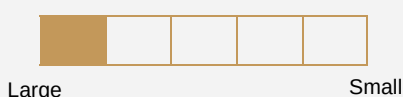


## Key facts

### Income versus growth target



### Market cap bias



### Investment strategy

A portfolio of ASX-listed equities designed for long-term capital growth and some tax-effective income

### Investment objective

Outperform index by over 3% p.a.

### Benchmark index

S&P/ASX 100 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

### Key platforms

Brightday, Linear, OneVue, Praemium

## 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	4.95%	6.97%	14.48%	7.50%	8.92%	9.98%	7.76%
Income	0.00%	0.81%	3.52%	3.36%	3.86%	3.96%	4.29%
Growth	4.95%	6.16%	10.96%	4.14%	5.07%	6.02%	3.47%
Index <sup>2</sup>	6.26%	9.68%	13.84%	6.47%	9.05%	9.11%	6.69%
Outperformance	-1.30%	-2.71%	0.64%	1.03%	-0.13%	0.87%	1.08%

<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 100 Accumulation Index.

## Portfolio Performance

The Ralton Leaders Portfolio underperformed the ASX100 Accumulated Index in January, taking the total return over the last year to 14.48%, +0.64% ahead of the index return of 13.84%. A focus on investing in companies with strong competitive advantages and valuation support has held the portfolio in good stead during and extended period of volatility.

Contributors	Comment
<b>Northern Star Resources Ltd (NST)</b> 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.
<b>Mineral Resources Limited (MIN)</b> 15.2%	"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.
<b>James Hardie Industries PLC Chess Units of Foreign Securities (JHX)</b> 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

### Detractors

<b>Incitec Pivot Limited (IPL)</b> -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.
<b>Macquarie Group (MQG)</b> 12.2%	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.
<b>Amcor PLC Shs Chess Depository Interests (AMC)</b> -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.

## Portfolio Activity

### BUY

N/A

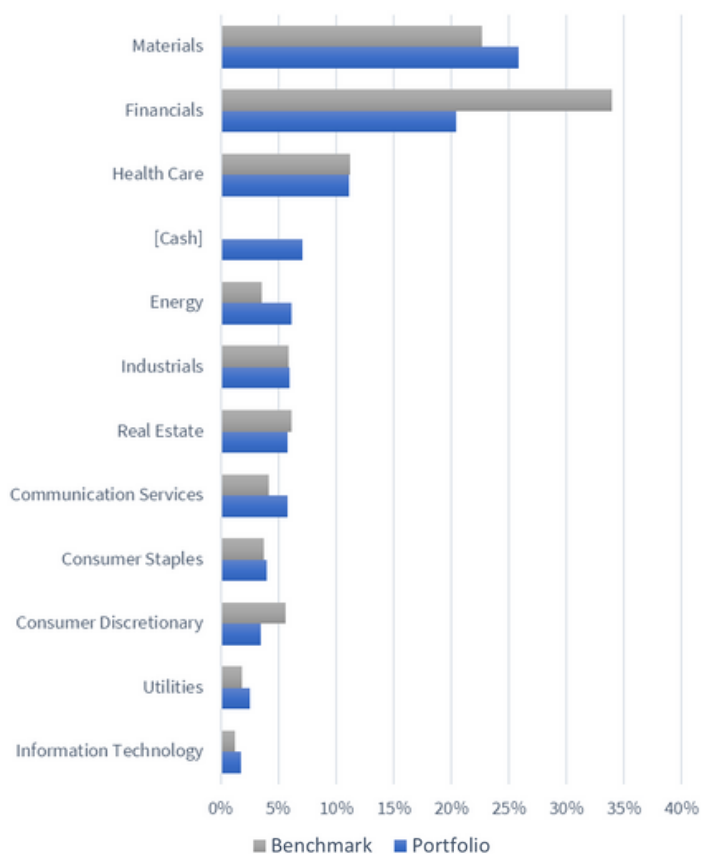
### SELL

<b>Qantas Airways (QAN)</b>	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)

Aristocrat Leisure Limited	National Australia Bank Limited
BHP Group Ltd	Northern Star Resources Ltd
Coles Group Ltd	Telstra Group Limited
Commonwealth Bank of Australia	Westpac Banking Corporation
CSL Limited	Woodside Energy Group Ltd

## Sector Positioning



## Portfolio metrics\*

	Ralton	XTOAI <sup>^</sup>
# of Securities	28	98
Market Capitalisation	76,126.6	90,688.2
Active Share	51.9	--
Tracking Error	2.93	--
Beta	0.90	1.00
Est 3-5 Yr EPS Growth	7.1	3.8
ROE	18.1	19.0
Dividend %	4.40	4.37
P/E using FY2 Est	14.1	15.0
Price/Cash Flow	8.3	9.6

\* Source: FactSet

<sup>^</sup> XTOAI means the S&P/ASX 100 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.