

Dividend Builder Model Portfolio Monthly Performance Report March 2025



Model Portfolio description and investment return objective

The Antares Dividend Builder Model Portfolio is an actively managed portfolio of equities listed (or expected to be listed) on the Australian share market. It seeks to deliver regular tax-effective income by identifying and investing in companies with sustainable, and where possible, franked dividends and provide moderate capital growth over rolling five year periods.

The Model's benchmark is the S&P/ASX 200 Total Return Index.

Investment returns¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Income yield ² %	1.1	2.7	6.8	6.1	5.3	5.2	4.6	4.9
Benchmark income yield ³ %	0.8	1.4	4.6	5.0	4.5	4.5	4.4	-
Excess yield	0.2	1.2	2.2	1.1	0.8	0.8	0.2	-
Gross return ⁴ %	-2.0	-0.9	1.4	5.6	14.3	7.2	5.3	9.1
Benchmark return ⁵ %	-3.4	-2.8	2.8	5.6	13.3	8.6	6.8	9.8
Gross excess return %	1.4	1.9	-1.4	0.0	1.0	-1.4	-1.5	-0.7

¹ Past performance is not a reliable indicator of future performance. The value of an investment may rise or fall with the changes in the market.

Investment commentary

Australia was not immune to the Trump tariff policy uncertainty with the S&P/ASX 200 down by 3.4% for the month. Growing geo-political risks and uncertainty increased the attraction of gold, which is typically seen as a safe-haven asset; the USD gold price surged by more than 10% and gold producers were among the few winners in March. While the more defensive sectors including Utilities, Insurance and Telcos fared relatively well, most Industrial sectors were well down, with Information Technology the worst performer given a general derating of stocks with the highest PERs and continued governance challenges at Wisetech.

The annual income yield (including franking) to 31 March for the Dividend Builder Model Portfolio was 6.8% compared to the Benchmark's yield (including franking) of 4.6%. The portfolio returned -2.0% (gross of fees) for the month compared to the Benchmark return of -3.4%. Dividends were received from ANZ, APA Group, BHP, CBA, Digico REIT, IAG, Medibank Private, NAB, Origin, Qantas, Super Retail Group, Suncorp, The Lottery Corporation, Telstra, Viva Energy and Westpac during the month.

Overweight holdings in Medibank Private (MPL) and Telstra (TLS) together with not owning Macquarie Group (MQG) contributed to performance. Following a solid result in February, MPL held up well as investors were attracted to the defensive nature of its earnings and its market leading position. TLS' solid interim result, increased dividend and share buy back have all been supportive for the stock. And with current market volatility and uncertainty its defensive domestic earnings base has added to its attraction. Financials were weaker in March with MQG down the most. With the uncertainty around Trump's tariffs and their possible impact on world economies, MQG's exposure to global markets increased the perception of associated risk.

Income yield^{2,3}



Sector allocation

GICS ⁷	%
Financials	41.5
Metals & Mining	14.3
Communication Services	9.6
Consumer Staples	7.0
Industrials	6.6
Utilities	6.3
Consumer Discretionary	5.0
Real Estate	3.6
Health Care	3.1
Energy	1.6
Materials Ex Metals & Mining	1.4
Information Technology	0.0

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Detracting from performance were overweight holdings in DigiCo Infrastructure REIT (DGT) and Treasury Wine Estates (TWE) and not owning Rio Tinto (RIO). With its focus on data centres, DGT was impacted by the broader sell-off of AI-related stocks. There are also some market concerns as to whether DGT will be able to finance its development pipeline. These negatives counteracted the good news that DGT was included in the S&P/ASX 200 from late March. TWE shares were weaker on speculation that its US business could be disadvantaged by new tariffs. Yet the majority of its wine sales in the US are from its own US domestic production. With more positive economic news from China and a valuation and dividend yield that was noted as attractive by some sell-side analysts, RIO shares were among the few large caps to rise in March.

Australia's economic data remains modest. There was positive news with the monthly inflation indicator showing annual inflation declining to 2.4% in February. Consumer sentiment in March also posted an encouraging rise in response to milder inflation and the Reserve Bank cutting interest rates in February. However, the previous strength in the labour market appears to be fading with February recording a sharp decline in jobs. Notably the business surveys also suggest subdued confidence given the 'global tariff war' and caution over Australia's prospects with a Federal election on May 3rd. With widespread global tariff impositions by the US in early April, further volatility is likely, especially if these are used as bargaining tools and altered accordingly.

Top 10 share holdings

(alphabetical order)

- ANZ Group
- BHP Group
- Commonwealth Bank of Australia
- Medibank Private
- National Australia Bank
- Suncorp Group
- Telstra Group
- Treasury Wine Estates
- Ventia Services Group
- Westpac Banking Corporation

Stock Activity

Buys/Additions

Nil.

Sells/Reductions

Nil.

Our portfolio construction and risk management process balances our expectations for grossed-up dividend yield and one year total return with our proprietary sustainability assessment and ESG ratings within a framework that ensures appropriate diversification.

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. The Model Portfolio may suit investors who are willing to accept a very high level of risk in exchange for the opportunity to earn higher potential returns.

Model Portfolio facts

Inception date	22 November 2010
Benchmark	S&P/ASX 200 Total Return Index
No. of shares⁶	Maximum of 25 to 30
Indicative portfolio turnover	20% to 30% p.a.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 March 2025
Australian shares	90%	100%	100%	98.1%
Cash and cash equivalents	0%	0%	10%	1.9%

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Portfolio managers

ANDREW HAMILTON

Head of Implementation

Years with the group: 24

Years of Industry Experience: 27

Key Responsibilities:

Andrew is the Portfolio Manager of the Dividend Builder Model Portfolio and Managed Fund.



JENNIFER LAM

Investment Manager

Years with the group: 12

Years of Industry Experience: 20

Key Responsibilities:

Jennifer is the Deputy Portfolio Manager of the Dividend Builder Model Portfolio and Managed Fund.



Platform availability

- BT Panorama
- Grow Wrap
- Macquarie Wrap
- Expand Extra
- Netwealth Wrap
- Praemium
- PowerWrap
- Voyage

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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.

² Grossed up income yield - Calculated as the sum of dividends paid (including franking credits) on the shares held in the notional model portfolio over the specified period divided by the market value of the portfolio at the start of the period.

³ Grossed up Benchmark income yield - Calculated as the sum of the monthly returns of the S&P/ASX 200 Industrials Total Return Index minus the monthly returns of the S&P/ASX 200 Industrials Index (price index) plus franking credits prior to 1 October 2021 and subsequently as the sum of the monthly returns of the S&P/ASX 200 Total Return Index minus the monthly returns of the S&P/ASX 200 Index (price index) plus franking credits.

⁴ Performance is based on the income and market value of the notional model portfolio. 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 and assume all dividends remain in the Model Portfolio.

⁵ Benchmark - S&P/ASX 200 Total Return Index from 1 November 2021 and the S&P/ASX200 Industrials Total Return since inception to 31 October 2021.

⁶ Maximum number of stocks between 25 to 30 which varies by platform.

⁷ GICS - Global Industry Classification Standard % are absolute ie sector proportion of portfolio. Source: Antares Equities.

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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\$5.5 billion (at 31 December 2024) under advice across a range of strategies including large capitalisation, concentrated, 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 - 1300 738 355

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