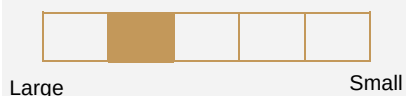


Key facts

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.)¹

At month end	1 mth	3 mth	1 yr	3 yr	5 yr	10 yr	Inception
Ralton	5.03%	7.27%	15.84%	6.26%	6.93%	9.56%	7.56%
Income	0.00%	0.77%	3.25%	3.26%	3.73%	3.79%	4.10%
Growth	5.03%	6.50%	12.60%	3.01%	3.21%	5.76%	3.46%
Index ²	6.29%	9.46%	11.61%	5.98%	8.50%	8.75%	6.27%
Outperformance	-1.26%	-2.19%	4.23%	0.28%	-1.57%	0.81%	1.30%

¹ 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.

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

Portfolio Performance

The Ralton Concentrated Portfolio underperformed the ASX300 Accumulated Index in January, taking the total return over the last year to 15.84%, +4.23% ahead of the 11.61% index return. A focus on investing in companies with strong competitive advantages and valuation support has held the portfolio in good stead during an extended period of volatility.

Contributors	Comment
Northern Star Resources Ltd (NST) 15.0%	In its December quarterly NST reported a rise in gold production from the previous quarter of 31 thousand ounces (oz). What was pleasing was a drop in the cost of mining per oz from \$1,791 in the previous quarter to \$1,750 for the December quarter. We expect the next two quarters to continue to see growing production particularly from Yandal and Pogo. The company has also reiterated its medium term goal of growing its annual production to 2 million oz per annum by FY26. This expansion is fully funded with the company currently debt free and having an undrawn debt facility of \$650million.
James Hardie Industries PLC Chess Units of Foreign Securities (JHX) 19.1%	JHX increased 19% in January as investors looked to support companies that would seek to benefit from lower interest rates. The US housing market has been under pressure as building activity slowed with the escalating cost of new loans. In line with our view that interest rate expectations have peaked, we see more clarity in the timing of the recovery. JHX remains a high quality exposure to an improving sector outlook. Moreover a chronic undersupply in housing and strong product releases should see the company deliver sustainable growth.
South32 Ltd (S32) 13.5%	S32 released a mixed December quarterly during the month. On the positive, Australian manganese recorded strong output growth but was tempered by lower production from the company's South African operations. Pleasingly the company reiterated its previous growth in total output for FY23. Metallurgical coal output grew 17% over the quarter. Combined with labour productivities this sets this division to report strong half year profits later this month. The Alumina divisions in Australia & Brazil recorded an 8% lift in output and operated above nameplate capacity. The only soft part of the result was the revised lower output at the silver/lead/zinc operation at Cannington due to lower mill throughput and labour staff scheduling issues.

Portfolio Performance

Detractors	Comment
Incitec Pivot Limited (IPL) -8.5%	IPL declined 8% in the months amid a strong market as its key product ammonia declined. Ammonia demand has remained depressed after a warmer than expected European winter. We expect commodity prices to stabilise and the strong farming demand environment to drive strong growth.
Amcor PLC Shs Chess Depository Interests (AMC) -5.1%	AMC, a global leader in developing and producing responsible packaging solutions, announced in January that it has entered into an agreement to acquire Shanghai-based MDK. Even though this company only generates annual sales of about \$50 million per annum it is a leading provider of medical device packaging, a key priority growth segment for AMC. MDK's coating capabilities, medical paper-based packaging offerings and customer base complements AMC's existing portfolio, further enhancing its leading position in the Chinese medical device packaging market. The addition of MDK strengthens AMC's leadership in the broader Asia Pacific medical packaging segment, which now comprises four manufacturing sites serving China, India, Japan and Southeast Asia. As AMC continues to sharpen its focus on higher growth priority segments, the addition of MDK will enhance the company's already strong healthcare platform in the rapidly expanding Asia Pacific region.
Computershare Limited (CPU) -9.4%	We entered CPU as a play on higher interest rates, which occurred at the fastest rate in history throughout 2022. Our analysis shows CPU's high earnings as being sensitive to long duration US Government bonds and thus have shifted our view that the upside has diminished. We will continue to monitor the position focusing on future industry growth and future earnings outlook.

Portfolio Activity

BUY

N/A

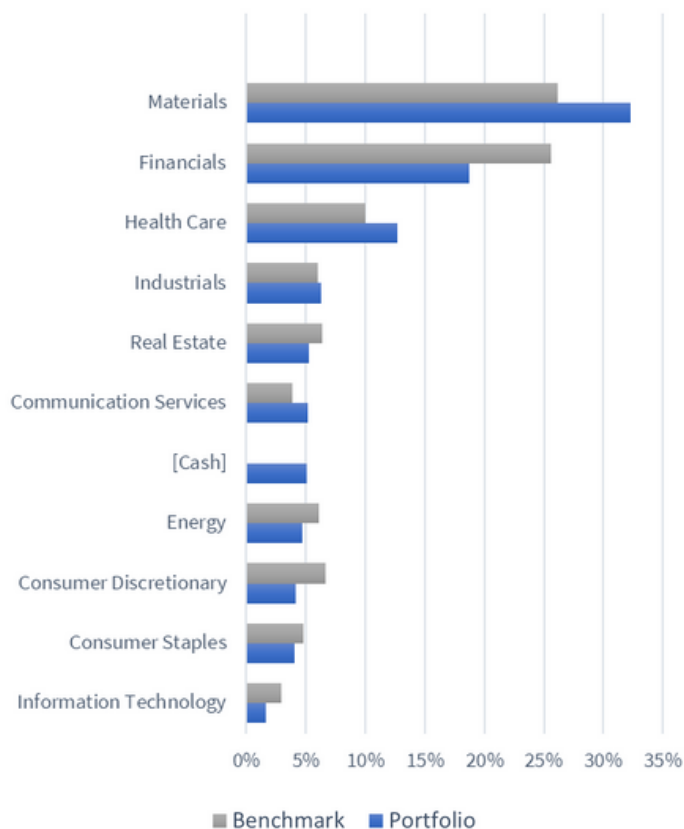
SELL

Qantas Airways (QAN)	The QAN position was initiated to take advantage of the underappreciation by the market of the growth and margin to be realised in a post-covid travel recovery as well as our view that the groups competitive position had improved markedly, supporting our higher earnings assumptions. We have seen our thesis play out with three significant upgrades to earnings and strong price appreciation. We reduce the holding size to reflect our conviction that the company should print another strong result in February, however it is prudent to lock in gains.
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Top 10 holdings (alphabetical)

Amcor PLC Shs Chess Depository Interests	National Australia Bank Limited
ANZ Group Holdings Limited	Northern Star Resources Ltd
BHP Group Ltd	South32 Ltd
Coles Group Ltd	Telstra Group Limited
CSL Limited	Westpac Banking Corporation

Sector Positioning



Portfolio metrics*

	Ralton	XKOA1 [^]
# of Securities	28	297
Market Capitalisation	68,487.2	80,675.5
Active Share	58.6	--
Tracking Error	3.41	--
Beta	0.88	1.00
Est 3-5 Yr EPS Growth	6.8	4.3
ROE	18.7	19.2
Dividend %	4.52	4.17
P/E using FY2 Est	13.5	14.7
Price/Cash Flow	8.1	9.1

* 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.