

# Ralton Australian Equity Ex 50

Portfolio Report | December 2019

## Key facts

### Income versus growth target



### Market cap bias



### Investment strategy

A portfolio of ASX-listed equities designed to provide high capital growth

### Investment objective

Outperform index by over 4% p.a.

### Benchmark index

S&P/ASX Small Ordinaries Accumulation

### Portfolio Manager

Ralton Asset Management

### Inception date

February 2008

### Management fee

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

### Number of stocks

20-35

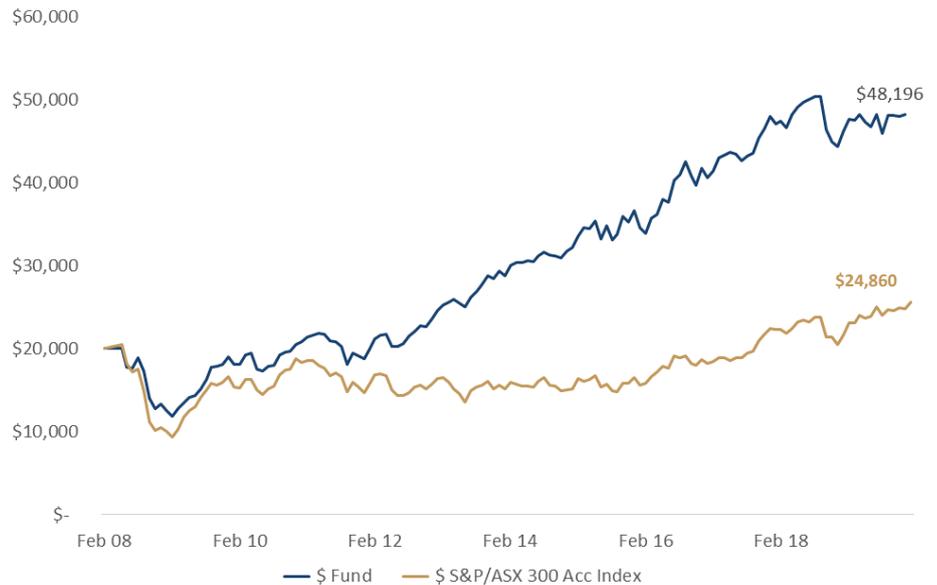
### External ratings

Zenith "Approved"  
Lonsec "Investment Grade"

### Key platforms

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	0.49	0.25	8.81	4.91	8.68	9.71	7.49
Income	0.19	0.28	2.68	2.71	2.86	3.45	3.61
Growth	0.31	-0.02	6.13	2.21	5.82	6.27	3.88
Index	-0.29	0.76	21.36	9.98	10.65	4.13	2.16

## Performance Commentary

The S&P/ASX Small Ordinaries Accumulation Index returned 0.76% for the December quarter, with Information Technology and Financials the top performing sectors and Consumer Staples and Consumer Discretionary the weakest performers for the period.

The Ralton Ex 50 portfolio returned 0.25% for the quarter, underperforming the benchmark by 0.50%.

For the December quarter, being overweight Communication Services and Energy added relative value to the portfolio. The portfolio's underweight to Financials and overweight to Industrials were the key detractors from portfolio returns.

## Sector allocation

Sector	Ralton	Index	+/-
Financials	10.1	11.4	-1.3
Real Estate	5.2	12.9	-7.8
Industrials	9.6	8.0	1.6
Materials	23.4	21.5	1.9
Energy	5.1	2.9	2.2
Telecommunication	6.9	5.0	1.9
Consumer Discretionary	14.5	14.2	0.3
Utilities	0.0	0.3	-0.3
Consumer Staples	8.1	6.9	1.3
Health Care	7.8	7.9	-0.1
Information Technology	9.2	8.9	0.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	

## Top 10 holdings

Seven Group Holdings
Fisher & Paykel
Nextdc Limited
Steadfast Group Limited
Tassal Group Limited
Northern Star
Healius
Premier Investments
Link Administration Holdings
Ooh!Media Limited

## Key contributors

Ooh!Media	Overweight
Fisher & Paykal Healthcare	Overweight
Pact Group	Overweight

## Key detractors

Smartgroup	Overweight
OceanaGold	Overweight
Flexigroup	Overweight

## Portfolio metrics

	Ralton	Index
PE	16.83	17.69
EPS Growth (%)	17.24	18.76
Dividend Yield (%)	2.56	3.19



## Stock spotlight | Seven Group Holdings (SVW)

**Seven Group Holdings (SVW)** performed solidly during the December quarter as investors continue to gain comfort in the story following a strong trading update at the November AGM as well as a strong result in August reporting season. SVW has traditionally operated as a conglomerate; however, we see the current management team moving towards a more operational model which should result in a higher valuation. Moreover, the key operating divisions of Westrac and Coates hold leading industry positions and are exposed to the attractive end markets of domestic mining investment and government-sponsored infrastructure. The November update indicated that mining companies are continuing to lift spending on capital equipment to take advantage of the strong commodity price environment, as well as the necessity to catch up following a period of underinvestment. We remain confident that both divisions will continue to take advantage of the strong industry outlook as they both maintain leading positions.

## 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. ZENITH: The Zenith Investment Partners ("Zenith") Australian Financial Services License No. 226872 rating (assigned February 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 February 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>