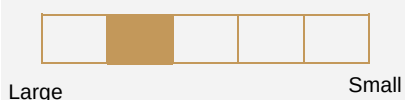


## Key facts

### Income versus growth target



### Market cap bias



### 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

25-35

### 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	-4.79%	1.40%	-2.26%	3.34%	5.22%	9.40%	6.74%
Income	1.08%	1.55%	2.93%	3.19%	3.68%	3.78%	4.14%
Growth	-5.87%	-0.14%	-5.19%	0.15%	1.53%	5.62%	2.61%
Index <sup>2</sup>	-6.29%	0.45%	-8.00%	2.73%	6.83%	8.38%	5.35%
Outperformance	1.51%	0.95%	5.74%	0.61%	-1.62%	1.03%	1.40%

<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 -1.45% move in the ASX200 over the September quarter masks the volatility and change in narrative over the period.

The Australian market made a very strong start to the FY23 financial year led by the Resources, Energy and IT sectors as the market took the view that the Fed may begin to ease its tightening cycle. As has been the case, the bond market gave context with the 10-year US and Australian yield moving lower. However, as we were cheering an August result period that showed consumers continuing to spend and general resilience in economic and corporate health, bonds moved aggressively higher as this same strong economic data and stubborn inflation forced the Fed's hand.

For a period now we have taken the view that we are best served seeking out strong businesses, with low debt levels that are less sensitive to economic headwinds and higher interest rates. A strong balance sheet is a material competitive advantage.

Reporting season brings an opportunity to review and test our assumptions and identify mispricing opportunities where short term earnings mask long term structural growth. We seek to buy and sell with conviction, with changes to the portfolio and rationale set out in the table below.

We expect the final quarter of the year to be marked by falling EPS expectations, weaker economic data with politics and policy taking centre stage as global and country leaders meet at a range of roundtables. Ever watchful of systematic risk showing itself in the functioning of credit markets, we believe we are closer to the bottom, with valuations well below decade long averages and the market to deliver a 4.50% yield in the next 12 months. History show that markets generally bottom 6 months before earnings do and we are positioning the portfolio to benefit from upside ahead.

## Portfolio Performance

The Ralton Concentrated Portfolio outperformed the ASX300 Accumulated Index in September, taking the total return over the last year to -2.26%, +5.74% ahead of the a -8.00% index return.. A focus on investing in companies with strong competitive advantages and valuation support has held the portfolio in good stead during the period of volatility.

Contributors	Comment
<b>Mineral Resources Ltd (MIN)</b> 38.5%	MIN performed well over September due to its strong position for the demands of the battery industry, as well as rumours of a potential NYSE listing that emerged, which we view as a positive catalyst for the stock.
<b>Northern Star Resources Ltd (NST)</b> 16.26%	NST is one of Australia's leading gold producers with a strong capital position (net cash) and a proven track record of operational execution and delivery of exploration success that adds value to its assets. Its impressive production growth is self funded, and is diversified across multiple projects. We think NST's acquisition of Saracen will continue to provide material synergies for the combined group, which now include complete ownership of the Kalgoorlie Superpit Operation.
Detractors	Comment
<b>Ramsay Health Care Ltd (RHC)</b> -21.3%	RHC share price suffered following news that KKR walked away from the planned \$88 all cash takeover of RHC as management could not agree on a strike price. The stock is now trading below pre-bid level, with COVID-related headwinds continuing to subside, paving the way for normalised activity and earnings.
<b>Amcor PLC (AMC)</b> -6.8%	AMC is a defensive play in times of market stress given its highly defensive essential packaging product line. However, this month's stock price performance was impacted by the increased focus on recessionary fears given the accelerated rate rises globally, potentially impacting its future revenue streams.
<b>Coles Group Ltd (COL)</b> -6.2%	Inflationary pressures are building particularly in meats and vegetables with COL having reported a +4.3% increase in inflation for the June quarter impacting investor sentiment. COL boss Steven Cain expects demand to remain stable leading up to an expected bumper Christmas trading period with demand expected to taper off thereafter.

## Portfolio Activity

### BUY

<b>Computershare Limited (CPU)</b>	CPU is an Australian technology company that is the world's largest share registry business and only provider with a global footprint. CPU is a play on higher interest rates as it generates income on cash held on behalf of its customers. CPU's price relative to its growth forecasts are attractive, supported by earnings which are defensive, recurring and enjoying a strong tailwind over the next 12-18 months.
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### SELL

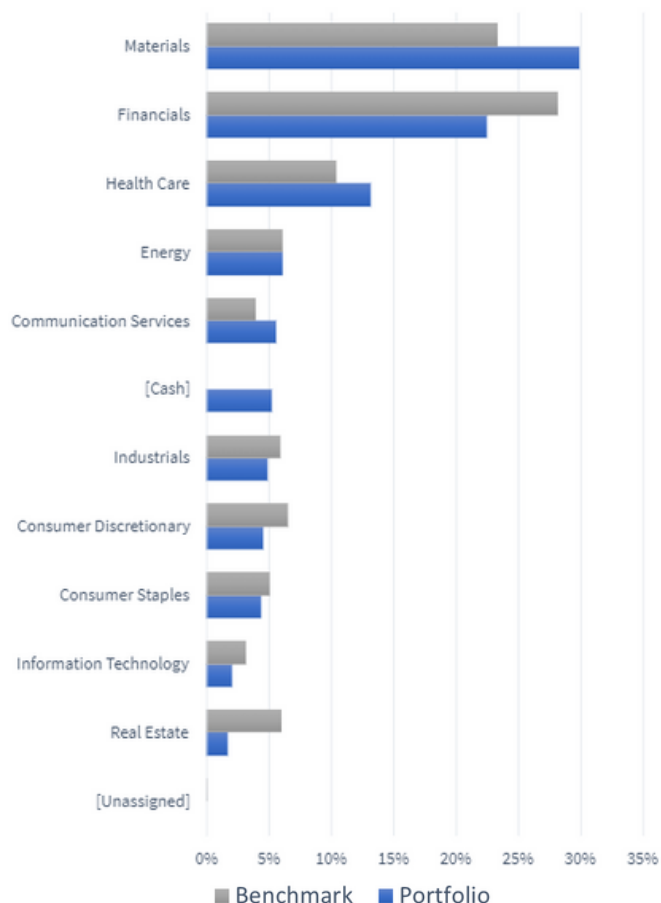
<b>QBE Insurance Group Ltd (QBE)</b>	QBE geographic and sector diversification has enabled it to avoid CAT claims effecting its Australian exposed peers. Given strong performance we reduce the weight and allocated capital to CPU who is expected to benefit in a rising interest rate environment.
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## Top 10 holdings (alphabetical)

Amcor PLC  
BHP Group Ltd  
Coles Group Ltd  
CSL Limited  
Incitec Pivot Limited

Mineral Resources Limited  
National Australia Bank Limited  
Telstra Corporation Limited  
Westpac Banking Corporation  
Woodside Energy Group Ltd

## Sector Positioning



## Portfolio metrics\*

	Ralton	XKOA1^
# of Securities	25	299
Market Capitalisation	59,085.0	65,670.8
Active Share	57.2	--
Tracking Error	3.39	--
Beta	0.93	1.00
Est 3-5 Yr EPS Growth	6.1	4.3
ROE	17.54	16.05
Dividend %	4.60	4.77
P/E using FY2 Est	13.4	18.6
Price/Cash Flow	8.8	9.7

\* Source: FactSet

^ 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.