

# Ralton Australian Equity Ex 50

Monthly Portfolio Report | February 2025



## 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.)<sup>1</sup>

At month end	1 mth	3 mth	1 yr	2 yr	3 yr	5 yr	10 yr	Inception
Ralton	-0.9%	-0.6%	-0.7%	2.9%	0.4%	3.0%	4.6%	5.7%
Income	0.1%	0.3%	2.6%	2.5%	2.6%	2.5%	2.7%	3.3%
Growth	-1.0%	-0.9%	-3.3%	0.4%	-2.2%	0.5%	1.9%	2.4%
Index <sup>2</sup>	-2.8%	-1.5%	7.3%	7.6%	2.1%	5.6%	6.5%	2.8%
Outperformance	1.9%	0.9%	-8.0%	-4.7%	-1.8%	-2.6%	-1.9%	2.9%

<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 Small Ordinaries Accumulation Index

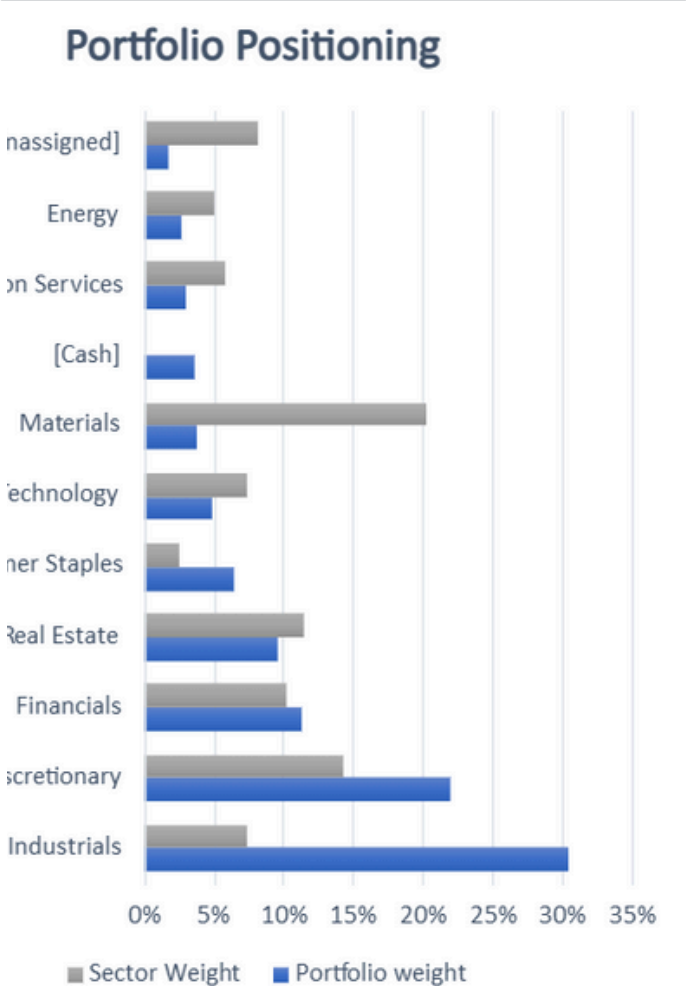
## Portfolio Performance

The Ralton Ex 50 Portfolio outperformed the ASX Small Ordinaries in February, returning -0.9%, versus the index return of -2.8%.

Contributors	Comment
<b>Light &amp; Wonder, Inc. Shs Chess Depository Interests Repr 1 Sh (LNW.ASX)</b> 22.6%	LNW delivered a strong contribution throughout February, underpinned by a better-than-expected 4Q24 result and the proposed acquisition of Grover Gaming. Management reiterated its Adjusted Earnings Before Interest, Tax, Depreciation, and Amortisation (AEBITDA) guidance for 2025, while the proposed acquisition is expected to be earnings accretive from day one, subject to approval. The outlook remains positive, with management executing well on the strategy.
<b>SGH Limited (SGH.ASX)</b> 7.5%	SGH was a key contributor in the month, posting strong results led by Boral. Boral's Earnings Before Interest and Tax (EBIT) surged 29% year-on-year, driven by disciplined pricing and cost efficiencies, despite softer volumes. WesTrac also achieved 5% EBIT growth, supported by higher capital sales, although there was some pricing pressure on parts. SGH's overall EBIT rose 10%, marking its fifth consecutive earnings beat and reinforcing confidence in its operational execution. Management reaffirmed its guidance and expressed growing confidence in its Financial Year 2025 outlook.
Detractors	Comment
<b>Reliance Worldwide Corp. Ltd. (RWC.ASX)</b> -9.7%	RWC was a detractor this month as the company's cautious market outlook weighed on investor sentiment. While RWC delivered an in-line 1H25 result, with Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) up 15.2% to USD 143.8 million, its FY25 outlook was softer than anticipated. The company guided for broadly flat sales in key regions, with the Americas impacted by demand pull-forward and Europe, the Middle East, and Africa (EMEA) continuing to show weakness, particularly in the UK. Despite cost-cutting efforts, RWC is suffering from cyclicalities and remains a high-quality business in a challenging macro environment.

Portfolio Activity	
BUY	
-	
SELL	
-	

Sector Positioning



Top 10 holdings (alphabetical)

ARB Corporation Limited	Reliance Worldwide Corp. Ltd.
Genesis Minerals Limited	Ridley Corporation Limited
Hansen Technologies Limited	SGH Limited
Monadelphous Group Limited	Smartgroup Corporation Ltd
Nick Scali Limited	Steadfast Group Limited

Portfolio metrics*		
	Ralton	XSOAI^
# of Securities	36	197
Market Capitalisation	3,712.6	2,998.3
Active Share	85.2	--
Tracking Error	6.69	0.00
Beta	0.82	1.00
Est 3-5 Yr EPS Growth	4.8	4.1
ROE	13.3	6.1
Dividend %	2.87	2.50
P/E using FY2 Est	16.2	15.0
Price/Cash Flow	12.9	10.4

\* 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.