

# Fund Update

## Antares Lodestar Absolute Return Trust Australian Shares

### ASIC Extends Ban on Covered Short Selling

The Australian Securities and Investments Commission (ASIC), has today announced it will extend the ban on covered short selling of **non-financial securities** for a further 28 days until 18 November. ASIC expects that the ban will be lifted after this time.

However, **ASIC's ban on covered short selling of financial securities will continue until 27 January 2009**. ASIC's Chairman Tony D'Aloisio stated "financial markets are still fragile, so we feel the reopening of covered short sales should be done in stages and in a measured way over an extended period and have regard to systemic issues, particularly for financial stocks."

Antares welcomes the clarity provided by ASIC with respect to the timetable outlined in its media release (as provided below).

In our Fund Update of 23 September 2008 Antares advised that the Antares Lodestar Absolute Return Trust - Australian Shares (ALARTAS) uses a variety of investment techniques to meet its investment objective. These include covered short selling.

We reaffirm our view that the Fund's ability to meet its investment objective should not be compromised materially through ALARTAS complying with the ASIC measures. Antares remains confident that the Fund's portfolio manager, Lodestar Capital Partners Pty Limited, can continue to add value to the Fund, consistent with its investment objectives.

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#### Below is a copy of the ASIC release of 21 October 2008

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#### 08-210 ASIC extends ban on covered short selling Tuesday 21 October 2008

ASIC today said it would extend the ban on covered short selling for non-financial securities for a further 28 days until 18 November 2008, when it expected the ban would be lifted.

In its [announcement of 21 September](#) ASIC said that the ban on covered short selling for non-financial stocks would be reviewed in 30 days. In the case of financial stocks, ASIC said that its review would be in line with time limits imposed by other international regulators.

Following the 30 day review, ASIC has decided to maintain the ban on covered short sales for non-financial stocks until 18 November 2008. ASIC expects to lift the ban from opening of trading the next day.

The ban on financial stocks will continue until 27 January 2009, and while the US has lifted its bans, other jurisdictions such as the UK are maintaining bans on financial stocks.

ASIC Chairman, Tony D'Aloisio, said market conditions since the bans were imposed remained difficult.

'While the various Government actions and packages introduced in Australia and overseas are positive developments, they are yet to work through the financial system. The financial markets are still fragile, so we feel the reopening of covered short sales should be done in stages and in a measured way over an extended period and have regard to systemic issues, particularly for financial stocks.'

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### Key changes

In summary:

1. The ban on financials will continue until 27 January 2009. For the purposes of the Australian market, ASIC has taken a pragmatic approach to the definition of financials as entities in the S&P/ASX 200 Financial Index (which will include property trusts and five other APRA supervised listed entities not in this index).
2. ASIC expects to lift the ban on non financials from opening trade on 19 November 2008. ASIC cannot, however, provide greater certainty than that because of the state of the markets.
3. As part of lifting the ban on non-financials, ASIC with ASX have been putting in place disclosure and reporting arrangements that will apply from the time the ban is lifted. These will be announced to the market later this week.

For clarity, no changes have been made to the exemptions and facilitations which ASIC has granted. In short, all current arrangements will continue.

ASIC will, at least three trading days before 18 November 2008, issue a further release on its expectation of lifting the ban on non-financials.

End

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