

Ralton Australian Equity Ex 50

Monthly Portfolio Report | April 2024



Key facts

Income versus growth target



Market cap bias



Investment strategy

A portfolio of ASX-listed equities designed to provide high capital growth

Investment objective

Outperform index by over 4% p.a.

Benchmark index

S&P/ASX Small Ordinaries Accumulation

Portfolio Manager

Will Riggall

Inception date

February 2008

Management fee

0.75% p.a. (may vary across platforms)

Number of stocks

20-35

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	2 yr	3 yr	5 yr	10 yr	Inception
Ralton	-4.63%	2.22%	3.35%	-1.46%	0.45%	1.44%	5.46%	5.91%
Income	0.09%	1.09%	2.73%	2.71%	2.65%	2.55%	2.72%	3.32%
Growth	-4.72%	1.13%	0.62%	-4.17%	-2.20%	-1.11%	2.73%	2.58%
Index ²	-3.06%	3.33%	7.36%	-1.39%	0.02%	3.93%	6.49%	2.57%
Outperformance	-1.56%	-1.11%	-4.01%	-0.07%	0.43%	-2.49%	-1.03%	3.34%

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 Small Ordinaries Accumulation Index

Portfolio Performance

The Ralton Ex 50 Portfolio underperformed the ASX Small Ordinaries in April, returning -4.63%, versus the index return of -3.06%. 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

Silver Lake Resources Limited (SLR)
17.7%

SLR performed well during April reflecting both strength in the gold price and valuation upgrades related to the upcoming merger with Red 5 in June. Additionally SLR is tracking towards the top end of its production guidance range and is generating healthy cash flow. Post merger, we retain confidence in the combined entity to apply its strong balance sheet to improve the King of the Hills operation.

IGO Limited (IGO)
11.9%

IGO performed well in April, aided primarily by improving lithium sector sentiment. Despite a mixed March quarterly result, lithium stockpile purchases from Tianqi reduced the risk associated with Greenbushes future earnings profile and indicates improvements in the lithium demand outlook.

Lycopodium Limited (LYL)
5.4%

LYL is leveraged to stronger copper and precious metal prices, which accounts for the largest proportion of the companies project pipeline by metal. This aided LYL's share price during April, along with a \$30 million contract win for the Reko Diq Copper-Gold Project. We continue to view LYL as a high quality engineering group trading at an undemanding multiple.



Detractors (cont.)	Comment
Cettire Ltd. (CTT) -26.2%	CTT's share price experienced selling pressure after continuing media speculation into its compliance with various tax jurisdictions and duties. The company has unequivocally confirmed that this is nothing more than baseless speculation. Clime's research into the issue confirms what management are publicly saying. We see this saga as akin to the negative media attention Afterpay received during its rapid growth phase, where avid bulls and bears battled out their opinions through the media. We continue to have conviction in CTT and will use share price swings to top up our position.
Johns Lyng Group Ltd (JLG) -12.3%	JLG share price underperformed during April (along with the market) as its valuation contracted towards its long term historic levels given benign weather patterns for FY24. We remain positive on the stock given its continuously growing pipeline as indicated in the most recent results along with climate change which remains a key driver for the company.

Portfolio Activity

BUY

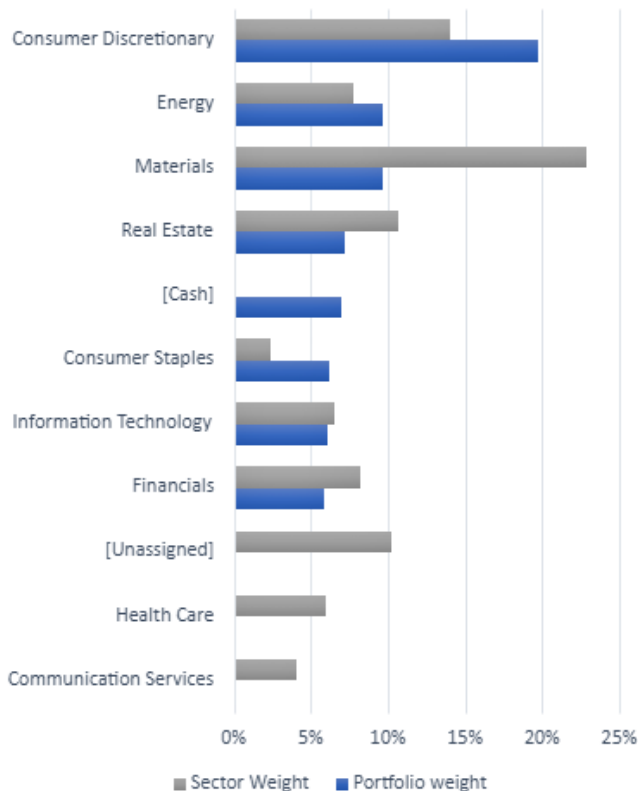
N/A

SELL

N/A

Sector Positioning

Portfolio Positioning



Top 10 holdings (alphabetical)

ARB Corporation Limited	Reliance Worldwide Corp. Ltd.
Hansen Technologies Limited	Ridley Corporation Limited
MMA Offshore Limited	Seven Group Holdings Limited
Nick Scali Limited	Smartgroup Corporation Ltd
PEXA Group Limited	Steadfast Group Limited

Portfolio metrics*

	Ralton	XSOAI [^]
# of Securities	36	203
Market Capitalisation	3,077.1	3,521.4
Active Share	88.2	--
Tracking Error	5.94	--
Beta	0.78	1.00
Est 3-5 Yr EPS Growth	8.1	13.7
ROE	16.6	6.2
Dividend %	2.60	2.51
P/E using FY2 Est	14.9	14.4
Price/Cash Flow	9.6	9.4

* Source: FactSet

[^] XSOAI means the S&P/ASX Small Ordinaries 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.