

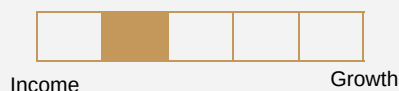
Ralton Dividend Builder

Monthly Portfolio Report | January 2023

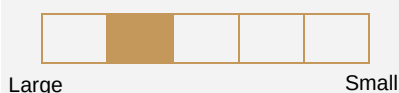


Key facts

Income versus growth target



Market cap bias



Investment strategy

A portfolio of ASX-listed equities designed to provide attractive 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		4.42%	6.12%	12.81%	4.69%	6.60%	9.26%	7.62%
Income		0.00%	0.85%	4.31%	4.40%	4.67%	4.66%	4.87%
Growth		4.42%	5.28%	8.50%	0.29%	1.94%	4.60%	2.75%
Index ²		6.29%	9.46%	11.61%	5.98%	8.50%	8.75%	6.27%
Outperformance		-1.87%	-3.33%	1.20%	-1.28%	-1.90%	0.51%	1.35%

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 Dividend Builder underperformed the S&P/ASX 300 Accumulation Index in January, taking the total return over the last year to 14.48%, +2.87% ahead of the index return of 11.61%. 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
CSL Limited (CSL) 3.6%	CSL is a global company that researches, develops, manufactures, markets, and distributes biopharmaceutical and allied products internationally. CSL's Behring segment offers plasma therapies, such as plasma products and recombinants. This division also conducts research on plasma and non-plasma therapies and receives license and royalty payments from the commercialisation of intellectual property. CSL's Seqirus segment manufactures and distributes non-plasma biotherapeutic products; and develops influenza related products. There were no news items released by CSL in January. However, ahead of the first half results to be released next month we are expecting positive earnings from the recent USD12 billion Vifor Pharma acquisition with medium term revenue growth of 10% per annum. In addition it appears the plasma collection business is showing signs of bottoming and should be able to grow profits going forward.
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.



Portfolio Performance

Contributors (cont.)	Comment
Mineral Resources Limited (MIN) 15.2%	<p>MIN had a very strong share price in January on the back of positive news flow. Early in the month the company lodged its \$480 million takeover for Perth based Norwest Energy. As at the time of writing MIN had acquired 40% of the company with the takeover already well underway. In the month MIN also released a strong December quarterly which saw above consensus prices realised for both iron ore & spodumene production. It's Wodgina project is progressing well, and the Mt Marion project had strong December production output however the planned expansion was pushed out a quarter on account of delays in the equipment arrival dates.</p>
Detractors	Comment
Amcor PLC Shs Chess Depository Interests (AMC) -5.1%	<p>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.</p>
Incitec Pivot Limited (IPL) -8.5%	<p>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.</p>
Macquarie Group (MQG) 12.2%	<p>MQG rallied 13.8% for the month ahead of the XJO and financials sub index. The group has been performing remarkably well in its markets division or more specifically in relation to commodities and energy trading and hedging activities for clients and in facilitating client investment in decarbonisation initiatives. It is well diversified and its banking division has been growing equally well including +8% deposit growth from its award winning online account. The positive performances has been somewhat offset by its Asset management division from higher asset sale realisations in the prior period and lower capital market activities from lower capital raisings and the like. The Group has never experienced a negative profit performance since inception.</p>

Portfolio Activity

BUY

N/A

SELL

N/A

Top 10 holdings (alphabetical)

Amcor PLC Shs Chess Depository Interests

ANZ Group Holdings Limited

BHP Group Ltd

National Australia Bank Limited

QBE Insurance Group Limited

Rio Tinto Limited

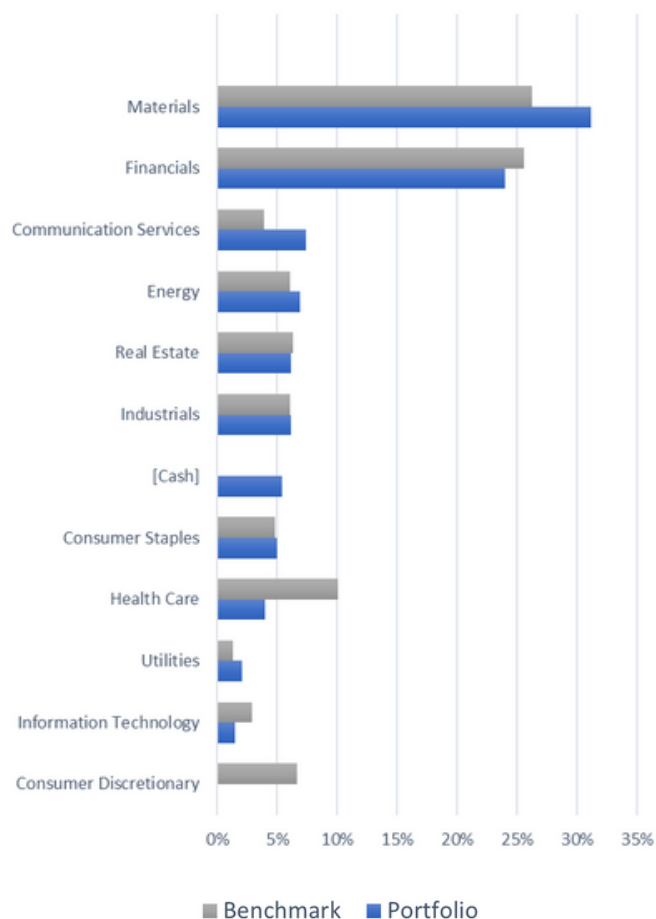
Sonic Healthcare Limited

Telstra Group Limited

Westpac Banking Corporation

Woodside Energy Group Ltd

Sector Positioning



Portfolio metrics*

	Ralton	XKOAI [^]
# of Securities	28	297
Market Capitalisation	69,648.2	80,675.5
Active Share	64.9	--
Tracking Error	4.45	--
Beta	0.87	1.00
Est 3-5 Yr EPS Growth	1.3	4.3
ROE	19.1	19.2
Div% NTM	5.58	4.17
P/E using FY2 Est	12.7	14.7
Price/Cash Flow	7.4	9.1

* Source: FactSet

[^] XKOAI 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 an in index.