

Fund Profile

Antares Dividend Builder



October 2019

Fund description and investment return objective

The Fund is an actively managed portfolio of high yielding equities listed (or expected to be listed) on the Australian share market which aims to deliver regular dividend income and moderate capital growth.

The Fund's primary objective is to regularly deliver higher levels of dividend income on a tax effective basis than the Benchmark. The Fund's other objective is to achieve moderate capital growth in a tax effective manner over rolling five-year periods.

Fund commentary

The annual income yield to 30 June 2019 for the Antares Dividend Builder Fund was 6.21% compared to the Benchmark's 4.45%. The fund returned of -1.4% (net of fees) for the month of October 2019.¹

Australian shares were generally subdued in October. There were sharp gains for the health care sector but this was offset by broad based weakness in consumer staples, financials, resources and the information technology sector.

Overweight holdings in Sydney Airport (SYD), Star Entertainment (SGR) and Stockland (SGP) all contributed to performance during October. Sydney Airport traffic performance for September revealed continued growth in international passengers (+1.9% for September) and a positive month for domestic passengers (+1.2%). The announcement was well received by the market. SGR provided a positive trading update during its AGM which was better than expected. Domestic revenue increased versus expectations of a decline (given SGRs very strong 1H2019). The company also gave earnings guidance for 1H20 which was above forecasts. SGP's Q1 trading result revealed higher than expected net deposits for residential developments in NSW. The company said there had been an improvement in the residential cycle especially in Sydney, Melbourne and SE Queensland.

Detracting from performance was the decision not to own CSL and overweight holdings in Bank of Queensland (BOQ) and Westpac Bank (WBC). After some profit taking in September and a positive report from a broker that had previously not been a bull on CSL, investors pushed CSL's share price up by nearly 10% during October. There has been considerable speculation about the longer term growth of bank earnings, especially in a prolonged low interest rate environment. Concerns about the need for additional capital and the prospect of dividend cuts saw bank share prices under pressure.

While volatility remains part of the investment landscape, recent developments suggest an outlook that is more supportive for equity markets. These include the apparent thaw in China US trade tensions, accommodative central bank policy and positive recent jobs data from the US.

Fund facts

Inception date:	6 September 2005
Fund size at 31 October 2019:	\$210.0m
Benchmark:	S&P/ASX 200 Industrials Total Return Index
Investment timeframe:	At least 5 years
Relative risk:	High
Relative return¹:	High

Top 10 share holdings

as at 31 October 2019 (alphabetical order)⁰

- Amcor
- ANZ Banking Group
- Commonwealth Bank
- Medibank Private
- National Australia Bank
- Scentre Group
- Suncorp Group
- Sydney Airport
- Tabcorp Holdings
- Westpac Banking Corporation

Income yield as at 30 June 2019

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Portfolio² %			6.21	5.31	4.83	4.55	4.48	4.26
Index ³ %			4.45	4.33	4.20	4.14	4.05	-

² Calculated as the sum of the income yields over the period where the yield is income distributed during the period divided by the unit price (before fees) at the start of the distribution period.³ 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).

Investment returns as at 31 October 2019¹

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
Net return⁴ %	-1.4	-0.2	16.7	7.2	5.9	9.7	9.1	7.5
Benchmark return %	0.0	0.4	19.9	11.3	8.5	11.9	10.1	8.0
Net excess return %	-1.4	-0.6	-3.2	-4.1	-2.6	-2.2	-1.0	-0.5

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.

⁴ Investment returns are based on exit prices, and are net of management fees and assume reinvestment of all distributions.

Investor profile

Dividend Builder aims to provide investors with a stable, tax effective income stream through participating in the Australian sharemarket and investing in companies providing dividend growth. It may also act as an income stabiliser in investment portfolios, especially during shifting or uncertain markets.

Investment details

Minimum investment:	\$20,000
Minimum additional investment:	\$5,000
Distribution:	Quarterly
Entry fee:	Nil
Exit fee:	Nil
Management fee:⁴	0.60% per annum of the Fund's net asset value (including GST net of Reduced Input Tax Credit).

⁴ Certain sophisticated and professional investors or wholesale clients (as defined in the Corporations Act 2001 (Cth)) may be able to negotiate this fee by contacting Client Services.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 Oct 19
Australian shares	90%	100%	100%	92%
Cash and cash equivalents	0%	0%	10%	8%

Franking levels

Year end	
30 June 2019	80.74%
30 June 2018	79.85%
30 June 2017	50.61%
30 June 2016	65.55%
30 June 2015	54.67%
30 June 2014	85.90%

About Antares

Antares is a dedicated asset management business managing more than \$32.2bn on behalf of Australian investors, with \$5.1bn in Australian equities and more than \$27.1bn in fixed income (as at 30 September 2019)

At Antares we are wholly focussed 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

Distribution history⁵

Quarter end	Cents per unit
30 September 2019	1.37
30 June 2019	1.82
31 March 2019	1.06
31 December 2018	1.13
30 September 2018	2.26
30 June 2018	1.07
31 March 2018	1.15
31 December 2017	1.39
30 September 2017	1.94
30 June 2017	4.55
31 March 2017	2.28
31 December 2016	2.36
30 September 2016	2.03
30 June 2016	3.25
31 March 2016	1.21
31 December 2015	1.65
30 September 2015	1.93
30 June 2015	4.35

⁵ Distribution rates have been rounded to two decimal places. As a result, the actual payment rate may differ slightly to the rates listed above.

Distribution yield as at 30 June 2019

	1 year	3 years pa	5 years pa
Distribution yield⁶	6.21%	6.62%	6.32%

⁶ Calculated as the sum of income and capital gains distributed over the period divided by the unit price (before fees) at the start of the distribution period. Please Note: This calculation is not designed to be compared to the benchmark.

Important information: Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483 ('ACP'), is the Responsible Entity of, and the issuer of units in, the Antares Dividend Builder ARSN 115 694 794 ('the Fund'). An investor should consider the current Product Disclosure Statement and Product Guide for the Fund ('PDS') in deciding whether to acquire, or continue to hold, units in the Fund and consider whether units in the Fund is an appropriate investment for the investor and the risks of any investment. 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 Fund 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.