

Ralton Leaders

Portfolio Report | May 2020



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 100 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	3.19%	-10.36%	-8.27%	2.35%	3.50%	7.82%	5.91%
Income	0.06%	0.75%	3.22%	4.22%	4.13%	4.32%	4.50%
Growth	3.13%	-11.11%	-11.49%	-1.87%	-0.62%	3.50%	1.41%
Index	3.85%	-10.66%	-6.99%	4.14%	4.12%	7.39%	4.91%



Stock spotlight | Ansell (ANN)

Ansell (ANN) has continued to perform strongly in May (+24%) since its update in late March indicated that the company has continues to deliver robust sales and margin expansion through the COVID-19 period due to increasing demand for PPE (personal protective equipment) and cost rationalisation benefits. We believe demand for safety equipment will remain robust and now look to the opening of global economies for the next leg of growth. ANN has a significant exposure the economic recovery through its industrial division which delivers gloves and other equipment into the automotive industry. Moreover the company is set to benefit from lower input costs as raw material prices have reset lower due to the short term collapse in demand. Trading in line with the broad market, we believe ANN will deliver 10% compound growth with a strong balance sheet providing capacity for step changes in the growth profile.

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Sector allocation

Sector	Ralton	Index	+/-
Financials	20.00	28.50	-8.40
Real Estate	2.30	6.40	-4.20
Industrials	4.30	7.70	-3.50
Materials	29.20	19.40	9.80
Energy	4.70	4.50	0.20
Telecommunication	9.20	4.20	5.00
Consumer Discretionary	3.80	5.90	-2.10
Utilities	0.0	2.20	-2.20
Consumer Staples	5.80	6.30	-0.50
Health Care	14.90	12.40	2.40
Information Technology	1.80	2.50	-0.70
TOTAL	100.0	100.0	

Performance Commentary

The S&P/ASX 300 Accumulation Index returned 3.85% for the month of May, with Information Technology and Communication Services the top performing sectors and Healthcare and Consumer Staples the weakest performers for the period.

The Ralton Leaders portfolio returned 3.19% for the month, underperforming the benchmark by -0.66%.

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

Top 10 holdings

Telstra Corporation

Northern Star

National Australia Bank

Beach Energy Ltd

James Hardie

Amcor PLC

OZ Minerals Ltd

Ramsay Healthcare Ltd

Aristocrat Leisure

BHP Group Ltd

Portfolio metrics

	Ralton
PE	16.79
EPS Growth (%)	1.57%
Dividend Yield (%)	4.01%

Ralton Media

Click through link below to hear Will Riggall – Portfolio Manager Ralton Asset Management talk to Nic Burgess from ELC Baillieu about our view on the market, why we are positive on the outlook for the Australian agricultural sector and key stock picks.

Listen: [Click here](#)

Duration: 41 minutes

Available:



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.