

Ex-20 Australian Equities Model Portfolio Monthly Performance Report March 2025



Model Portfolio description and investment return objective

The Antares Ex-20 Australian Equities Model Portfolio is an actively managed highly concentrated portfolio of Australian equities. It invests in shares from outside the largest 20 companies by market capitalisation (as defined by the S&P/ASX 20 Total Return Index) that Antares identifies as having the potential to offer significant long term capital growth.

The Model's objective is to outperform the 'Benchmark' (S&P/ASX 200 Total Return Index excluding the companies listed in the S&P/ASX 20 Total Return Index) over rolling five-year periods.

Investment returns¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	Since inception pa
Gross return ² %	-6.5	-4.5	-0.6	2.1	15.4	9.6	10.6
Benchmark return %	-3.6	-1.7	1.6	4.4	12.8	7.3	8.1
Gross excess return %	-2.9	-2.8	-2.2	-2.3	2.6	2.3	2.5

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

A very volatile month as the full extent of US trade policies began to dawn on the market with close trading partners, Canada and Mexico, being singled out for tariffs despite being part of a broader North American trade grouping. Further, US economic data began to show signs of weakness in sentiment and confidence. In this context the portfolio returned -6.5% compared to that of our benchmark at -3.6%.

Activity was minor as liquidity in the market was significantly lower than usual. Further, our preference had been to re-invest into predominately domestically facing franchises which had exhibited good results in the February reporting period but were now trading well below their prices prior to reporting. Instead, the market turned to see Australia as a recession risk given our trading relationship with China. We reject this belief.

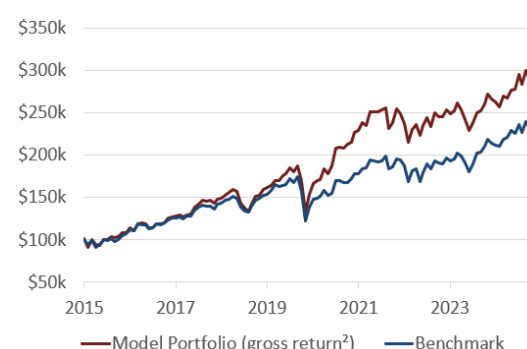
Of stocks held in our portfolio, the best contributors for the month were predictably defensive in nature. Following a solid result in February, Medibank (MPL) held up well as investors were attracted to the defensive nature of its earnings and its market leading position.

Gold was a favoured asset class in markets generally as investors began to fret about the impact of the US tariff policies on both US and global growth, as well as the possible inflationary aspects in the world's largest economy, the US. Northern Star (NST) shares benefitted from the rising gold price.

Iress (IRE) delivered what we thought was a solid set of results in February for its calendar year ended 31st December. It also provided constructive guidance, particularly with respect to revenue growth which has been the missing part of its recovery. The market disagreed at the time so we see the solid March performance as some type of catch up from the mixed reception in February.

Detracting most were, HMC Capital (HMC) which came under pressure for a number of reasons, the main two being the performance of its listed health REIT which is anchored by the troubled Healthscope hospital group, as well as its digital REIT,

\$100,000 invested since inception



Sector allocation

GICS ³	%
Industrials	19.7
Health Care	16.5
Financials	16.2
Communication Services	12.4
Information Technology	9.9
Metals & Mining	9.3
Consumer Staples	8.4
Consumer Discretionary	5.7
Real Estate	1.0
Energy	1.0
Materials Ex Metals & Mining	0.0
Utilities	0.0

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DigiCo Infrastructure REIT, which fell with other AI related stocks in March. Further, HMC has enjoyed some of the buoyant liquidity in markets and some investors see the tariffs as ending this period.

Car Group (CAR) fell as the market digested the small downgrade from the February results in its Trader Interactive business in the US. Tariff issues and lack of US consumer confidence further weighed on sentiment towards the stock, as did its higher price earnings ratio which saw many such stocks fall. We see this as short term and overly reflected in the price and have been adding to what we believe is a high quality compounder.

Tabcorp (TAH) was weaker on no new news in March following a strong February result. We have heard that TAH is rumoured to be a potential buyer of troubled rival Entain in Australia. Perhaps this might explain the weakness.

Top 10 share holdings

(alphabetical order)

- Brambles
- CAR Group
- Cochlear
- Medibank Private
- Northern Star Resources
- Qantas Airways
- Resmed
- Telix Pharmaceuticals
- Treasury Wine Estates
- Worley

Stock activity

Buys / Additions

Nil.

Sells / Reductions

Nil.

Investor profile

The Ex-20 Australian Equities Model Portfolio is designed for investors seeking an actively managed, highly concentrated portfolio of Australian securities that excludes the top 20 stocks by market capitalisation. The Model aims to provide investors with long term capital growth. 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	27 May 2015
Benchmark	S&P/ASX 200 Total Return Index excluding the companies listed in the S&P/ASX 20 Total Return Index
No. of shares	15 to 30
Indicative portfolio turnover	50% to 60% pa

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 March 2025
Australian shares	90%	100%	100%	95.0%
Cash and cash equivalents	0%	0%	10%	5.0%

Portfolio managers

JOHN GUADAGNUOLO

Head of Fundamentals

Years with the group: 17

Years of Industry Experience: 24

Key Responsibilities:

John is the Portfolio Manager of the Ex-20 Australian Equities Model Portfolio and Managed Fund.



ANDREW HAMILTON

Head of Implementation

Years with the group: 24

Years of Industry Experience: 27

Key Responsibilities:

Andrew is the Deputy Portfolio Manager of the Ex-20 Australian Equities Model Portfolio and Managed Fund.



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Platform availability

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

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² 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.

³ GICS - Global Industry Classification Standard % are absolute ie sector proportion of portfolio. Source: Antares Equities.

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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