



CORPORATE PROFILE





Established in 2006, Ralton Asset Management is a boutique Australian equities manager led by seasoned investor, Andrew Stanley.

A managed accounts pioneer, Ralton specialises in managing concentrated, tax-efficient Australian share portfolios and works closely with some of Australia's leading financial institutions, dealer groups and administration platforms to deliver its investment solutions.

Combining a proven value-oriented approach with a long-term track record of consistent outperformance, Ralton is entrusted with managing funds on behalf of Australian retail and institutional investors.

INVESTMENT APPROACH

Ralton’s investment philosophy is underpinned by the team’s belief that although capital markets are reasonably efficient, the intrinsic or true value of many underlying businesses is not always reflected in the market price of its securities.

The team believes applying a thematic-value approach during its investment process gives it the best opportunity to capture and take advantage of stock mispricing through market cycles.

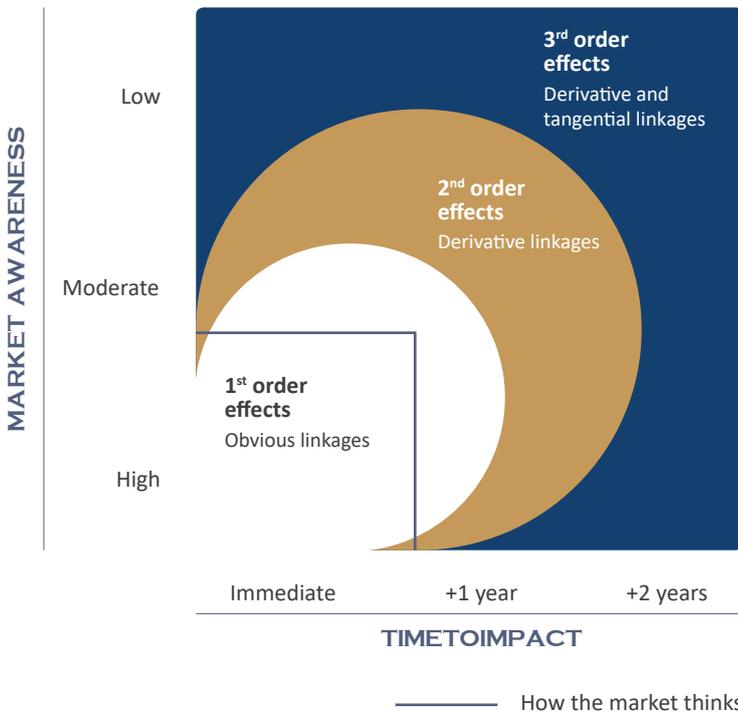
Investment beliefs

- Proprietary fundamental research, coupled with top-down thematic views, provides the best opportunity to capture market inefficiencies and generate alpha.
- A ‘relative value’ approach offers the best opportunity to generate alpha in both value and growth-oriented markets.
- A combination of top-down and bottom-up research is imperative because of the strong thematic influences – economic, structural or cyclical – that can impact market prices for extended periods.

Value investing
 Ralton’s portfolios are typically valued biased. In most parts of the market cycle, the portfolios will display value characteristics above those of the market. How does Ralton achieve this? By comparing a stock’s current valuation to its historical valuation and to the valuation of other stocks. The process therefore results in a relative value (rather than absolute) biased portfolio.

“OUR VIEW IS THAT WHILE CAPITAL MARKETS ARE FAIRLY EFFICIENT, A COMPANY’S TRUE VALUE IS NOT ALWAYS REFLECTED IN ITS SHARE PRICE. THROUGH OUR PROPRIETARY AND DISCIPLINED INVESTMENT PROCESS, WE BELIEVE WE CAN CONSISTENTLY IDENTIFY AND EXPLOIT THIS MISPRICING FOR THE LONG-TERM BENEFIT OF INVESTORS.”

RALTON - DEEPER THEMATIC THINKING



<p>Change catalysts Ralton identifies:</p> <ul style="list-style-type: none"> • Political • Economic • Sectorial • Company • Market
<p>2nd order effects</p> <ul style="list-style-type: none"> • Suppliers' suppliers • Competitor responses • Different asset classes
<p>3rd order effects</p> <ul style="list-style-type: none"> • Consumer responses • Government responses • Management behaviour • Regulator responses

“WHAT DEFINES RALTON IS THE WAY WE THINK. WE FOCUS ON CHANGE AND WE THINK DEEPLY ABOUT ITS IMPLICATIONS. THE KEY CHANGE CATALYSTS WE IDENTIFY ARE: POLITICAL, ECONOMIC, SECTORIAL, COMPANY AND MARKET CHANGES AND THEIR SECOND AND THIRD ORDER EFFECTS. THE POTENTIAL IMPACT OF THESE EFFECTS IS WHAT INFORMS OUR PORTFOLIO POSITIONING.”

INVESTMENT PROCESS

Fundamental stock research

Intensive bottom-up research is the cornerstone of Ralton’s investment process, which it supplements with top-down thematic views.

Disciplined and consistently applied, Ralton uses a number of proprietary qualitative and quantitative techniques to scrutinise companies so as to uncover undervalued businesses.

Ralton aims to invest in companies with:

- strong and reliable management
- good profit and dividend growth expectations
- reasonably predictable future profits and cash flows, and
- clear business models.

“THE COMPANIES REMAINING IN OUR INVESTMENT UNIVERSE AFTER STAGE 2 WE CONSTRUCT INTO A PORTFOLIO THAT DISPLAYS A VALUE BIAS. THE DEPTH OF THE BIAS WILL VARY OVER THE MARKET CYCLE. THIS IS DONE IN ACKNOWLEDGMENT THAT THE MARKET DISPLAYS DIFFERENT TRENDS THROUGHOUT THE ECONOMIC CYCLE.”

Stage 1 | Defining the investment universe

Ralton aims to narrow the number of stocks in the investment universe by applying several screens. This approach ensures the team systematically eliminates companies that do not meet certain minimum standards, enabling greater focus on companies of potential interest.

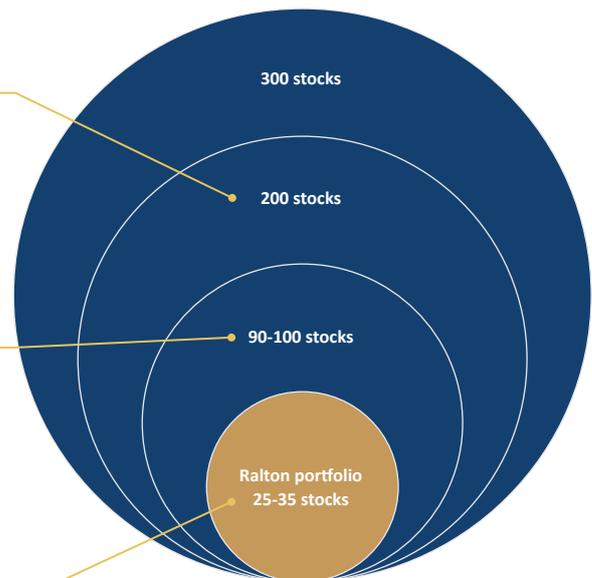
Stage 2 | Bottom-up fundamental company research

During this first research stage, Ralton focuses on understanding the key drivers of business performance and returns, namely management, operations, products and services and industry dynamics. For companies remaining in Ralton’s consideration set, the team reviews each company’s financial position in detail and reaches a view on valuation.

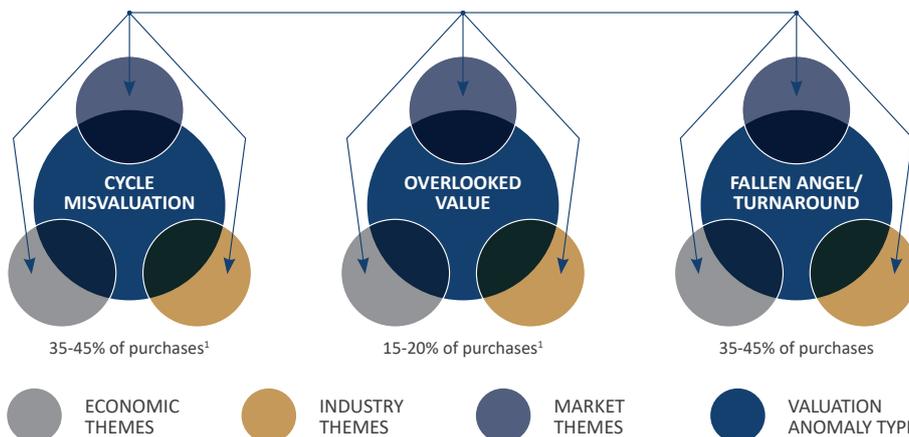
Stage 3 | Portfolio construction

Risk management and capital preservation underlie Ralton’s portfolio construction framework. With a focus on actively managing downside portfolio risk for investors, the team constructs efficiently diversified portfolios of undervalued companies and invests for the long term (typically three to five years) in an effort to maximise after-tax returns for investors.

COMBINING TOP-DOWN AND BOTTOM-UP RESEARCH



PORTFOLIO CONSTRUCTION FINDING THE INTERSECTION BETWEEN VALUE AND THEMES



¹ Excluding banks and other stocks held for risk management purposes

INVESTMENT TEAM



ANDREW STANLEY
Head of Australian Equities
 BEc, LLB, MAppFin, CA

Andrew has been with Ralton since its inception in 2006 and leads the investment management of Ralton's managed accounts. He brings over 25 years of funds management and investment banking experience having held senior positions with major investment banks in Melbourne, Hong Kong, Tokyo and New York.

In Andrew's last international role as Executive Director of UBS's Financial Structuring Group in Hong Kong, he developed a range of complex structured finance solutions for clients across the bank's investment banking, fixed income and equities divisions to address issues faced by corporate clients.

Andrew started his career at Arthur Andersen where he qualified as a Chartered Accountant, before which he tutored macro-economics at Monash University while completing his law degree.



WILL RIGGALL, CFA
Portfolio Manager
 BCom, BA

Will joined Ralton in 2018 as a Portfolio Manager and works alongside Andrew Stanley in managing Ralton's portfolios. He brings over 15 years of funds management experience having held senior portfolio management roles within investment and superannuation organisations.

In Will's last role as Senior Investment Manager at REST (Super Investment Management), he was responsible for portfolio construction, risk management and analysing Australian large and small-cap equities. Prior to REST, Will spent time at Wallara Asset Management as a Senior Investment Manager and at AMP Capital where he was Lead Portfolio Manager for the firm's Sustainable Alpha Funds.

During his time at AMP Capital, Will became a CFA charterholder. He also holds a Bachelor of Commerce from Monash University and a Bachelor of Arts from the University of Melbourne.



GORDON RAMSAY
Senior Investment Manager
 BSc, MBA, GAICD

Gordon joined Ralton in 2018 as a Senior Investment Manager. He is responsible for delivering investment analysis and stock recommendations. He brings over 25 years of Australian equity market experience, having held senior management roles within leading global resource and investment banking firms.

Prior to Ralton, Gordon held senior management roles with FAR Ltd, UBS Investment Bank and Salomon Smith Barney (Citigroup). During this time, he developed a deep understanding of analysing and valuing stocks in key sectors including resources, energy, and utilities.

Gordon holds a Bachelor of Science degree from the University of Western Ontario, Master of Business Administration (Finance and Marketing) from Monash University and is a Graduate of the Australian Institute of Company Directors.

INVESTMENT TEAM



SHANNON LAMBERT
Investment Analyst
BCom, LLB

Shannon joined Ralton in 2017 as an Investment Analyst. He assists the team with financial modelling and company analysis.

Prior to Ralton, Shannon spent time in the Royal Australian Navy where he graduated as a sailor. He also spent time at Invest Securities.

Shannon holds a Bachelor of Commerce and Bachelor of Laws from Bond University.

WHY INVEST WITH RALTON

People

Andrew Stanley is a seasoned investment professional with extensive experience managing Australian equities, and has successfully managed Ralton's portfolios since inception.

Process

Proven investment process with a thematic-value bias that has delivered strong, tax-efficient returns across all market cycles.

Portfolios

Investors retain beneficial ownership of a portfolio's underlying securities via a tax-efficient managed account structure, while Ralton professionally manages and reports all investment activity including stock selection, portfolio construction, trades and corporate actions.

Performance

Long-term track record of generating alpha. As owners of the business, Ralton's interests align with those of investors providing strong performance incentive.

ABOUT COPIA



Copia Investment Partners is a multi-boutique investment management group committed to giving investment managers the best opportunity to prosper, while harnessing their unique capabilities for the long-term benefit of institutional and retail investors.

Since 2000, Copia has formed partnerships with select Australian and international investment professionals to establish, grow and support successful boutique businesses, at the same time giving established managers the opportunity to access and broaden their reach within Australia's highly competitive investment market.

By providing the resources and infrastructure needed for success, from expert marketing, administration and compliance services, as well as distribution through its extensive industry networks, Copia's experienced team enables its managers to focus solely on delivering superior investment outcomes.

Today, Copia partners with Ralton Asset Management and several other managers, who together are entrusted to manage over \$1.5 billion across regions, strategies and asset classes.

CONTACT

John Clothier | General Manager, Distribution
M +61 408 488 549 | **E** jclothier@copiapartners.com.au

Iain Mason | Executive Director
M +61 412 137 424 | **E** imason@copiapartners.com.au

Client Services

Level 25, 360 Collins Street, Melbourne Vic 3000
P 1800 442 129 (*free call*) | **F** +61 3 9642 0066 | **E** clientservices@copiapartners.com.au

raltonam.com.au

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