

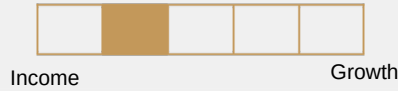
Ralton Dividend Builder

Monthly Portfolio Report | October 2024

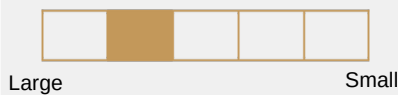


Key facts

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	2 yr	3 yr	5 yr	10 yr	Inception
Ralton	-1.3%	0.1%	17.4%	7.7%	6.3%	5.6%	7.3%	7.4%
Income	0.0%	1.3%	4.8%	4.8%	4.5%	4.5%	4.6%	4.9%
Growth	-1.3%	-1.2%	12.6%	2.9%	1.8%	1.1%	2.7%	2.5%
Index ²	-1.3%	2.2%	24.9%	13.1%	7.6%	8.1%	8.3%	6.6%
Outperformance	0.0%	-2.1%	-7.5%	-5.5%	-1.3%	-2.5%	-1.0%	0.8%

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 Portfolio matched the performance of the ASX300 Accumulated Index in October, returning -1.3%.

Contributors

Comment

Premier Investments Limited (PMV.ASX)
9.6%

PMV delivered outperformance in the month following the sale of its Apparel Brands to Myer. We view the deal as unlocking clear value for shareholders and streamlines PMV's focus towards its higher quality businesses in Smiggle and Peter Alexander.

QBE Insurance Group Limited (QBE.ASX)
4.1%

QBE delivered a strong 4.1% return in October. The stock benefited from the rising US 10-year Treasury yield, which supports higher investment returns on its bond portfolio, alongside a stronger USD, enhancing QBE's US asset and earnings exposure. Additionally, persistent inflation continues to bolster the insurance premium cycle, providing greater confidence in QBE's ability to meet insurance margin targets.

Resmed Inc CHES Depositary Interests on a ratio of 10 CDIs per ord.sh (RMD.ASX)
5.6%

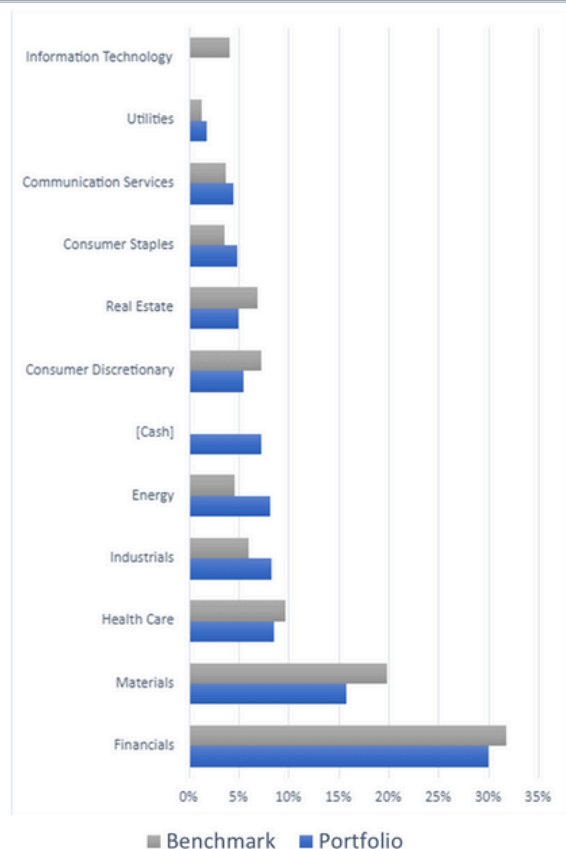
RMD was a positive contributor to performance over the month. The stock's rise was driven by another strong quarterly result which featured double digit sales growth across all divisions and geographies and on-going expansion in margin from product innovation and cost control. Also of help to RMD's performance over the month was the weaker AUD versus the USD. While RMD's share price has risen materially the last 12 months after negative sentiment flowing from the rise of weight-loss drugs, we still think the stock represents good value given the continuation of strong earnings growth.

Detractors	Comment
Ampol Limited (ALD.ASX) -8.6%	ALD was a detractor over the month due to a soft quarterly trading update that featured a weaker-than-expected trading contribution from their Lytton refinery. While soft global refinery conditions were known to the market, ALD's Lytton operation was additionally impacted by operational issues while undertaking care and maintenance. Outside this short-term setback, the rest of ALD's operations including their large convenience retail network remain stable and will sustain the on-going payment of fully franked dividends which is our key attraction to this investment.
Rio Tinto Limited (RIO.ASX) -7.6%	The price of iron ore drifted lower during the month, reflecting weaker economic growth in China and a lack of anticipated fiscal stimulus, which impacted RIO's share price. Given the large number of new low-cost iron ore projects and a flat outlook for steel demand, our outlook for future iron ore prices has become less optimistic. Throughout October, we reduced our exposure to RIO.
APA Group (APA.ASX) -10.2%	APA was a detractor from performance over the month with the share price falling ~10%. The sell-off came from the combination of a sharp spike on long-term bond yields and a broker report that questioned the sustainability of distributions in coming years as the company invests to diversify. We note that while the company does face earnings declines from a large asset down the track, APA is investing ahead of this time frame to replace these lost earnings. Our view remains that APA's assets have a valid role to play in the energy transition given the need for gas to step in and firm renewable energy as more coal fired power generation is retired in the years ahead.

Top 10 holdings (alphabetical)

ANZ Group Holdings Limited	Rio Tinto Limited
BHP Group Ltd	Telstra Group Limited
Commonwealth Bank of Australia	Transurban Group Ltd.
CSL Limited	Westpac Banking Corporation
QBE Insurance Group Limited	Woodside Energy Group Ltd

Sector Positioning



Portfolio metrics*

	Ralton	XKOA [^]
# of Securities	30	299
Market Capitalisation	75,720.5	83,751.4
Active Share	56.9	--
Tracking Error	3.43	--
Beta	0.80	1.00
Est 3-5 Yr EPS Growth	3.7	5.9
ROE	17.1	14.3
Div% NTM	4.68	3.52
P/E using FY2 Est	15.3	17.2
Price/Cash Flow	10.4	11.4

* Source: FactSet

[^] XKOA[^] 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.