

Ex-20 Australian Equities Fund

Monthly Performance Report

May 2025



Fund description and investment return objective

The Fund is an actively managed, concentrated portfolio of equities outside the largest 20 Australian listed 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 Fund may also invest in equities expected to be listed on the Australian share market.

The Fund's objective is to outperform (after management fees) 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	Since inception pa
Net return² %	8.0	1.5	11.8	7.5	10.8	8.0
Benchmark return %	5.7	5.2	14.9	9.2	10.5	6.9
Net excess return %	2.3	-3.7	-3.1	-1.7	0.3	1.1

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

The market traded strongly in May as more clarification about the full extent of the so-called "trade wars" became apparent and the US administration walked back from a number of its more extreme tariff measures. Indeed, the Financial Times has referred to this as the "TACO Trade" (Trump Always Chickens Out). We will see, but for now the positive returns are welcome. The strategy weathered this volatility in a reasonable fashion, with the fund delivering a return of 8.0% compared to that of our benchmark at 5.7%.

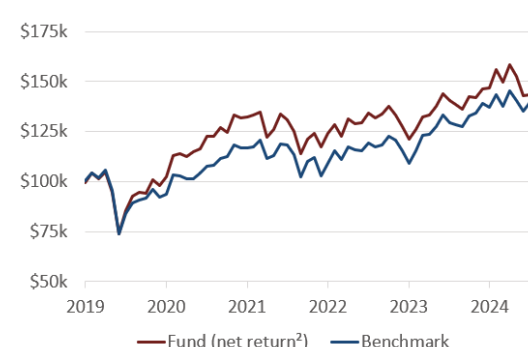
Life360 (360) enjoyed a strong month on the back of a better than expected March quarterly earnings update. This was driven by both by a larger than expected lift in paid users as well as the signing of more promising advertising deals which can help monetise the large unpaid user set.

Qantas (QAN) rebounded after a weak month in April. There was no new news, although the falling oil price probably fed into expectations of bullish guidance for the first half of FY26. Further, travel stocks lifted globally as the worst of the trade impasses seem to have faded and traveller volumes continue to show strong numbers globally.

Wisetech (WTC) also had a strong month and continues its rebound after its well-publicised governance issues. WTC may also have benefitted from an improvement in the global trade outlook given the central role of its Cargowise platform to many in the freight industry. We think that WTC benefits either way, as greater trade complexity drives the need for an industrywide platform such as Cargowise.

Detracting most from performance were Judo (JDO), Telix Pharmaceuticals (TLX) and Botanix (BOT). JDO gave an update to the market in May indicating it was unlikely to reach the previously guided range of lending (or asset) growth. It suggested that the environment had been hampered by the trade confusion previously discussed.

\$100,000 invested since inception



Sector allocation

GICS ³	%
Industrials	19.5
Health Care	17.5
Financials	14.2
Communication Services	11.4
Information Technology	11.2
Consumer Staples	7.7
Consumer Discretionary	7.7
Metals & Mining	7.6
Energy	3.2
Materials Ex Metals & Mining	0.0
Real Estate	0.0
Utilities	0.0

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While there was little specific news that was negative for Telix or Botanix - both companies actually issued upbeat revenue numbers for the March quarter, while BOT raised a small amount of equity for working capital to help better than expected sales uptake - the real reason the stocks performed poorly was the current negative perception of biotechs in the investment world owing to the change of regime in the US Food and Drug Administration. While we see the risks here, these are far more related to new product pipelines rather than existing products. In our opinion both stocks are materially undervalued based on what is already in market.

Stock Activity

Buys / Additions

Nick Scali Limited (NCK) - We added Nick Scali (NCK) to the strategy in May. NCK is a very well run Australian furniture retailer with solid margins and good returns on a consistent basis. Further, we think that home furniture, such as that sold by NCK, will be a prime beneficiary of the Reserve Bank's rate cutting cycle. Finally, we do not believe NCK's UK opportunity is well-understood by the market and offers substantial upside should the company execute in the UK like it does here in Australia.

Sells/Reductions

Nil.

Top 10 share holdings

(alphabetical order)

- Brambles
- CAR Group
- Cochlear
- Life360
- Medibank Private
- Northern Star Resources
- Qantas Airways
- Resmed
- Seek
- Wisetech Global

Investor profile

The Ex-20 Australian Equities Fund is designed for investors seeking an actively managed, highly concentrated portfolio of Australian securities that excludes the top 20 stocks by market capitalisation. The Fund aims to provide investors with long term capital growth. The Fund may suit investors who are willing to accept a very high level of risk in exchange for the opportunity to earn higher potential returns.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 May 2025
Australian shares	90%	100%	100%	95.8%
Cash and cash equivalents	0%	0%	10%	4.2%

Portfolio facts

Inception date	1 October 2019
APIR Code	PPL5308AU
Benchmark	S&P/ASX 200 Total Return Index excluding the companies listed on the S&P/ASX 20 Total Return Index.
No. of shares	15 to 30
Distribution	Half-yearly distribution or reinvestment
Management fee⁴	0.85% pa
Performance fee⁵	15% of the Fund's net quarterly return in excess of the benchmark quarterly return

Distribution history⁶ and Franking levels

	Dec 24	Jun 24	Dec 23	Jun 23	Dec 22	Jun 22	Dec 21	Jun 21	Dec 20
Distribution (cents per unit)	0.65	0.40	0.99	4.00	0.85	11.21	0.57	3.43	0.60
Franking levels	-	107.6%	-	40.3%	-	11.7%	-	29.5%	-

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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: 28

Key Responsibilities:

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



Platform availability

- BT Panorama
- Expand Extra
- FirstChoice
- HUB24
- Macquarie Wrap
- Netwealth
- North
- PowerWrap
- Praemium
- Rhythm

² Investment returns are based on exit prices, and are net of management fees and assume reinvestment of all distributions. The performance inception date is 2 October 2019.

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

⁴ Management fee is % per annum of the Fund's net asset value (including net effect of GST).

⁵ Performance fee is calculated as 15% of the difference between the Fund's quarterly return (after deducting the management fee and assuming the reinvestment of distributions) and the Benchmark's quarterly return (the Benchmark of the Fund is S&P/ASX 200 Total Return Index excluding the S&P/ASX 20 Total Return Index).

⁶ Distribution rates have been rounded to two decimal places. As a result, the actual payment rate may differ slightly to the rates listed above. A full distribution history and franking levels can be found on our website at <https://www.antarescapital.com.au/home/prices-and-performance/distributions>

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 March 2025) 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

Important information: MLC Investments Limited ABN 30 002 641 661, AFSL 230705 ("MLCI") is the Responsible Entity of, and the issuer of units in, the Antares Ex-20 Australian Equities Fund ARSN 635 799 530 ("the Fund"). MLCI has appointed Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483, trading as Antares Equities (Antares) as the Investment Manager of this product. MLCI and Antares are part of the Insignia Financial group of companies (comprising Insignia Financial Holdings Ltd ABN 49 100 103 722 and its related bodies corporate) ("Insignia Group").

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