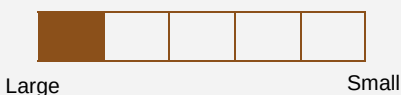


Key facts

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.)¹

At month end	1 mth	3 mth	1 yr	2 yr	3 yr	5 yr	10 yr	Inception
Ralton	-3.07%	-1.69%	7.47%	2.34%	11.83%	6.16%	8.10%	7.01%
Income	0.64%	0.92%	3.67%	3.52%	3.63%	3.71%	3.91%	4.29%
Growth	-3.71%	-2.61%	3.80%	-1.18%	8.19%	2.46%	4.19%	2.72%
Index ²	-2.75%	-0.71%	13.66%	3.43%	11.89%	7.27%	7.68%	6.25%
Outperformance	-0.32%	-0.97%	-6.19%	-1.08%	-0.06%	-1.11%	0.42%	0.76%

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 100 Accumulation Index.

Portfolio Performance

The Ralton Leaders Portfolio underperformed the ASX100 Index in September, returning -3.07%, versus the index return of -2.75%. 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
Incitec Pivot Limited (IPL) 7.2%	IPL continued its strong run, increasing 7% over the month with the quarterly performance now +14%. The key driver of performance was a rebound in global ammonia pricing, which increased 47% over the month. We see an improving outlook with near term catalysts set to see IPL continue its strong performance.
ANZ Group Holdings Limited (ANZ) 1.3%	ANZ emerged as the top-performing bank stock for the month. Our thesis is based on ANZ's reduced risk profile, its broad range of business segments, and its greater focus on the Institutional segment, all of which are endorsed by industry experts.
National Australia Bank Limited (NAB) 0.4%	Banks were the second-best performing market segment during the month, behind Energy. Australian 10-year government bond yields rose 0.43% for the month hitting highs not seen since 2007. This tailwind factored into investors expectations of increasing interest income. However, the continued competitive landscape will ensure a declining net interest margin profile in the near to medium term. A declining business investment outlook and increasing competition within the sector may put pressure on the stock near term and is something we are monitoring.

Portfolio Performance

Detractors

Comment

Northern Star Resources Ltd (NST) -10.9%

NST moved lower in response to weakness in the gold price, which is typically inversely correlated to sharp rises in US bond yields, which occurred during the month. We continue to see value in NST as a high quality gold miner with strong production growth and cost control.

James Hardie Industries PLC Chess Units of Foreign Securities (JHX) -12.3%

JHX declined in September as higher bond yields saw housing related companies ease after a very strong period of performance with US mortgage rates moving to new highs. JHX has increased 54% to date in 2023. Despite the already strong performance we see further upside given our view of a structural undersupply of housing in the US.

Qantas Airways Limited (QAN) -12.4%

It was a turbulent month for the flying kangaroo. Marked by operational failures, flight credit refund issues, cancellations, continued ticket sales for cancelled flights, accusations of airport slot hoarding, a high court loss due to job outsourcing, and Alan Joyce's early departure due to declining investor and customer confidence. This has raised concerns about oil costs affecting profit margins and increased capital expenditures for operational improvements and potential fines. We will keep a close watch on QAN as events continue to unfold.

Portfolio Activity

BUY

-

SELL

-

Top 10 holdings (alphabetical)

ANZ Group Holdings Limited

Aristocrat Leisure Limited

BHP Group Ltd

Coles Group Ltd

Commonwealth Bank of Australia

CSL Limited

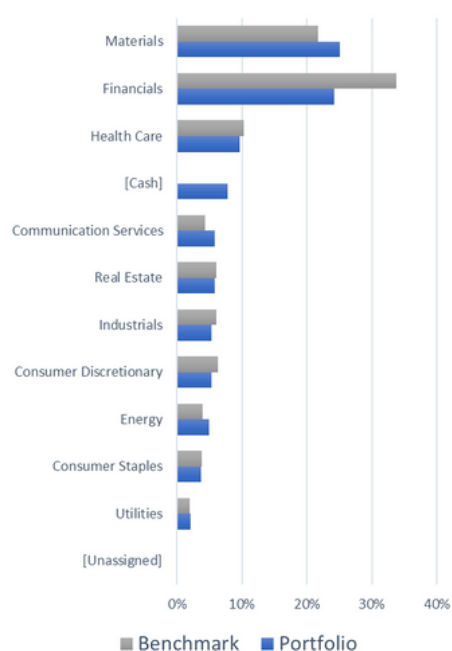
Goodman Group

Macquarie Group, Ltd.

National Australia Bank Limited

Telstra Group Limited

Sector Positioning



Portfolio metrics*

	Ralton	XTOAI [^]
# of Securities	28	98
Market Capitalisation	70,129.5	80,407.5
Active Share	53.7	--
Tracking Error	2.67	--
Beta	0.95	1.00
Est 3-5 Yr EPS Growth	5.8	4.1
ROE	20.1	18.5
Dividend %	4.21	4.31
P/E using FY2 Est	14.4	14.5
Price/Cash Flow	8.9	8.8

* Source: FactSet

[^] 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.