

Portfolio Profile



Antares Elite Opportunities Model Portfolio August 2020

For Adviser use only

This report is intended only for financial advisers. It must not be distributed or communicated to any third party and must be kept confidential. The Model Portfolio performance information in this report is based on Antares' construction of the notional model portfolio which is not available for direct investment. It is not a guarantee or an indication of the actual performance of a client's portfolio. Advisers need to consider the relevant disclosure documents of providers or platforms that offer the Model Portfolio for investment before recommending the Model Portfolio to their client.

Model Portfolio description and investment return objective

The Antares Elite Opportunities Model Portfolio is an actively managed concentrated high conviction portfolio of equities listed on the Australian share market that Antares has identified as having the potential to offer capital growth over the long term. The Model's objective is to outperform the Benchmark over rolling five-year periods.

Investment returns as at 31 August 2020¹²³

Periodx	1 month	3 months	1 year	3 years pa	5 years pa	Since inception pa
Gross return %	3.2	5.2	-9.5	2.8	5.7	6.4
Benchmark return %	2.8	6.0	-5.1	6.1	7.5	7.3
Gross excess return %	0.3	-0.8	-4.4	-3.3	-1.8	-0.9

Model Portfolio performance and attribution

The Antares Model Portfolio provided a gross return of 3.2% in August 2020.

Performance was boosted by not owning CBA and overweight holdings Nine Entertainment (NEC) and Star Entertainment (SGR). CBA reported a result slightly below market expectations. The key issue for banks remains the lack of clarity around future bad and doubtful debts when government stimulus is wound back and if provisions will be adequate. The potential and profitability of NEC's stan business was apparent in the FY20 result highlighting the changing profile of NEC as a digital business, from a more traditional media business. SGR results were well received by the market. Management took swift and aggressive actions to manage its cost base to reduce cash outflows during the lock-down period, and its integrated gaming resorts have enjoyed strong demand since re-opening (albeit with capacity constrained by coronavirus related safety measures, particularly in Sydney from late July onwards).

Overweight holdings in Telstra (TLS) and Northern Star (NST) plus not owning Afterpay (APT) detracted from performance. TLS' result disappointed relative to consensus as did the company's guidance for a decline in earnings in FY21, with ramifications for future dividends. The strong run in the gold price ended in August, finishing down by 1.0% after a choppy month with the share prices of gold stocks such as NST not immune. Afterpay (APT) continued its amazing run, rallying by 33.4% in August, to reach a new record high of \$92.48 to become the 17th-largest company on the ASX. Prior to its results the company provided an update detailing improved net transaction margin and EBITDA.

Top 10 share holdings

as at 31 August 2020 (alphabetical)

- ANZ Banking Group
- Aristocrat Leisure
- Atlas Arteria
- BHP Group
- CSL
- James Hardie Industries
- South32
- Telstra
- Westpac Banking Corporation
- Woolworths

Sector allocation

GICS	%
Metals & Mining	18.54
Financials Ex Reits	18.30
Communication Services	11.56
Health Care	11.36
Consumer Discretionary	9.07
Consumer Staples	9.07
Energy	6.74
Materials Ex Metals & Mining	6.21
Industrials	4.59
Real Estate	2.69
Information Technology	1.86
Utilities	0.00

Source: Antares Equities; 31 Aug 2020

Note: GICS - Global Industry Classification Standard % are absolute ie sector proportion of portfolio

Buys / Additions

Nil

Sales / Reductions

Nil

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. The value of an investment may rise or fall with the changes in the market. ² Investment returns for the Model Portfolio are based on a notional model portfolio constructed by Antares and are gross of administration (platform) and investment management fees, net of estimated transaction costs, and assume all dividends remain in the Model Portfolio. ³ Performance is based on the income and market value of the notional model portfolio. ³ Inception date for the Model Portfolio is 22 November 2010.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 Aug 20
Australian shares	95%	100%	100%	96.9%
Cash and cash equivalents	0%	0%	5%	3.1%

Portfolio managers

Nick Pashias

•Co-Head of Equities

Key Responsibilities

Nick is the Portfolio Manager of the Elite Opportunities Model Portfolio and managed fund .

Years with the group 22

Years of Industry Experience 22



John Guadagnuolo

Investment Manager

Key Responsibilities

John is the Deputy Portfolio Manager of the Elite Opportunities Model Portfolio .

Years with the group 13

Years of Industry Experience 20



Andrew Hamilton

•Head of Research

Key Responsibilities

Andrew is the Deputy Portfolio Manager of the Elite Opportunities Model Portfolio.

Years with the group 20

Years of Industry Experience 23

Investor profile

The concentrated nature of the Model Portfolio means that there may be a greater level of risk and returns may be quite volatile. As such, the Model Portfolio may suit investors who are willing to accept a higher level of risk in exchange for the opportunity to earn greater returns.

Model portfolio facts

Inception date:	22 Nov 2010
Benchmark:	S&P/ASX 200 Total Return Index
Investment timeframe:	At least 5 years
No of shares:	13 to 30
Indicative portfolio turnover:	60% to 80% pa
Relative risk:	High - Very High
Relative return¹:	High - Very High

Platform availability

ANZ Grow, Macquarie, Navigator, Netwealth, Philo and Praemium

Ratings



The rating issued 08/2020 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating assigned 18 June 2020 referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>

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 2020) under advice across a range of strategies including large capitalisation, concentrated, property, 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: This report is prepared by Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483 (Antares). Antares is the investment manager for the [*] Model Portfolio. This report is general advice prepared for licensed financial advisers only. Advisers must not distribute this document or any part of it to retail clients or to any other person. The report has been prepared without taking into account any person's individual objectives, financial situation or needs. Advisers should therefore, before acting on information in this report, consider its appropriateness, having regard to their clients particular objectives, financial situation or needs. Advisers also need to consider the relevant disclosure documents of providers or platforms that offer the Model Portfolio for investment before recommending the Model Portfolio to their clients. Antares is a subsidiary of the National Australia Bank Limited group (NAB group) of companies. An investment in any financial product offered by any member company of the NAB group of companies is not a deposit with or liability of, and is not guaranteed by NAB or its subsidiaries and is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Any opinion expressed in this presentation constitutes Antares' judgement at the time of issue and is subject to change. Antares believe that the information presented is correct and that any estimates, opinions, conclusions or recommendations are reasonably held or made as at the time of compilation. However, no warranty is made as to their accuracy or reliability (which may change without notice). 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 communication. Any projection or forward looking statement in this presentation is provided for information purposes only and no representation is made as to its accuracy or that it will be met. Where applicable, information is based on information from sources believed to be reliable and accurate as at the time of preparation. Antares is not responsible for the accuracy of information provided by third parties, and is not liable for any loss arising from it. Bloomberg Finance L.P. and its affiliates (collectively, Bloomberg) do not approve or endorse any information included in this publication and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of any such information.