. Antares consists of two divisions – Antares Equities (formerly Portfolio Partners and Aviva Investors) and Antares Fixed Income (formerly National Specialist Investment Management).

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 the Antares Direct Separately Managed Accounts ARSN 147 194 983 ('DSMA'). The DSMA will terminate effective 17 June 2019. 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 or reasonableness 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 subsidiary of the National Australia Bank Limited group of companies ('NAB Group'). An investment in the DSMA is not a deposit with or liability of National Australia Bank Limited ('NAB') or any other member of the NAB group of companies ('NAB Group') and is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither ACP nor any other member of the NAB Group guarantees the repayment of your capital, payment of income or the performance of your investment. NAB does not provide a guarantee or assurance in respect of the obligations of ACP.