

## Key facts

### Income versus growth target



Income

### Market cap bias



Large

### Investment strategy

A portfolio of ASX-listed equities designed to provide capital growth with some tax-effective income

### Investment objective

Outperform index by over 3% p.a.

### Benchmark index

S&P/ASX 300 Accumulation Index

### Portfolio Manager

Will Riggall

### Inception date

February 2008

### Management fee

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

### Number of stocks

### External ratings

Zenith "Approved"

### Key platforms

HUB24, NetWealth, Praemium, OneVue, Powerwrap, Linear, Xplore, Wealth02

## Performance (% returns greater than one year are p.a.)<sup>1</sup>

At month end	1 mth	3 mth	1 yr	3 yr	5 yr	10 yr	Inception
Ralton	<b>3.14%</b>	<b>2.20%</b>	<b>10.88%</b>	<b>6.29%</b>	<b>6.43%</b>	<b>10.24%</b>	<b>7.19%</b>
Income	0.18%	0.31%	3.72%	3.43%	3.78%	3.86%	4.16%
Growth	2.96%	1.89%	7.16%	2.86%	2.65%	6.38%	3.04%
Index <sup>2</sup>	<b>2.09%</b>	<b>-1.97%</b>	<b>10.25%</b>	<b>8.68%</b>	<b>8.63%</b>	<b>9.51%</b>	<b>6.02%</b>
Outperformance	<b>2.45%</b>	<b>1.38%</b>	<b>2.83%</b>	<b>-2.24%</b>	<b>-2.40%</b>	<b>0.76%</b>	<b>1.18%</b>

<sup>1</sup> Performance is based on a model portfolio and is gross of investment management and administration fees, but net of transaction costs. Total returns assume the reinvestment of all portfolio income.

<sup>2</sup> Index means the S&P/ASX 300 Accumulation Index.

## Portfolio Commentary

The Australian share market materially outperformed global markets, led by the defensives sector in Utilities (+9.33%) and Staples (+3.29%) while the falling Tech (-10.37%) sector was joined by the Materials sector (-4.34%) after a very strong run since late 2021. Central banks continued to flag higher rates which saw long term bond yields march higher, putting high PE valuations at risk, but we are also starting to see broader concern for equity markets emerge. Questions remain whether central bank rate tightening can be done without disrupting global growth momentum. We are of the view that the market is entering a consolidation phase where described global growth uncertainty will lead to the Resource sector taking a breath after a strong run with a continuing period of elevated volatility. We have bolstered the resilience of the portfolio recently taking profits in higher beta resources, less liquid stocks and industrials sectors while simultaneously adding to the defensive sectors in Staples and Utilities. While we are expecting volatility to remain we believe the second half of the year should deliver a period of solid investment returns. The trigger for this being early signs lower inflation risks, likely China stimulus and continued recovery in the global economy. In this environment, our focus on fundamental investing and construction of conviction positioning will be rewarded. We see the current volatility as an excellent opportunity to build positions in future leaders.

## Top 10 holdings (alphabetical)

Ancor PLC	Northern Star Resources Ltd
BHP Group Ltd	QBE Insurance Group Limited
Coles Group Ltd.	Ramsay Health Care Limited
Incitec Pivot Limited	Telstra Corporation Limited
National Australia Bank Limited	Westpac Banking Corporation



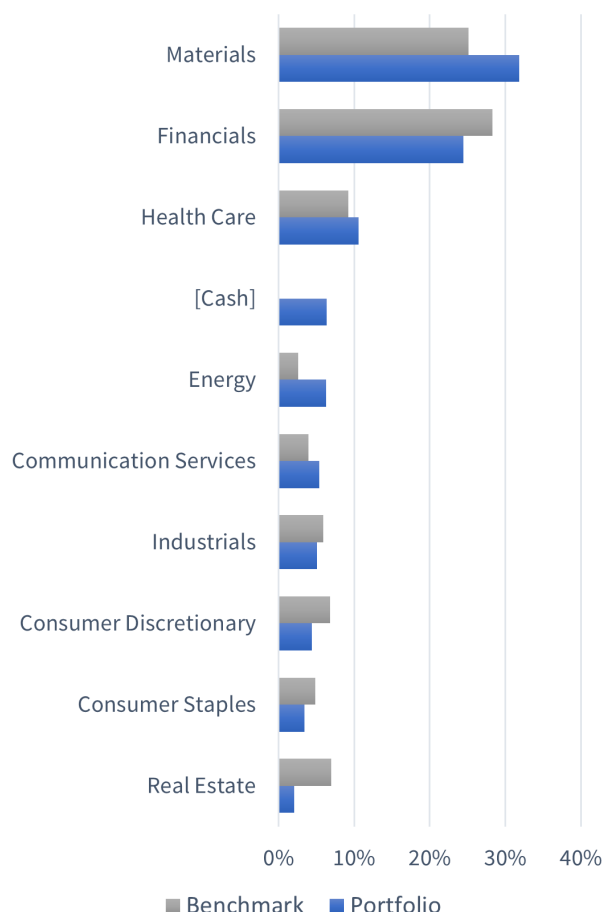
## Portfolio Performance

The Ralton Concentrated Portfolio outperformed the ASX300 Accumulated Index in April, taking the total return over the last year to +13.00%, +2.83% ahead of the index.

Contributors	Comment
<b>Ramsay Health Care Limited (RHC)</b> 24.50%	RHC was the best performer on the ASX 200 in April with a 24.5% gain. Investors were buying the private hospital operator's shares after it received a takeover approach from a consortium led by KKR. Hospital operators have traded in and out of PE hands and we expect the transaction to complete.
<b>Amcor PLC Shs Chess Depository Interests (AMC)</b> 10.39%	Key FMCG customers Coke and Pepsi reported strong results during the month bodes well for the company's upcoming result. Strong volumes from US companies and evidence that suppliers such as Amcor are successfully passing through price increase should see further strong performance.
<b>Mineral Resources Limited (MIN)</b> 11.06%	The insatiable demand for lithium in the electric vehicle market along with tight supply has seen prices for the key battery metal surge. Lithium prices are expected to remain strong during the current quarter which bodes well for MIN.

Detractors	Comment
<b>Northern Star Resources Ltd (NST)</b> -8.57%	Despite the recent decline, NST continues to show evidence of improving operational capabilities, delivering both production and cost synergies as evidenced in the 1H22 result.
<b>Aristocrat Leisure Limited (ALL)</b> -8.28%	Aristocrat declined in April as the market awaits their 1H22 result which will be released in May. Consumer Discretionary stocks have been impacted by negative sentiment as rising rates are expected to challenge consumer spending power.
<b>South32 Ltd (S32)</b> -4.98%	South32 decline in April, in line with the broader resource industry. Further lockdowns in China and elevated fears over aggregate demand from a recession in Europe and the US has seen market sentiment decline. We see continued strong dividends and supply shortages to support share prices going forward.

## Sector Positioning



## Portfolio metrics\*

	Ralton	XKOA1 <sup>^</sup>
# of Securities	24	301
Market Capitalisation	65229.2	75370.9
Active Share	<b>62.8</b>	--
Tracking Error	3.64	0
Beta	0.96	1
Est 3-5 Yr EPS Growth	<b>9.4</b>	<b>6.9</b>
ROE	15.78	15.82
Dividend %	<b>4.07</b>	<b>3.96</b>
P/E using FY2 Est	<b>15.5</b>	<b>25.8</b>
Price/Cash Flow	<b>9.7</b>	<b>11.5</b>

\* Source: FactSet

<sup>^</sup> XKOA1 means the S&P/ASX 300 Accumulation Index (Index). The Index is shown 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.

## Portfolio Activity

### BUY

No trades

### SELL

No trades