

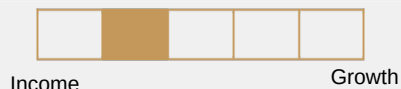
Ralton Dividend Builder

Monthly Portfolio Report | May 2025

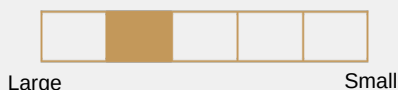


Key facts

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	2.2%	3.2%	10.6%	9.3%	5.9%	9.6%	6.5%	7.4%
Income	0.4%	1.4%	4.8%	4.8%	5.0%	4.7%	4.7%	4.9%
Growth	1.8%	1.8%	5.8%	4.6%	0.9%	4.9%	1.8%	2.5%
Index ²	4.2%	4.3%	13.2%	13.0%	9.3%	12.0%	8.1%	6.7%
Outperformance	-2.0%	-1.2%	-2.6%	-3.7%	-3.5%	-2.4%	-1.6%	0.7%

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 underperformed the ASX300 Accumulated Index in May, returning 2.2% versus the index return of 4.2%.

Contributors	Comment
Ramsay Health Care Limited (RHC.ASX) 15.2%	Ramsay Health Care (RHC) contributed positively to performance during the month, as investor confidence improved from industry feedback of on-going growth in private hospital activity. While RHC is still battling wage pressures for nursing staff, comments of improving utilisation across RHC's facilities is encouraging. We remain constructive on RHC's long-term fundamentals as well as the opportunity to exit unwanted assets from their international portfolio.
QBE Insurance Group Limited (QBE.ASX) 7.3%	QBE was a strong contributor to performance in May, following a well-received trading update that highlighted on-going solid top-line growth despite softer pricing trends and a reiteration of full year earnings guidance. Also helping QBE is the backdrop of continued buoyant interest rate markets, which drives investment income to support QBE's capacity to invest and undertake capital management. We continue to see QBE as well managed business that is benefiting from improved execution under the leadership of Andrew Horton.
Ampol Limited (ALD.ASX) 7.7%	Ampol (ALD) was a positive contributor in May, helped by improving refining margins and the company's decision to exit several loss-making initiatives within its Energy Solutions division, including electricity retailing. The market welcomed the move as a return to core strengths and capital discipline. We continue to value ALD's network of fuel infrastructure assets, which we believe will remain critical and well-utilised for years to come, particularly as the energy transition progresses more gradually than initially anticipated.

Detractors	Comment
Lottery Corporation Limited (TLC.ASX) -2.3%	Following a period of strong performance, TLC detracted from performance in May. While no specific company update was provided, we can likely attribute the decline to investors rotating out of defensive names and back into high beta, growth companies following a continuation of improving market sentiment post the Trump tariff 2.0 scare.
Dexus (DXS.ASX) -6.9%	Despite a solid quarterly update early in May, Dexus (DXS) detracted from performance due to negative sentiment around allegations it mishandled a fund redemption process within its funds management division. The mandate in question accounts for just 2% of group earnings, and there remains a reasonable likelihood the case is dismissed. At current levels, we see value in DXS, with most capital tied to high-quality office assets that are maintaining strong occupancy and showing signs of stabilising book values.
Smartgroup Corporation Ltd (SIQ.ASX) -6.8%	SIQ detracted in May despite delivering a trading update that was broadly in line with market expectations. While order volumes rose strongly YoY, margin concerns arose due to a greater mix of lower-priced EV models. SIQ's outlook remains supported by strong contract wins, continued EV adoption, and progress on digital and operational initiatives.

Portfolio Activity

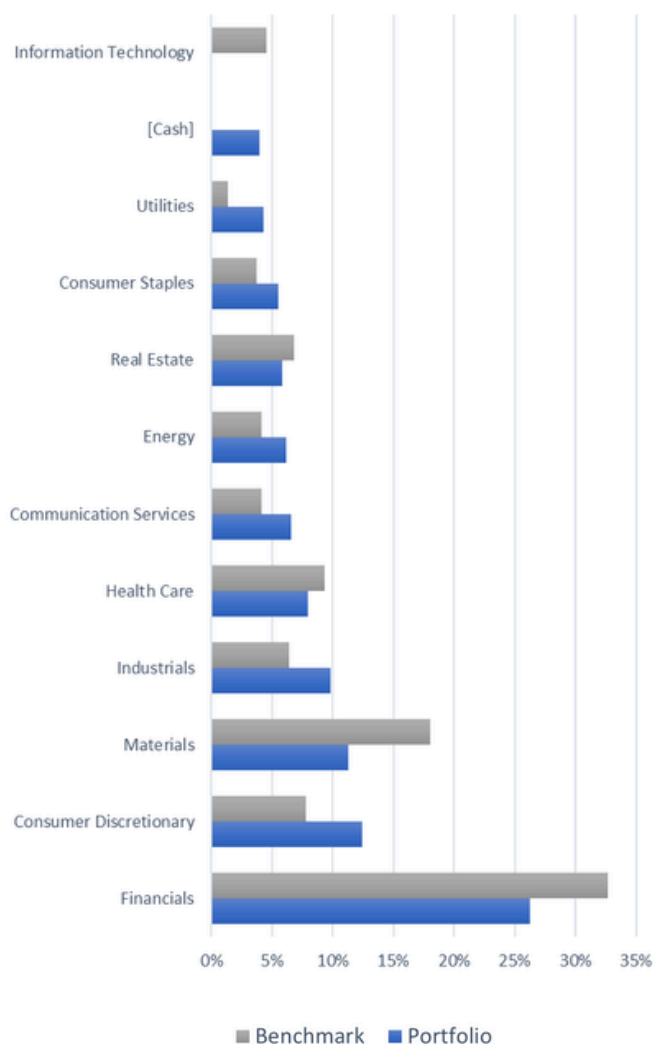
BUY	
National Australia Bank Limited (NAB.ASX)	We have initiated a position in NAB post our review of the recent 1H25 result after exiting the holding in late 2024. In the result we saw evidence of recent efforts by the bank to stabilise funding costs and again generating profitable growth from investment in its direct lending channel. Investors have responded positively as NAB's result came in better than feared, with underlying NIM down by 1bp (in line) and lower costs. The beat was helped by a better result from the markets division, and the underlying looked solid. Individual bank valuations are now the most diverse, offering opportunity for active management. We see opportunity for solid absolute and relative performance with sector leading dividend growth and a stabilising funding model.
Dexus (DXS.ASX)	We have utilised the recent pullback in DXS' share price as an opportunity to increase our position. While news coverage of an issue within its funds management business has been unhelpful for sentiment, we estimate that the dispute raised accounts for <2% of group earnings, which we view as immaterial. We believe DXS continues to represent good value to investors and is set to benefit from the on-going recovery in office property, which remains the growth driver to group earnings and valuation.
APA Group (APA.ASX)	We increased our position in APA following increased confidence in gas's long-term role in the energy transition. With 90% of revenue tied to stable industrial demand, APA offers predictable cash flows that have supported 20 years of distribution growth. While concerns remain around the end of WGP in 2035 and its balance sheet capacity, we believe the market has overstated the risk. Group EBITDA is expected to grow ahead of distributions, supported by disciplined investment and capital management framework, enabling the ability to sustain and gradually grow DPS for the next decade without a balance sheet problem.
ANZ Group Holdings Limited (ANZ.ASX)	ANZ has underperformed the banking sector over the last year and now trades at its largest discount to peers in over a decade. Historical issue in the bank's Global Markets division and subsequent imposed APRA capital buffers has seen the stock de-rate despite underlying earnings trends largely in line with peers. All banks will have to manage interest margin headwinds in the year ahead as the RBA cuts rates and in this environment ANZ's 13x PE valuation vs CBA's 27x PE is hard to justify. As such we take a relative view and look to further clarity on ANZ's future strategy with new CEO Nuno Matos set to start on Monday.
SELL	
Westpac Banking Corporation (WBC.ASX)	The WBC result was marginally disappointing, with underlying NIM weaker and costs expected to accelerate before efficiency gains are realized. The company is spending to benefit from system simplification via UNITE, but its track record is poor. The dividend is expected to be flat at best, with the payout ratio at the high end. Despite a 17% stock rally over the past year Westpac is likely to lag behind ANZ and NAB looking forward as we look for evidence of long awaited efficiency gains from system rationalisation.
Monadelphous Group Limited (MND.ASX)	We reduced our position in MND following strong share price appreciation, which brought the stock closer to our assessment of fair value. While the company remains a high-quality exposure to both the traditional resources cycle and the accelerating energy transition, we have seen a number of catalysts realised, as such we take profits and allocate to new investment opportunities. We remain attracted to its strong competitive position and track record of execution, retain overweight.

Top 10 Holdings (alphabetical)

ANZ Group Holdings Limited
 APA Group
 BHP Group Ltd
 Commonwealth Bank of Australia
 Lottery Corporation Limited

National Australia Bank Limited
 QBE Insurance Group Limited
 Rio Tinto Limited
 Telstra Group Limited
 Transurban Group Ltd.

Sector Positioning



Portfolio Metrics*

	Ralton	XKOA [^]
# of Securities	29	299
Market Capitalisation	69,252.0	87,125.8
Active Share	60.0	--
Tracking Error	4.23	0.00
Beta	0.80	1.00
Est 3-5 Yr EPS Growth	4.8	5.2
ROE	15.0	12.7
Div% NTM	4.35	3.32
P/E using FY2 Est	17.3	18.2
Price/Cash Flow	10.0	11.7

* Source: FactSet

[^] XKOA^I 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.