Portfolio Profile

Antares Dividend Builder Model Portfolio

January 2021

antares

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Model Portfolio description and investment return objective

The Antares Dividend Builder Model Portfolio is an actively managed model portfolio of high yielding equities listed on the Australian share market which aims to deliver regular dividend income and moderate capital growth. The primary investment objective is to regularly generate higher levels of dividend income on a tax-effective basis than the S&P/ASX200 Industrials Total Return Index (Benchmark) and moderate capital growth over rolling five year periods.

Investment returns as at 31 January 2021[1,2,3]

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Income Yield %	**0**	**0.7**	**3.3**	**4.4**	**4.5**	**4.4**	**3.9**	**4.3**
Benchmark Income Yield %	0.0	0.5	2.4	3.6	3.8	3.8	3.8	0
Gross return[3] %	0.6	12.8	-4.7	1.5	4.6	5.8	8.6	8.7

Model Portfolio performance and attribution

The Antares Dividend Builder Model Portfolio's annual income yield to 31 January 2021 of 3.3% exceeded the Benchmark yield of 2.4%. Recent company earnings guidance suggests the outlook for dividends is looking better in 2021 and we maintain our objective to deliver income in excess of our benchmark. During January, dividend income was received from Metcash.

Contributing to capital returns was the decision not to own CSL and overweight holdings in Westpac (WBC) and Telstra (TLS). Concerns that the strength of the second wave of the pandemic in the USA would see more declines in plasma collections weighed on CSL. The strong Australian dollar also impacts the translation of US dollar earnings into AUDs. The banking sector was buoyed by the spike in bond yields following the democrat wins in the US Senate election in Georgia. Also supportive have been recent earnings upgrades that have been mostly due to lower bad debts. WBC was the best performer. During January TLS provided prior performance figures based on its new product reporting framework. The new framework was flagged in November 20 and will provide greater transparency, especially as TLS moves to restructure into three legal entities – InfraCo Fixed, InfraCo Towers and ServeCo.

Detracting from returns was the decision not to own Afterpay (APT) and an overweight holding in Amcor (AMC). Buoyant retail sales and increasing consumer confidence combined with APT's entry into the S&P/ASX 20 in December – all seen as positive for APT's share price. Despite upgrading EPS guidance for FY21 and buying back more shares, AMC shares have underperformed. AMC doesn't hit sweet spots such as value or covid recovery and the relatively strong AUD doesn't help.

Buys / Additions

Nil

Sales / Reductions

Nil

Top 10 share holdings

as at 31 January 2021 (alphabetical)

- Amcor
- ANZ Banking Group
- Coles
- GPT Group
- Medibank Private
- Metcash
- National Australia Bank
- Suncorp
- Telstra
- Westpac Banking Corporation

Sector allocation

GICS	%
Financials Ex Reits	42.42
Consumer Staples	12.11
Communication Services	10.04
Real Estate	8.88
Materials Ex Metals & Mining	6.44
Industrials	5.48
Consumer Discretionary	5.38
Information Technology	2.81
Utilities	2.42
Metals & Mining	2.29
Energy	1.73
Health Care	0.00

Source: Antares Equities; 31 Jan 2021

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

[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.* 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 Jan 21
Australian shares	90%	100%	100%	94.2%
Cash and cash equivalents	0%	0%	10%	5.8%

Portfolio managers

Glenn Hart
Co-Head of Equities
Key Responsibilities
Glenn is the Co-Head of Equities responsible for leading the Australian Equities team and is the Portfolio Manager of Dividend Builder
Years with the group 23
Years of Industry Experience 33

Vikrant Gupta
Investment Manager
Key Responsibilities
Vikrant is the Deputy Portfolio Manager of Dividend Builder.
Years with the group 8
Years of Industry Experience 11

Platform availability

ANZ Grow, BT Panorama, Macquarie, Navigator, Netwealth and Praemium.

Ratings

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Investor profile

The Dividend Builder Model Portfolio is designed for investors seeking a stable, 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..

Model Portfolio facts

Inception date:	22 November 2010
Benchmark:	S&P/ASX 200 Industrials Total Return Index
Investment timeframe:	At least 5 years
No of shares:	13 to 25
Indicative portfolio turnover:	20% to 30% p.a.
Relative risk:	High
Relative return[1]:	High

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$5.2 billion (at 31 December 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