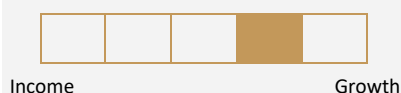


# Ralton Australian Equity Ex 50

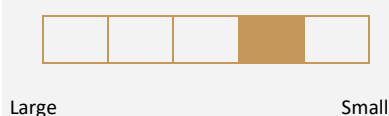
Portfolio Report | July 2020

## 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 Index

### Portfolio Manager

Ralton Asset Management

### Inception date

February 2008

### Management fee

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

### Number of stocks

20-35

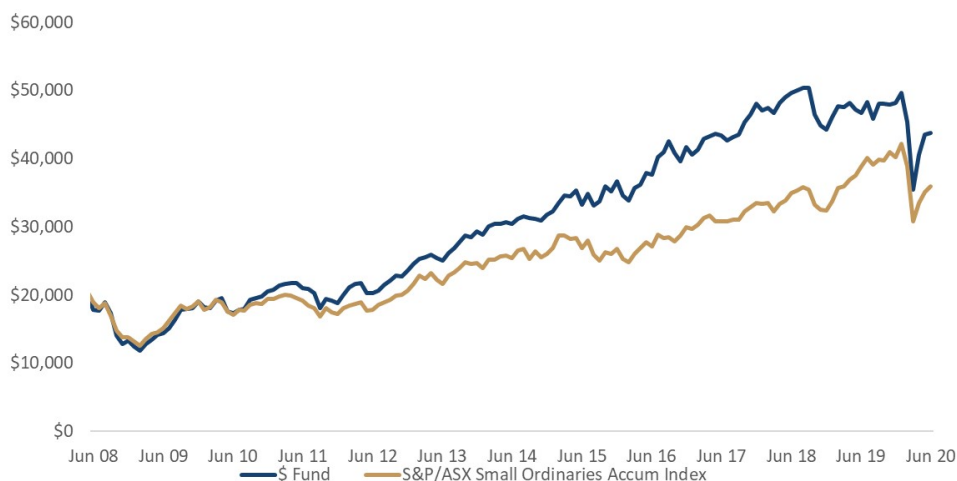
### External ratings

Zenith "Approved"

### 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
<b>Ralton</b>	<b>4.23%</b>	<b>12.46%</b>	<b>-5.34%</b>	<b>2.29%</b>	<b>5.57%</b>	<b>9.82%</b>	<b>6.67%</b>
Income	0.06%	0.10%	2.51%	2.58%	2.75%	3.36%	3.52%
Growth	4.17%	12.37%	-7.85%	-0.29%	2.82%	6.46%	3.15%
<b>Index</b>	<b>1.39%</b>	<b>9.94%</b>	<b>-8.49%</b>	<b>6.47%</b>	<b>7.86%</b>	<b>4.19%</b>	<b>1.39%</b>



## Stock spotlight | Life360 (360)

Life360 (360.ASX) presented a strong quarter in a difficult operating environment, confirming Q2 revenue of US\$18.7m up 39% YoY and Global Monthly Active User (MAU) growth of 9.1% YoY. The June quarter results demonstrate the strength and resilience of the business model giving us confidence the group can expect to see further growth in MAU and paying circles. We think Life360 is good value with 3.0x EV/CY21 sales with peers trading between 6-9x, with strong growth ahead driven by 360's disciplined approach to expenditure, R&D management, positive operating cashflow as well as various future applications for the driver safety segment of the business. Moreover, given the challenging periods, the recent result provides us with comfort the group can weather the Covid 19 storm moving forward.



## Sector allocation

Sector	Ralton	Index	+/-
Financials	6.07	11.03	-4.96
Real Estate	2.58	12.79	-10.21
Industrials	11.98	6.51	5.47
Materials	25.82	21.81	4.00
Energy	0	2.78	-2.78
Telecommunication	2.42	4.37	-1.96
Consumer Discretionary	10.89	14.15	-3.26
Utilities	0	0.46	-0.46
Consumer Staples	7.19	7.39	-0.19
Health Care	12.45	9.66	2.80
Information Technology	13.17	9.05	4.12
<b>TOTAL</b>	<b>100</b>	<b>100</b>	

## Top 10 holdings

Northern Star Resources Ltd
Nextdc Ltd
Bapcor Ltd
Fisher & Paykel Healthcare Corporation Ltd
Saracen Mineral Holdings Ltd
Healius Ltd
Appen Ltd
Oceanagold Corp
Emeco Holdings Ltd
Oz Minerals Ltd

## Portfolio metrics

	Ralton
PE	17.28x
EPS Growth	12.44%
Dividend Yield	2.94%
Return on equity	5.19%

## Performance Commentary

The Ralton X50 portfolio outperformed the Small Ordinaries Index (+1.38%) in July by a pleasing +2.83%, delivering a +4.23% return in the month, building on a very strong June.

The month saw strong dispersion in return between sector with Gold and Iron Ore driving the Materials (+5.9%) sector higher, while Energy (-6.5%) continued to lag. Former market darlings in the Healthcare sector (-3.9%) weighed as a stronger AUD impacted forecast translated offshore earnings. Conversely, continued lockdown measures and low interest rates boosted Technology (+6.0%) names as investors searched for growth in an uncertain environment.

Turning to the portfolio, the overweight position in precious (gold) and base (Copper) commodities boosted returns as key stocks OZL (+24.3%) and Oceana Gold (+20%) performed strongly. Stock selection in the Health sector was key with Healius (+7%) and Ansell (+4.7%) performing strong as demand for COVID testing and PPE remain strong, while avoiding material declined in the broader sector. The portfolios disciplined approach to valuation has delivered strong returns in the recent period with Technology names purchased during the March downturn at attractive valuations showing material price appreciation. Key contributors were Life360 (360.ASX) up 65% for the month as well as robust performance from NXT (15%) and Appen (5%). We remain patient investors and continue to see our disciplined process identifying a number of undervalued opportunities.

### DISCLAIMER

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.

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