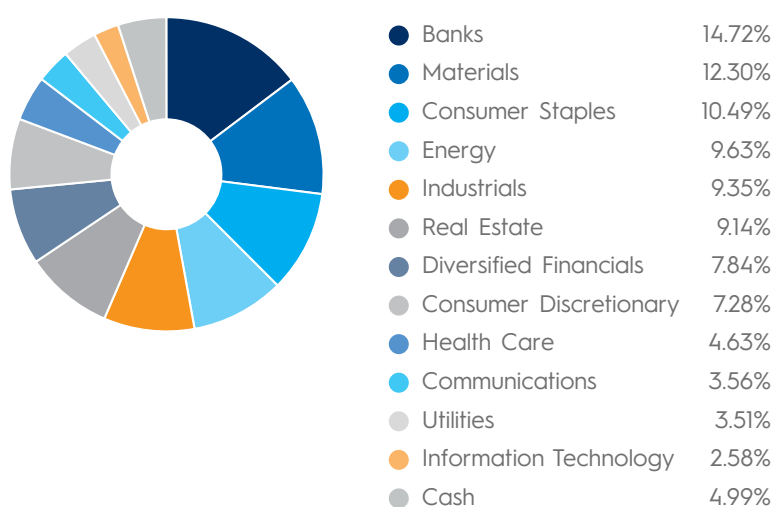


July 2021

## Key Information

APIR Code	ETL754IAU	Number of Holdings	20-25
Investment Manager	Elston Asset Management	Minimum Investment Horizon	7 Years
Asset Class	Equity	Management Fee	0.33%
Investment Style	Core / Style Neutral	Performance Fee	16.50%
Benchmark	S&P ASX 100		
Launch Date	03/12/2018		

## Sector Allocation Exposure



## Top Portfolio Holdings<sup>1</sup>

ANZ	5.74%
WESTPAC	5.64%
VANECK VECTORS AUST PROPERTY	5.05%
BRAMBLES	4.77%
RAMSAY HEALTH CARE LIMITED	4.63%
BHP BILLITON	4.59%
SYDNEY AIRPORT	4.57%
MACQUARIE GROUP	4.55%
AMCOR PLC	4.49%
LENLEASE	4.08%

## Platforms Availability<sup>2</sup>

HUB24
Macquarie Wrap
Netwealth
Praemium

## Investment Objective

The portfolio aims to outperform the S&P/ASX 100 Accumulation Index by 2.0% p.a. (after fees) over rolling five-year periods.

## Investment Strategy<sup>1</sup>

This is an actively managed portfolio of predominantly Australian equities. In general, the portfolio will have a long-term average exposure of around 97% in growth assets and 3% in defensive assets, however the allocations will be actively managed within the allowable asset allocation ranges depending on market conditions.

## Designed for Investors Who

The portfolio is designed for investors seeking:

- long term capital growth above inflation;
- tax effective income growth;
- a non-index weighted portfolio construction; and,
- a minimum investment timeframe of seven years.

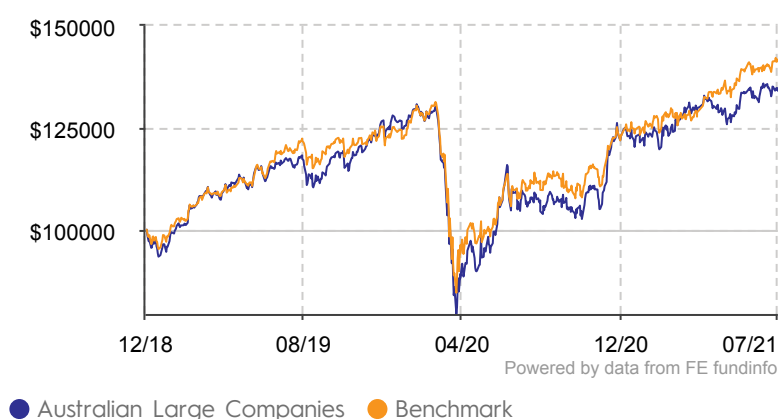
## Investor Philosophy

The Elston Asset Management investment philosophy incorporates the following values:

- Preservation of capital
- Long term focus
- Value and growth
- Genuine diversity
- Liquidity
- After tax management



## Growth of \$100,000 since inception<sup>3</sup>



Performance	YTD	1 Yr	3 Yr	5 Yr	7 Yr	ITD
Australian Large Companies	10.44%	28.31%	-	-	-	11.67%
Benchmark	14.63%	28.76%	-	-	-	13.89%

## Portfolio update

- Portfolio changes for the month included a Tactical Asset Allocation adjustment to increase cash by 2%, funded by a 1% reduction of both the Australian equity and listed property allocations, and the sale of Woolworths with the proceeds used to buy Endeavor Group which was recently demerged from Woolworths.
- The fund (+1.6%) outperformed its benchmark (+1.2%), with the positive contribution from stock selection partly offset by sector allocations.
- The overweight to Energy and underweight to Materials were the primary detractors at a sector level. In terms of stock selection, positions within the Industrials and Energy sectors were the primary contributors.
- The top three contributors to performance were positions in Sydney Airport (+1.3%) and Lendlease (+0.2%) and from not owning Afterpay (+0.3%). The largest detractors were positions in AMP (-0.3%) and Origin Energy (-0.3%) and an underweight position in BHP (-0.3%).
- The largest overweight positions on average compared to the benchmark were Ramsay Health Care (+3.9%), Brambles (+3.8%) and Amcor (+3.8%), while the largest underweights were due to not owning Commonwealth Bank (-9.4%), CSL (-6.9%) or National Australia Bank (-4.6%).

## Snapshot of the Month

- The S&P/ASX 300 Accum. Index increased +1.1% while the MSCI ACWI Ex Australia NR Index (A\$) finished +2.9% higher.
- The A\$ depreciated -2.1% against the USD while on a trade-weighted basis, it declined by -1.8%.
- The Bloomberg AusBond Composite 0-5Yr TR Index finished up +0.4%, while the Barclays Global Aggregate TR Hedged Index finished +1.2% higher.
- The best performing sectors domestically were Materials (+7.1%), Industrials (+4.2%) and Utilities (+1.6%), while the worst performers were Financials (-1.4%), Energy (-2.5%) and Information Technology (-6.9%).
- The best-performing stocks in the S&P/ASX 100 were Sydney Airports (+34.9%), Spark Infrastructure Group (+23.7%) and Mineral Resources (+17.3%). The worst performers were Crown Resorts (-27.7%), Afterpay (-18.2%) and Appen (-16.5%).
- While sentiment was dented by concerns over the COVID-19 Delta variant, developed markets (MSCI DM +1.7%) delivered another positive month, outperforming their emerging counterparts (MSCI EM -6.0%), the latter significantly impacted by the Chinese market (MSCI China -13.8%) following a regulatory crackdown by Chinese authorities on technology companies and concerns around slowing growth in China more broadly. The very significant negative impact of the crackdown on the broader MSCI EM Index is because the technology sector represents ~40% of the MSCI China Index and China, in turn, represents ~40% of MSCI EM Index. With a very strong Q2 reporting season that saw company earnings beat expectations for most constituents, the US was the best performer (S&P500 +2.4%) across developed markets. Despite lagging the US, the pan-European STOXX 600 nonetheless recorded its sixth straight month of gains.
- Despite underperforming its developed market peers in local currency terms, the domestic market recorded its tenth consecutive month of gains, equalling its record posted in 2007. Takeovers were a clear theme following offers for Sydney Airport and Spark Infrastructure. With reporting season underway, Rio Tinto reminded investors of the very attractive dividend yields offered by local companies, announcing the largest half-year dividend in Australian corporate history at \$9.1bn.

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2 Other fees and costs apply. To understand all the fees payable you must refer to the appropriate platform PDS.

3 Inception to date is 03/12/2018. The table above sets out the investment performance returns (AFTER investment management fees of 0.33%p.a., but BEFORE administration fees and taxes) for the managed portfolio. The performance returns have been calculated on a daily basis taking into account brokerage costs, and are accumulated for the relevant period. Returns from inception are shown as annualised if the period is over 1 year, or as total returns otherwise. Past performance is not a reliable indicator of future performance returns. Returns may differ between platforms due to fees or underlying holdings, please refer to the appropriate platform PDS for further information.

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