

# Blue Chip Top 20 Model Portfolio Monthly Performance Report December 2024



## Model Portfolio description and investment return objective

The Antares Blue Chip Top 20 SMA Model Portfolio is a capital growth focused portfolio of high quality, large capitalisation Australian shares.

The Model's objective is to deliver similar returns to the S&P/ASX 20 Total Return Index before fees and expenses.

## Investment returns<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
Income return <sup>4</sup> %	0.1	0.7	--	--	--	--	--	--
Growth return %	-2.6	-1.2	--	--	--	--	--	--
<b>Gross return<sup>2</sup> %</b>	<b>-2.5</b>	<b>-0.5</b>	<b>11.2</b>	<b>9.2</b>	<b>9.0</b>	<b>9.2</b>	<b>7.8</b>	<b>7.7</b>
Benchmark return %	-2.6	-0.5	11.2	9.4	9.3	9.4	8.0	7.9
<b>Gross excess return %</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>

<sup>1</sup> 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

November's record Australian share market highs were not challenged in December as shares fell given a more cautious assessment on the prospect for lower interest rates in both Australia and globally. The Real Estate sector led the falls given their sensitivity to interest rates. There were also sharp falls for previously strong performers in the Information Technology and Financial sectors. The Resources sector also disappointed with lower prices for key commodities such as base metals and iron ore. There were modest pockets of gains in the Consumer Staples and Utilities sector but this was overwhelmed by broader market weakness.

The Antares Blue Chip portfolio finished December down by -2.5% compared to the S&P/ASX20 which declined by -2.6%.

Transurban (+7.1%), Telstra (+1.8%) and Coles (+1.6%) were the best performers over the month. Transurban performed well given its relatively defensive earnings and inflation protection together with reports that it was closer to an in-principle agreement with the NSW government to continue discussions regarding the restructure of Sydney's toll roads. Telstra shares continued to enjoy positive momentum in December with a fillip towards the end of the month when the company announced it would be selling its 35% stake in Foxtel to global sports streaming platform DAZN subject to regulatory approvals. Telstra will receive \$128m and a 3% stake in DAZN. There were no announcements from Coles during the month but widespread news about a strike at Woolworths distribution centres that caused stock shortages in the lead-up to Christmas may have supported Coles share price.

James Hardie (JHX, -10.9%), ANZ (-8.4%) and Goodman Group (-5.6%) were the weakest performers in December. JHX shares were lower on continued concerns about slow housing activity. ANZ shares were weaker after the announcement that Nuno Matos would be replacing CEO Shayne Elliott when he retires in mid-2025. They softened further after the company's AGM amid continued concerns by the regulator

## Share holdings

(ranked by market capitalisation)

- BHP Group
- Commonwealth Bank of Australia
- CSL
- National Australia Bank
- Westpac Banking Corporation
- ANZ Group
- Wesfarmers
- Macquarie Group
- Goodman Group
- Woodside Energy Group
- Telstra Group
- Rio Tinto
- Woolworths Group
- Transurban Group
- Fortescue Metals
- Aristocrat Leisure
- QBE Insurance
- Coles Group
- Santos
- James Hardie Industries

# Blue Chip Top 20 Model Portfolio

## Monthly Performance Report

### December 2024



about a bond trading deal, claims of fees being charged to deceased customer accounts and a first strike against the company's remuneration report. Goodmans released no news in December. The company's lower price may be due to the overall decline in the Real Estate sector on higher bond yields and because the shares went ex-dividend during the month.

Australia's subdued economy was confirmed with the September quarter's weak GDP result. Our economy expanded by only 0.3% in the September quarter and 0.8% for the past year. Essentially economic activity is barely registering a pulse. Notably Australia remains in a 'per capita' recession where population growth exceeds economic growth. Australia is recording strong jobs growth and a low unemployment rate of 3.9% that can be attributed to government health and infrastructure spending. The Reserve Bank also appears more open to cutting interest rates in 2025 given the softer than expected Australian economic activity and recent milder inflation results.

### Stock activity

#### Buys / Additions

Nil.

#### Sells / Reductions

Nil.

### Investor profile

The model portfolio is suitable for investors with an investment horizon of five or more years who are seeking a concentrated portfolio of large capitalisation Australian shares.

### Investment guidelines and ranges

	Minimum	Benchmark Allocation	As at 31 December 2024
<b>Australian shares</b>	0%	100%	98.7%
<b>Cash and cash equivalents</b>	1%	0%	1.3%

### Portfolio managers

#### BRUCE ROSE

Head of Trading

Years with the group: 24

Years of Industry Experience: 34

#### Key Responsibilities:

Bruce is the Portfolio Manager of the Blue Chip Top 20 Model Portfolio.



### Sector allocation

GICS <sup>3</sup>	%
Financials	41.5
Metals & Mining	20.2
Health Care	9.9
Consumer Discretionary	7.5
Energy	5.2
Consumer Staples	4.5
Real Estate	4.1
Communication Services	3.0
Industrials	2.8
Materials Ex Metals & Mining	1.3
Information Technology	0.0
Utilities	0.0

### Model Portfolio facts

<b>Inception date</b>	August 2009
<b>Benchmark</b>	S&P/ASX 20 Total Return Index
<b>No. of shares</b>	20

#### Platform availability

- Expand Extra

#### For Adviser use only

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<sup>2</sup> Performance is based on the income and market value of the notional model portfolio. Investment returns for the Model Portfolio are based on a notional model portfolio constructed by Antares and are gross of administration (platform) and investment management fees, and assume all dividends remain in the Model Portfolio.

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

<sup>4</sup> Income return reflects the dividends received in the month. Longer term history greater than 3 months not included.

## 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\$5.7 billion (at 30 September 2024) 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**

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