



Antares Capital Partners Limited

- Manages Australian equities for MLC (since 2012)
- Total FUM \$9.1bn at 30 June 2014
- Equities team co-heads have worked together for 16 years
- Presima and MLC are part of the National Australia Bank group of companies.

Antares Equities is a strong, cohesive and stable team of investment professionals. Its investment philosophy is fundamental and selectively contrarian. It has yielded consistent long-term outperformance for its investors.

Why MLC has chosen Antares

The Antares Equities team has strong stock-picking skills and a focus on investing in high quality companies. They are a large-cap, style-neutral manager and sometimes take a contrarian view. Their risk controls and portfolio construction skills are also very strong. We reviewed this manager for many years before appointing them to the mandate in 2012. We have considerable confidence in their ability to deliver returns above the market.

The inclusion of Antares in our Australian shares strategy improves the balance of insights and diversity of stock selection.

Philosophy on investing



Glenn Hart
Co-Head of Equities

The Antares Equities team focuses on actively managing asset classes where they believe they can add value by exploiting market inefficiencies.

Their investment philosophy is based on the belief that the pricing of individual stocks and sectors on the Australian share market is at times inefficient.

This mispricing occurs for a number of reasons:

- investors take a short-term view;
- investors do not have a systematic process for assessing environmental, social and corporate governance (ESG) issues, despite these issues often being a significant source of business risk facing companies;
- investors over -or under-react to changes in a company's operating environment;
- sell-side analysis can be conflicted, leading to ill-informed stock recommendations, and
- investors make incorrect generalisations about similar companies.

As a consequence, stocks sometimes trade away from their underlying valuation for a period of time. The Antares Equities team believes it is possible to exploit these inefficiencies by identifying stocks trading away from their underlying valuation:

- by taking a longer term view;
- through detailed, systematic research, including the analysis of financial, and ESG issues, and
- by ensuring the risks taken are commensurate with the expected return.

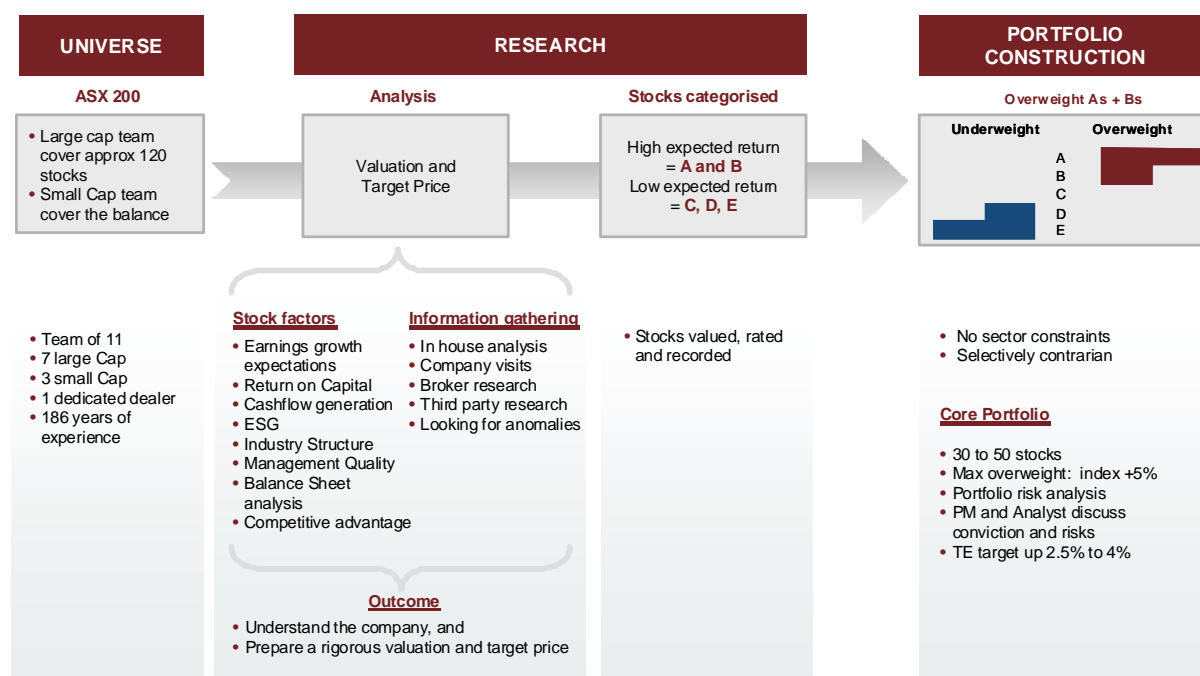
The team believes that adherence to their approach will lead to consistent outperformance of the benchmark over the medium to long term in all but extreme market conditions.

Antares's core Australian equities portfolios have no intended size, style or sector biases.

Investment process

The Antares Equities team has a three-step investment process:

- research – is at the core of their investment process and is heavily focussed on in-house proprietary research in accordance with their investment philosophy;
- stock valuation and rating – the initial output of their stock selection process is the creation of a valuation model which determines the expected returns of each stock and rates them accordingly, and
- portfolio construction – their portfolio construction takes into account the specifics of each strategy and its risk control requirements.



Each stage of the process reflects the core belief of the Antares Equities team that detailed, systematic research can deliver superior investment performance.

They manage risks – of individual stocks and the portfolio as a whole – through each stage of the process, rather than as a discrete stage.

The team believes it is necessary to undertake a proprietary and comprehensive approach to stock research to better exploit the mispricing opportunities in the Australian market. This is achieved by:

- using the discipline of a longer term approach to valuation to overcome investors' short termism, and
- applying a systematic approach to measuring the risks of ESG issues, so that Antares Equities fully understand these risks. They believe ESG issues are a key source of business risk to a company's operating model, yet they are less well researched by the market.

The team's experience assists it in responding appropriately to changes in a company's earnings environment and understanding the market's likely response, which it is then able to exploit.

The comprehensive research effort of the Antares Equities team overcomes any reliance on sell-side analysts for stock recommendations. It also enables the team to understand market expectations and where these may be wrong.

Investment people

Biographies

Glenn Hart, BCom (Melb), FFin

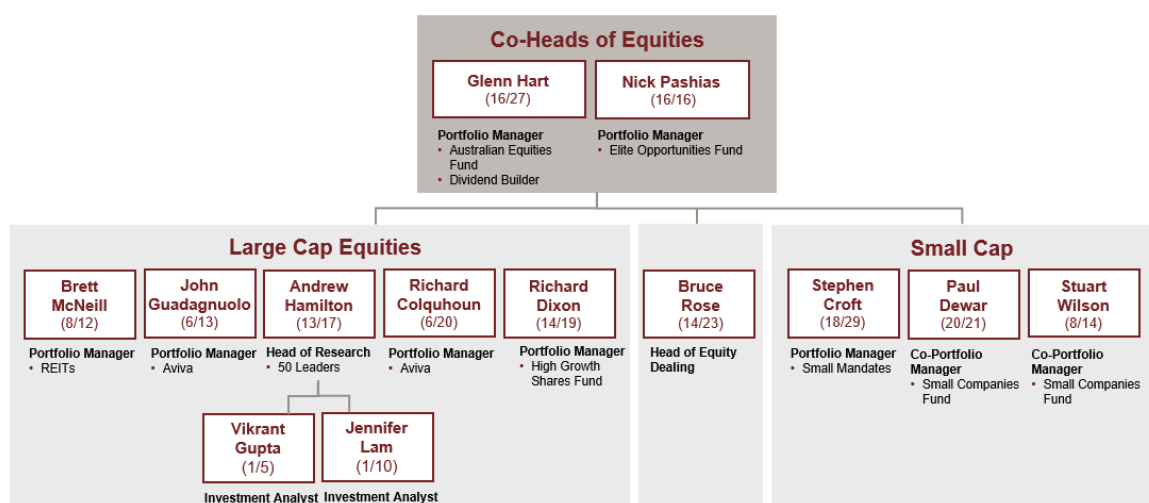
Member CPA Australia

Glenn is the Co-Head of Equities and is responsible for co-leading the Australian Equities team. He is also the Portfolio Manager of Dividend Builder and the Australian Equities Fund. Glenn has 27 years of investment experience. He joined Antares following the merger of CGU Insurance, where he was Manager of Equities. Before that, Glenn held positions at Structured Asset Management and JB Were Asset Management

Nick Pashias, BE (Hons) (Melb), PhD (Chem Eng) (Melb), MAppFin (Maq)

Nick is the Co-Head of Equities and the Portfolio Manager of the Elite Opportunities Fund and the Core Opportunities portfolios. Nick has 16 years of investment experience. Before joining Antares, Nick worked as a consultant, with particular emphasis on efficiency improvement and process streamlining in the mining industry. Prior to that, and while completing his Ph.D. in Chemical Engineering, Nick worked on a number of projects with resource companies.

Investment team organisation chart



Disclaimer:

The information contained in this material has been provided to you by MLC Limited (ABN 90 000 000 402) and MLC Investments Limited (ABN 30 002 641 661) and is intended as general information only for residents of Australia. It is not intended to be a solicitation from Antares Equities to invest in any of its products directly, or to engage Antares Equities directly. The information is current as at September 2014, except for the amount managed which is updated as stated. It has not been prepared to take into account individual investment objectives, financial situation or investment needs. Prior to making an investment decision, you should assess whether the information in this material is appropriate to your particular investment objectives, financial situation or investment needs. It is recommended that you obtain financial advice specific to your situation before making any financial investment or insurance decision. Past performance is not indicative of future performance. The future value of your investment may rise and fall with changes in the market.

An investment with MLC Limited or MLC Investments Limited does not represent a deposit with, or a liability of National Australia Bank Limited (ABN 12 004 044 937) or other member company of the National group of companies and is subject to investment risk including possible delays in repayment and loss of income and capital invested.

None of MLC Limited or MLC Investments Limited or other member companies in the National Group of companies, or appointed managers guarantee the capital value or performance of any specific investments selected by investors except where specified in the current disclosure document.