Ralton Concentrated Australian Equity

Monthly Portfolio Report | June 2025

RALTON ASSET MANAGEMENT EST. 2005

Key facts

Income versus growth target

Income Growth

Market cap bias

Large Small

Investment strategy

A portfolio of ASX-listed equities designed to provide capital growth with some 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	**0.8%**	**5.7%**	**7.0%**	**7.6%**	**8.8%**	**10.3%**	**7.0%**	**7.1%**
Income	**0.2%**	*0.7%*	*3.4%*	*3.5%*	*3.8%*	*3.5%*	*3.8%*	*4.0%*
Growth	*0.7%*	*5.0%*	*3.6%*	*4.1%*	*5.0%*	*6.8%*	*3.3%*	*3.1%*
Index[2]	***1.4%***	**9.5%**	**13.7%**	**12.8%**	**13.3%**	**11.8%**	**8.8%**	**6.7%**
Outperformance	**-0.6%**	**-3.8%**	**-6.8%**	**-5.3%**	**-4.6%**	**-1.5%**	**-1.8%**	**0.4%**

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 Concentrated Portfolio underperformed the ASX300 Accumulated Index in June, returning 0.8%, versus the index return of 1.4%.

Contributors	Comment
Newmont Corporation Registered Shs Chess Depositary Interests Repr 1 Sh (NEM.ASX) 8.3%	Newmont was a contributor to performance in June thanks to on-going strength in gold and support from a brokerage firm that upgraded its investment view of Newmont whilst downgrading recommendations for other gold stocks. There is no change to our view that Newmont is an attractive stock given is the world's pre-eminent long-life, low cost gold miner.
PEXA Group Limited (PXA.ASX) 7.0%	PEXA saw strong returns in June, supported by encouraging signs in the Australian property market and continued steady operational delivery. Clearance rates and residential prices have shown improvement, boosting overall exchange volumes. In Australia, PEXA saw a 4% rise in exchanges year-on-year, with momentum in digital solutions revenue, reflecting growing adoption and dominant market position. Meanwhile, UK platform development remains on track, with progress toward broader market roll-out in the second half of 2025.
Macquarie Group, Ltd. (MQG.ASX) 6.8%	MQG delivered positive contribution to the portfolios in June driven by a continuation of support for risk assets post Trump's tariff 2.0 liberation day. We maintain our view that MQG remains well-positioned across cycles due to its diversified earnings base and strong capital position.

Portfolio Performance

Detractors	Comment
IDP Education Ltd. (IEL.ASX) -52.9%	IDP Education detracted from performance in June, reflecting persistent headwinds from tighter visa policies and slower processing times in key markets such as Australia and Canada. Continued weakness in student visa approvals has weighed on volumes and sentiment, pushing the share price back to levels last seen at its 2015 listing. These sustained challenges led us to actively reconsider our position during the month. While longer-term fundamentals remain sound, we acknowledge the near-term outlook is likely to stay difficult before policy conditions improve.
Ramsay Health Care Limited (RHC.ASX) -4.2%	Ramsay (RHC) modestly detracted from performance over June, giving back some of the strong gains seen in May. Newsflow was absent for Ramsay during the month. We note that data showing on-going positive participation in private health insurance depicts a favourable backdrop for utilisation of Ramsay's private hospital, as does the prospect of the number two player, Healthscope, entering voluntary administration and commencing an asset sale process that could be opportunity for Ramsay to further strengthen its network.
CSL Limited (CSL.ASX) -3.0%	CSL fell 3% over June, detracting from relative performance. Despite reiterating earnings guidance in the prior month at the Macquarie conference, CSL continues to be impacted by negative investor sentiment, particularly its flu business Seqirus following Trump's appointment of Bob Kennedy Junior as Health Secretary. We remind clients that Seqirus is a small business for CSL at less than 15% of group earnings. The most important value driver of CSL comes from their Behring plasma business, which enjoys a market leadership position and serves a growth backrop given the rising the incidence and diagnoses of a range of immune and autoimmune diseases. Notwithstanding some maturation in CSL's business over time, as well the acquisition of Vifor not meeting expectations,we see CSL as a more privileged business than most on the ASX and, when combined with its 21x P/E ratio, believe CSL should be a core holding in Climes Australian shares portfolios.

Portfolio Commentary

Markets

June was a solid month for share markets to end the financial year in positive shape - boosted by a reduction in tariff tensions, expectations of central bank rate cuts and resilient economic data. Markets have recovered sharply from the 7 April lows reached shortly after President Trump's "Liberation Day". The most significant developments over the past month were lower inflationary pressures emanating from tariffs than expected, stronger bond markets, and a speedy ceasefire achieved following US intervention in the war between Israel and Iran which has put a lid on Iranian ambitions of reaching nuclear weapon capabilities for the immediate future. The consequent reduction in the crude oil price provided a lift to investor sentiment, adding impetus to major share market indexes reaching new record levels.

Portfolio Performance

Fund performance was solid albeit modestly below the index. A continued feature of our attribution has been our underweight in CBA. We note over fiscal year 2025, CBA's market cap increased A$96bn to represent around 40% of the increase in the entire market cap of the ASX 200. With CBA's earnings broadly unchanged at $10bn, the increase in value of CBA has taken its P/E of 30x. We have no issue with CBA's qualitative attributes (it is the market leader in Australia), but do take issue with how it's being priced, thus will retain our underweight for the foreseeable future.

Elsewhere our other setback was from our small holding in IDP Education (IEL.ASX) following an earnings downgrade in early June reflecting continued weakness in international student numbers across all of IDP's key destination markets (Australia, UK, Canada, US). While share prices understandably fall when earnings reduce, the quantum decline seems excessive given IEL is now back to its IPO share price of a decade ago yet earnings should stabilise above this level as management adapts to the changed volume environment. Despite lacking near-term catalysts, we see no reason capitulating and selling the position.

On the positive ledger, relative performance was helped from our overweight in Newmont, which found support from on-going resilience in gold and a broker recommendation upgrade, as well as Pexa (PXA.ASX) and Macquarie (MQG.ASX) on limited news flow.

Outlook

The outlook for the Australian share market is solid albeit not spectacular at this juncture. We mentioned above the very narrow year for the ASX in fiscal 2025. With the ASX now at over 19x P/E, key to sustained gains will be a broadening out of the market underpinned by earnings recovery from resources and on-going delivery from industrial stocks. Benign inflation data continues to support the case for policy rate cuts, which we believe will be supportive for the REIT sector as well as pockets of the consumer sectors previously challenged by cost of living pressures (notably mortgages).

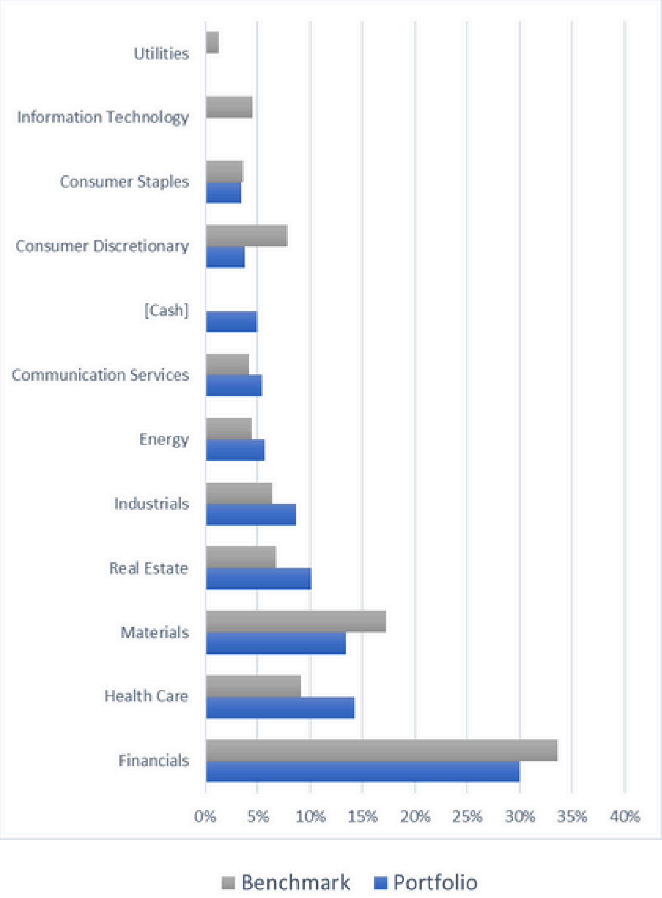
Portfolio Activity

BUY
No trades
SELL
No trades

Top 10 Holdings (alphabetical)

ANZ Group Holdings Limited
BHP Group Ltd
Commonwealth Bank of Australia
CSL Limited
Goodman Group
Macquarie Group, Ltd.
National Australia Bank Limited
Newmont Corporation Registered Shs Chess Depositary Interests Repr 1 Sh
Resmed Inc CHESS Depositary Interests on a ratio of 10 CDIs per ord.sh
Telstra Group Limited

Sector Positioning



Portfolio Metrics*

	Ralton	XKOAI^
# of Securities	*24*	*299*
Market Capitalisation	*86,707.4*	*89,276.3*
Active Share	56.6	--
Tracking Error	*3.35*	*0.00*
Beta	*0.84*	*1.00*
Est 3-5 Yr EPS Growth	2.6	5.2
ROE	*10.7*	*12.6*
Dividend %	3.26	3.28
P/E using FY2 Est	18.4	18.6
Price/Cash Flow	11.2	11.8

* Source: FactSet

^ XKOAI 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 an in index.