

# Fund Profile

## Antares Listed Property Fund



December 2020

### Fund description and investment return objective

The Fund is an actively managed portfolio that primarily invests in property securities that are listed (or expected to be listed) on the Australian share market. The Fund may also invest in listed Australian companies that operate in the property industry such as listed property development and funds management companies, as well as listed infrastructure companies, where the income and assets are property-related in nature.

The Fund's objective is to outperform the Benchmark (after fees) over rolling five-year periods.

### Fund commentary

The Antares Listed Property Fund delivered a return of 1.0% (net of fees) for the month of December 2020, outperforming the benchmark S&P/ASX 200 AREIT Total Return Index which increased by 0.4% during the month.

Industrial AREITs posted a 2.0% increase, followed by Retail AREITs (+0.2%). Office AREITs declined by 0.3% and Diversified AREITs by 0.6%.

Being underweight Stockland (SGP) and overweight Peet (PPC) and Carindale (CDP) contributed to performance. Detracting from performance was an underweight position in Charter Hall Group (CHC) and overweight holding in GPT.

We added Charter Hall Long WALE (CLW) to the portfolio in December after exiting in the previous quarter. We participated in a \$250m fully underwritten institutional placement undertaken by CLW to fund the acquisition of two properties - being 76-78 Pitt St, Sydney, for \$281.5m via a sale and leaseback from Telstra and a Bunnings property to be developed at Caboolture, QLD, for \$28.1m. Placement pricing of \$4.65/share was at a 3.3% discount to CLW's last close, below NTA and the new securities were entitled to the 1H21 DPS of 7.3cps, which we found to be an attractive entry point. Additionally, CLW acquired a 50% interest in the David Jones, Sydney CBD asset with manager Charter Hall Group and related fund DVP which is forecast to be accretive in FY22. Despite our purchase, we currently have an underweight position in CLW.

Our security selection and portfolio construction process continue to be driven by our proprietary, bottom up research. For the A-REITs, this analysis focuses on the fundamental factors of portfolio quality, management, balance sheet strength and valuations. However, we believe our focus and strategy to own high quality assets and businesses that can deliver solid earnings growth will serve us well over the medium term. First and foremost, our preference remains for well managed REITs with quality assets – GPT, Mirvac, SCG and GMG – while we also continue to add to businesses that demonstrate strong fundamentals for growing earnings over the next 2-3 years. In addition, we remain positive on toll road operator Transurban (TCL) and small cap REITs – Ingenia and Waypoint REIT.

### Fund facts

<b>Inception date:</b>	28 February 1994
<b>Fund size at 31 December 2020:</b>	\$31.5m
<b>Benchmark:</b>	S&P/ASX 200 A-REIT Total Return Index
<b>Investment timeframe:</b>	At least 5 years
<b>Relative risk:</b>	High
<b>Relative return<sup>1</sup>:</b>	High

### Top 10 share holdings

as at 31 December 2020 (alphabetical order)

- Charter Hall Group
- Dexus
- Goodman Group
- GPT Group
- Mirvac Group
- Scentre Group
- Shopping Centres Australasia Property Group
- Stockland
- Vicinity Centres
- Waypoint REIT

### Investment returns as at 31 December 2020<sup>1</sup>

Period	1 month	3 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception pa
<b>Net return<sup>2</sup> %</b>	<b>1.0</b>	<b>13.8</b>	<b>-6.2</b>	<b>2.1</b>	<b>4.8</b>	<b>8.8</b>	<b>9.7</b>	<b>7.6</b>
Gross return <sup>3</sup> %	1.1	14.0	-5.5	2.8	5.5	9.6	10.5	8.4
Benchmark return %	0.4	13.3	-4.6	5.4	7.0	10.7	11.1	7.5
<b>Net excess return %</b>	<b>0.6</b>	<b>0.5</b>	<b>-1.6</b>	<b>-3.3</b>	<b>-2.2</b>	<b>-1.9</b>	<b>-1.4</b>	<b>0.1</b>
Gross excess return %	0.7	0.7	-0.9	-2.6	-1.5	-1.1	-0.6	0.9

<sup>1</sup> 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.

<sup>2</sup> Investment returns are based on exit prices, and are net of management fees and assume reinvestment of all distributions.

## Investor profile

This Fund is designed for investors who wish to benefit from the returns and diversification benefits provided by listed property and property related securities. Returns from listed property can comprise both distribution of income and capital growth, and are mainly derived from the Fund's investments in listed securities. The types of securities may include Listed Property Trusts, Real Estate Investment Trusts, property development and funds management companies, as well as infrastructure companies, where the income and assets are property related in nature. Investors should also be comfortable with potential fluctuations in capital values in the short to medium-term.

## Investment details

<b>Minimum investment:</b>	\$20,000
<b>Minimum additional investment:</b>	\$5,000
<b>Distribution:</b>	Quarterly
<b>Entry fee:</b>	Nil
<b>Exit fee:</b>	Nil
<b>Management fee<sup>4</sup>:</b>	0.72% pa of the Fund's net asset value (including GST net of Reduced Input Tax Credit)

<sup>4</sup> 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 Dec 20
<b>Australian shares</b>	90%	100%	100%	97%
<b>Cash and cash equivalents</b>	0%	0%	10%	3%

## Distribution history <sup>5</sup>

Quarter end	Cents per unit
31 December 2020	0.00
30 September 2020	0.00
30 June 2020	76.73
31 March 2020	12.47
31 December 2019	55.64
30 September 2019	20.53
30 June 2019	61.79
31 March 2019	25.47
31 December 2018	35.42
30 September 2018	18.69
30 June 2018	298.58
31 March 2018	60.66
31 December 2017	27.20
30 September 2017	38.42
30 June 2017	378.83
31 March 2017	65.74
31 December 2016	73.30
30 September 2016	29.16
30 June 2016	211.77
31 March 2016	47.11

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

## Tax-deferred levels<sup>6</sup>

Year end	
30 June 2020	5.94%
30 June 2019	13.35%
30 June 2018	8.10%
30 June 2017	5.78%
30 June 2016	3.01%
30 June 2015	9.99%

<sup>6</sup> Tax-deferred levels are calculated by dividing the Total Deferred Income (cpu) by the total cash distribution(cpu).

## About Antares

Antares is a dedicated asset management business managing more than \$31.0bn on behalf of Australian investors, with \$4.0bn in Australian equities and more than \$27.0bn in fixed income (as at 30 September 2020).

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**

**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 Listed Property Fund ARSN 090 826 592 ('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.