

Ralton Leaders

Monthly Portfolio Report | February 2025



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	-3.1%	-2.5%	7.3%	5.0%	6.3%	7.8%	6.8%	7.2%
Income	0.1%	0.3%	3.2%	3.5%	3.5%	3.4%	3.8%	4.2%
Growth	-3.3%	-2.8%	4.1%	1.5%	2.8%	4.4%	3.0%	3.0%
Index ²	-3.9%	-2.7%	9.9%	10.4%	9.8%	9.2%	7.7%	6.9%
Outperformance	0.8%	0.2%	-2.6%	-5.4%	-3.5%	-1.4%	-0.9%	0.3%

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 outperformed the ASX100 Index in February, returning -3.1%, versus the index return of -3.9%.

Contributors	Comment
SGH Limited (SGH.ASX) 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.
Worley Limited (WOR.ASX) 5.3%	WOR made a positive contribution in the month after delivering a first-half result that exceeded expectations. The company reaffirmed its guidance and announced a \$500 million share buyback, reinforcing confidence in its outlook. The company's backlog of work remains a key focus and continues to grow, even after accounting for the cancellation of the NorthVolt project. WOR also highlighted that it is securing new opportunities in the Middle East and North Africa while leveraging automation to drive efficiency and growth.
Coles Group Ltd. (COL.ASX) 2.5%	COL was a contributor to performance in the month, as its 1H25 results exceeded market expectations, driven by strong execution and disciplined cost control. The core Supermarkets division saw a temporary revenue and profit boost from Woolworths' industrial action, though management expects these benefits to be temporary. While competition remains intense, COL's operational momentum and strategic initiatives position it well for sustainable future growth.
Detractors	Comment
Resmed Inc CHESSE Depositary Interests on a ratio of 10 CDIs per ord.sh (RMD.ASX) -7.4%	RMD was a detractor during February, with the stock falling 7.6%. This decline followed a strong rally in January, which was supported by solid Q2 earnings results. We believe the sell-off in RMD during February reflected negative sentiment due to the ongoing penetration of weight loss drugs, which, for some, are viewed as a long-term threat to demand for RMD's sleep apnea machines that treat obstructive sleep apnea.



Detractors	Comment
CSL Limited (CSL.ASX) -7.1%	CSL was a detractor over February following its 1H profit result, which reported growth in earnings of +5% versus expectations of higher growth. While CSL reiterated guidance of +10% growth in profit for the full FY25 year, the market is sceptical CSL can achieve this given around 60% of full-year profit is derived over the 1H and thus requires CSL to have a very strong 2H.
Ampol Limited (ALD.ASX) -8.9%	ALD was a detractor over the month following a weaker-than-expected FY24 earnings result. While ALD had already guided on operational earnings, net profit after tax (NPAT) was softer than expected due to higher interest costs. Also unhelpful to ALD over the month was negative sentiment flowing from peer fuels infrastructure company Viva Energy (VEA.ASX), which fell -25% following its earnings result that revealed challenges facing its retail convenience division.

Portfolio Activity

BUY

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SELL

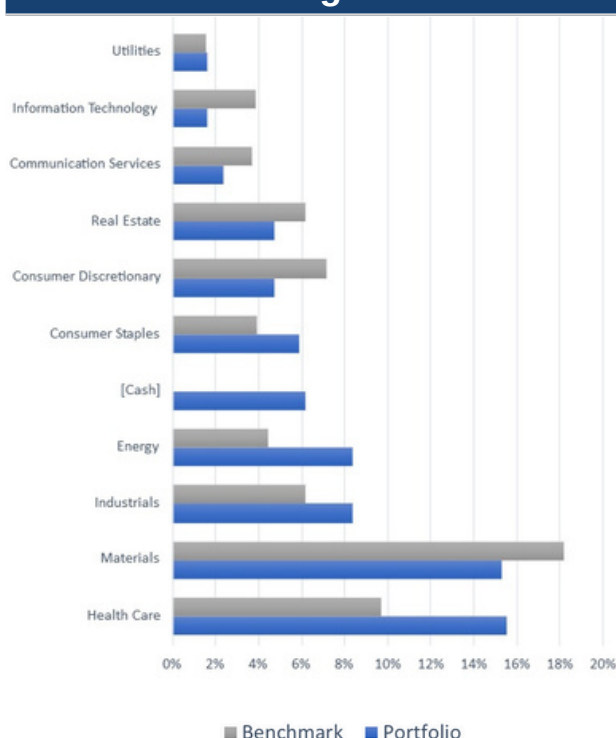
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Top 10 holdings (alphabetical)

ANZ Group Holdings Limited
Aristocrat Leisure Limited
BHP Group Ltd
Coles Group Ltd.
Commonwealth Bank of Australia

CSL Limited
Macquarie Group, Ltd.
Qube Holdings Ltd.
Resmed Inc CHESS Depositary Interests on a ratio of 10 CDIs per ord.sh
Woodside Energy Group Ltd

Sector Positioning



Portfolio metrics*

	Ralton	XTOAI [^]
# of Securities	29	100
Market Capitalisation	81,536.0	92,404.5
Active Share	49.1	--
Tracking Error	2.95	--
Beta	0.84	1.00
Est 3-5 Yr EPS Growth	5.4	4.7
ROE	12.6	13.5
Dividend %	3.43	3.58
P/E using FY2 Est	17.0	17.3
Price/Cash Flow	11.2	11.6

* 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.