

Ralton Dividend Builder

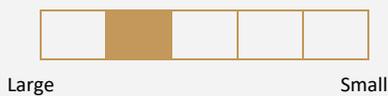
Portfolio Report | December 2019

Key facts

Income versus growth target



Market cap bias



Investment strategy

A portfolio of ASX-listed equities designed to provide attractive 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

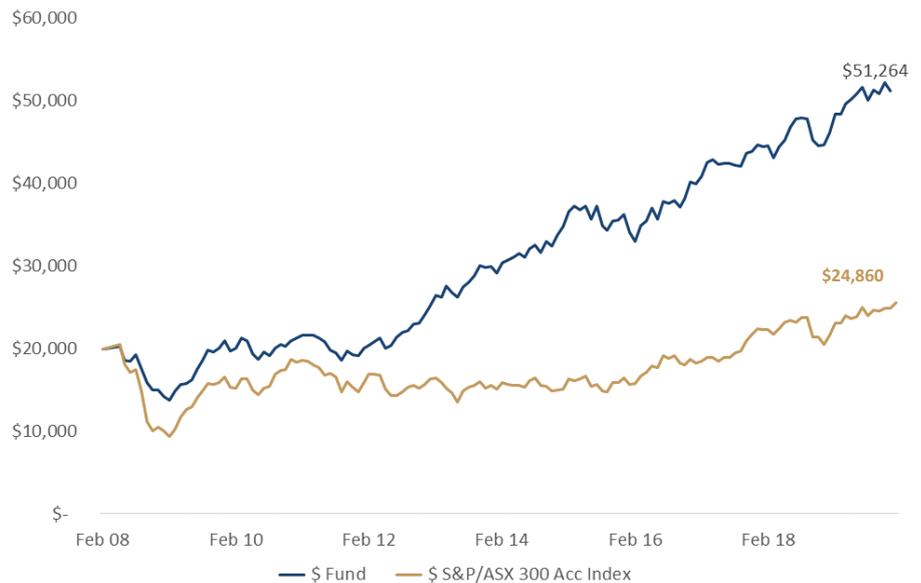
External ratings

Zenith "Approved"
Lonsec "Investment Grade"

Key platforms

AMP PPS, CFS First Wrap, HUB24,
Linear, NetWealth, OneVue,
Powerwrap, 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	-1.79	-0.10	14.72	8.46	8.68	9.36	8.06
Income	0.25	0.89	5.17	4.94	4.74	4.91	5.03
Growth	-2.03	-0.99	9.55	3.52	3.94	4.45	3.04
Index	-2.02	0.71	23.77	10.33	9.07	7.77	5.96

Performance Commentary

The S&P/ASX 300 Accumulation Index returned 0.71% for the December quarter, with Health Care and Energy the top performing sectors and Financials and Consumer Staples the weakest performers for the period.

The Ralton Dividend Builder portfolio returned -0.10% for the quarter, underperforming the benchmark by 0.81%.

For the December quarter, being overweight Materials and Consumer Discretionary added relative value to the portfolio. The portfolio's underweight to Health Care and Financials were the key detractors from portfolio returns.

Sector allocation

Sector	Ralton	Index	+/-
Financials	25.9	29.4	-3.5
Real Estate	7.5	7.7	-0.1
Industrials	2.6	8.4	-5.8
Materials	29.4	18.2	11.2
Energy	7.3	5.4	1.9
Telecommunication	8.5	3.6	4.9
Consumer Discretionary	8.9	6.7	2.1
Utilities	2.2	1.8	0.4
Consumer Staples	7.7	5.7	2.0
Health Care	0.0	10.4	-10.4
Information Technology	0.0	2.7	-2.7
TOTAL	100.0	100.0	

Top 10 holdings

BHP Group Limited
Westpac Banking Corporation
Aristocrat Leisure
AmcOR PLC
Commonwealth Bank.
ANZ Banking Group Limited
Vicinity Centres
Woodside Petroleum
Telstra Corporation.
James Hardie Industries

Key contributors

Amcor	Overweight
BHP Group Limited	Overweight
James Hardie	Overweight

Key detractors

Westpac Banking Corp	Overweight
Nine Entertainment Co	Overweight
ANZ Banking Group	Overweight

Portfolio metrics

	Ralton	Index
PE	15.91	17.41
EPS Growth (%)	3.48	4.85
Dividend Yield (%)	4.49	3.90



Stock spotlight | James Hardie Industries (JHX)

James Hardie Industries (JHX) continued its strong performance during the December quarter with the stock up +76% since the start of the year. November saw another strong update from the company, as Q2 earnings delivered a result and outlook better than market's expectations. The stock currently has three key drivers that will continue to drive outperformance. Firstly, the outlook for US home construction is increasingly positive with lower US mortgage rates and broad undersupply driving construction demand. Secondly, the company is again illustrating its competitive strength with volume and price growth ahead of the industry and is looking to sustain growth above market growth of 3-5%. Thirdly, JHX is currently seeing tailwinds from lower input costs as well as momentum in their cost out program. We expect management to reinvest margin to deliver earnings over the medium term. JHX's strong market position in the US siding market and longer-dated opportunity in Europe provides the opportunity to invest in long-term growth. Further, a strong management team combined with valuation upside should deliver strong returns to shareholders.

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. 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. ZENITH: The Zenith Investment Partners ("Zenith") Australian Financial Services License No. 226872 rating (assigned June 2019) referred to in this document is limited to "General Advice" (as defined by the Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Zenith usually charges the product issuer, fund manager or a related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessment's and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>. LONSEC: The Lonsec Rating (assigned August 2019) presented in this document is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445. The Rating is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial product(s). Past performance information is for illustrative purposes only and is not indicative of future performance. It is not a recommendation to purchase, sell or hold Ralton Asset Management product, and you should seek independent financial advice before investing in this product. The Rating is subject to change without notice and Lonsec assumes no obligation to update the relevant document following publication. Lonsec receives a fee from the Fund Manager for researching the product using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at: <http://www.lonsecresearch.com.au/research-solutions/our-ratings>