

# Ralton Leaders

Portfolio Report | November 2019

## Key facts

### Income versus growth target



### Market cap bias



### Investment strategy

A portfolio of ASX-listed equities designed for long-term capital growth and some tax-effective income

### Investment objective

Outperform index by over 3% p.a.

### Benchmark index

S&P/ASX 300 Accumulation Index

### Portfolio Manager

Ralton Asset Management

### Inception date

February 2008

### Management fee

0.75% p.a. (may vary across platforms)

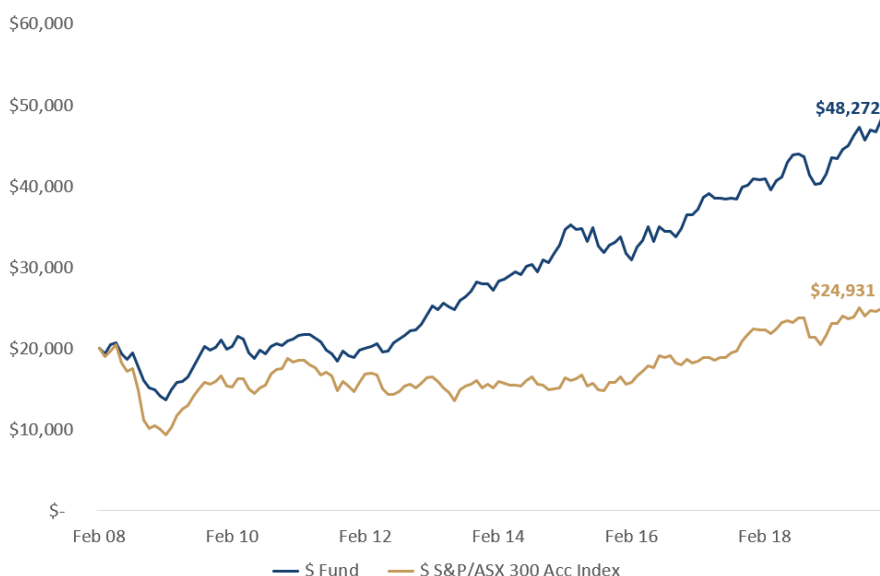
### Number of stocks

25-35

### Key platforms

Brightday, Linear, OneVue, Praemium

## Growth of \$20,000 since inception



## Performance (% returns greater than one year are per annum p.a.)

At month end	1 mth	3 mth	1 yr	3 yr	5 yr	10 yr	Inception
Ralton	3.21	5.63	19.86	11.46	9.57	9.11	7.56
Income	0.63	1.37	4.79	4.47	4.24	4.38	4.58
Growth	2.58	4.27	15.07	6.99	5.32	4.73	2.98
Index	3.38	4.88	27.23	12.84	9.91	8.73	6.60

## Performance Commentary

The S&P/ASX 100 Accumulation Index returned 3.38% for the month of November, with Information Technology and Health Care the top performing sectors and Financials and Utilities the weakest performers for the period.

The Ralton Leaders portfolio returned 3.21% for the month, underperforming the benchmark by 0.17%.

For the month of November, being overweight Materials and underweight Consumer Discretionary added relative value to the portfolio. The portfolio's underweight to Financials and overweight to Information Technology were the key detractors from portfolio returns.



## Sector allocation

Sector	Ralton	Index	+/-
Financials	27.3	31.4	-4.1
Real Estate	5.3	7.3	-2.1
Industrials	0.0	8.5	-8.5
Materials	28.7	17.2	11.5
Energy	7.0	5.6	1.4
Telecommunication	6.5	3.6	2.9
Consumer Discretionary	4.8	5.8	-1.1
Utilities	0.0	2.0	-2.0
Consumer Staples	6.1	6.0	0.2
Health Care	12.0	10.7	1.3
Information Technology	2.4	2.1	0.4
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	

## Top 10 holdings

BHP Group Limited
CSL Limited
Westpac Banking Corporation
ANZ Banking Group
Woolworths Group
Commonwealth Bank
Aristocrat Leisure
Amcor PLC
Telstra Corporation
James Hardie Industries

## Key contributors

James Hardie Industries	Overweight
Amcor PLC	Overweight
National Australia Bank	Overweight

## Key detractors

Westpac Banking Corporation	Overweight
Northern Star Resources	Overweight
CSL Limited	Overweight

## Portfolio metrics

	Ralton	Index
PE	16.44	17.50
EPS Growth (%)	2.14	2.42
Dividend Yield (%)	3.67	4.10



## Stock spotlight

### South 32 (S32)

We believe the earnings outlook for S32 is now at a low base, leaving the company leveraged to a more positive global growth outlook that is expected to support its key mineral commodity exposures of aluminium / alumina, bauxite, manganese, coking coal, nickel and other base metals. S32 has an independent and high-quality dedicated management team (largely ex-BHP). The company generates strong FCF from a world-class diversified asset base, which is reflected in its robust balance sheet (net cash US\$527m at 30 September). The dividend yield outlook is in the c4% range, and there is underlying share price support from the continuation of the company buyback program. The sale of the South African energy coal assets is expected to reduce S32's capital intensity, strengthen its balance sheet and improve the group's operating margin.

## Ralton investment team | Professional management of your equity portfolio



**Andrew Stanley**  
Head of Equities



**Will Riggall**  
Portfolio Manager



**Gordon Ramsay**  
Snr Invest. Manager



**Andrew Garside**  
Analyst/Dealer



**Shannon Lambert**  
Investment Analyst

Performance of the Ralton Dividend Builder Model Portfolio is based on a model portfolio and is gross of investment management and administration fees, but net of transaction costs. The total return performance figures quoted are historical and do not allow the effects of income tax or inflation. Total returns assume the reinvestment of all portfolio income. Past performance is not a reliable indicator of future performance. \* The performance comparison of \$20,000 over 5 years is for illustrative purposes only. Performance is calculated on a gross basis. Actual performance will vary depending on the amount of fees charged by the relevant platform that a client uses to implement the portfolio. The comparison with the S&P/ASX 300 Accumulation Index is for comparative purposes only. Index returns do not allow for transaction, management, operational or tax costs. An index is not managed and investors cannot invest directly in an index. There is no guarantee these objectives will be met. # Portfolio holdings may not be representative of current or future recommendations for the portfolio. The securities listed may not represent all of the recommended portfolio's holdings. Future recommended portfolio holdings may not be profitable. This document is for general information only and does not take into account the specific investment objectives, financial situation or particular needs of any specific reader. As such, before acting on any information contained in this document, readers should consider whether the information is suitable for their needs. This may involve seeking advice from a qualified financial adviser. Ralton Asset Management (ABN 45 114 924 382) (Ralton) is the provider of the Ralton Wholesale High Yield Australian Shares Model Portfolio. To subscribe, contact Copia Investment Partners Ltd (AFSL 229316, ABN 22 092 872 056) (Copia) by calling 1800 442 129 or email [clientservices@copiapartners.com.au](mailto:clientservices@copiapartners.com.au). Any opinions or recommendations contained in this document are subject to change without notice. Ralton and Copia are under no obligation to update or keep information contained in this document current.