



Antares

- Manages Australian cash, Australian bonds and inflation linked bonds for MLC (since 1991)
- Manages \$23.2 billion at 30 June 2014
- Antares and MLC are part of the National Australia Bank group of companies.
- The Antares Fixed Income team has 20-year track record managing a range of debt mandates using a highly disciplined approach
- Stable team of experienced investment professionals
- Located in Sydney, Australia

The Antares Fixed Income team follows an investment philosophy that is honed by the team's collective 120-plus years of experience across a range of economic cycles.

Why has MLC chosen Antares?

MLC utilises the Antares Fixed Income team for the management of Australian cash, Australian bonds and inflation-linked bonds due to the team's superior knowledge of and expertise in these asset classes. The team adheres to a disciplined and consistent investment approach which seeks to add incremental returns across multiple strategies within investment portfolios.

Philosophy on investing

The Antares Fixed Income team members believe that debt markets are not completely efficient and as such, opportunities can be identified and exploited in a systematic way.

Risks in fixed income markets are asymmetric and portfolios are constructed to capture income while minimising the risk of capital loss.

Superior returns for a given level of risk can be delivered by investing in a broad set of opportunities and using a diversified range of strategies. The Antares Fixed Income team seeks to maximise returns across a range of economic cycles.

Antares Fixed Income is a stable, collaborative and experienced team of investment professionals who have managed investment portfolios across a range of economic cycles.

Investment process

The Antares Fixed Income team covers a range of fixed interest instruments across the risk spectrum, including sovereign debt, bank bills, corporate bonds, hybrid securities, private debt and derivatives.

The team's core investment process:

- maximises running yield without compromising capital preservation
- focuses on fundamental and qualitative research
- performs deep research on individual securities
- considers technical and quantitative analysis, and
- understands illiquidity and how to take advantage of it.

The Antares Fixed Income team seeks to make tilts away from the benchmark, enhancing returns through a combination of core and tactical strategies. Core strategies consist primarily of credit selection and running yield maximisation, while tactical strategies focus on duration, yield curve and spread positions.

Investment people

The following people are members of the Antares Fixed Income investment team.

Ken Hyman, BCom, Grad Dip Fin, FFin – Investment Manager



Ken joined the Investment Management Division of MLC in 1990 with over 40 years of investment experience, and developed the enhanced fixed interest process. He transferred to Antares in July 2000. He has overall responsibility for the management of all debt portfolios within the Antares Fixed Income team and a support role in managing asset liability and inflation linked securities mandates.

Mark Kiely, BCom, Grad Dip Fin, FFin – Portfolio Manager



Mark joined the Investment Management Division of MLC in May 1993 and transferred to Antares in July 2000 as a result of the sale of MLC to NAB. Mark has over 19 years of investment experience across a wide range of mandates managed by the MLC/Antares groups. Mark is responsible for the management of asset liability matching mandates and short duration fixed interest portfolios and has supporting responsibilities in management of the inflation-linked securities portfolio.

Tano Pelosi, PhD – Portfolio Manager



Tano joined Antares in August 2004 following four years with NAB's Research team. Tano has over 20 years investment experience, including extensive experience in the modelling and assessment of corporate credit risk both as a bank credit analyst and sell-side corporate bond analyst. Tano has responsibility for managing inflation-linked securities portfolios and supporting responsibilities for the management of broader fixed interest portfolios, with a key focus on credit.

Jukka Viljanmaa, BBus – Portfolio Manager



Jukka joined the Investment Management Division of MLC in July 1997 and transferred to Antares in July 2000. Jukka has over 18 years of investment experience and responsibilities include management of all the short-term securities portfolios, support for the short duration portfolios and providing analytical support to the fixed interest team.

Andrew Rivers, BCom – Portfolio Manager



Andrew joined Antares in August 2008. Andrew has over 18 years experience in financial markets involving investment management, banking and treasury. He began his career working with a number of the Antares Fixed Income team at MLC Investment Management in the early 90's. Andrew has responsibility for the long/short credit overlay investment process deployed in a number of portfolios.

Mark Nordio, BSc, BCom (Hons) – Portfolio Manager



Mark joined Antares in 2011 and holds the responsibility for multi-currency portfolios and supporting responsibilities for the domestic AUD portfolios. He has 18 years of experience, having worked in the fixed interest Portfolio in Blackrock and also with the group Barclays Global Investor. Mark has also worked as a fixed interest Quantitative Analyst/Portfolio Manager in the group County Investment Management.

Steven Lee, BBus – Assistant Portfolio Manager



Steven joined Antares in October 2007 after spending a year running the investment operations for the team. Steven has over 14 years' experience in financial markets, primarily with a major US investment bank working in structured products, international fixed interest and assisting the derivatives trading desk. Steven's responsibilities include client reporting and servicing and support management of the asset liability matching mandates.

James Lee, BCST – Quantitative Analyst



James joined Antares in March 2008 with two years prior experience in asset management technology support roles, both with MLC and another large fund manager. In addition, he is an accredited Microsoft Certified Solutions Designer and has 10 years of industry experience. James' primary responsibility is providing quantitative and analytical support to the Antares Fixed Income team, particularly in the refinement and development of proprietary models.

Jonathan Goh, BCom, BBus – Credit Analyst



Jonathan joined Antares in 2011 and has responsibility for undertaking credit analysis and due diligence for Antares' Fixed Income Portfolio. He has eight years of experience in the industry, having worked as a Credit Analyst for National Australia Bank Institutional and Business Banking, PricewaterhouseCoopers and several financial institutions in London.

Investment idea

Antares remain positive on credit fundamentals although recognize the credit cycle looks mature. Antares has taken advantage of the recent widening in credit spreads linked to geopolitical concerns around Ukraine and Iraq to add to the credit risk and consequential carry within portfolios.

To balance this overweight position in Australian corporates, the Antares Fixed Income team still maintains a very low exposure to European supranational bonds such as European Investment Bank (EIB), based on the deteriorating credit quality of the underlying underwriters of EIB (such as Italy, Spain and France).

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 Fixed Income to invest in any of its products directly, or to engage Antares Fixed Income 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.

