Elston Australian Large Companies A

December 2021

Key Information

APIR Code	ETL7541AU
Investment Manager	Elston Asset Management
Asset Class	Equity
Investment Style	Core / Style Neutral
Benchmark	S&P ASX 100
Launch Date	03/12/2018

Number of Holdings	20-25
Minimum Investment Horizon	7 Years
Management Fee	0.33%
Performance Fee	16.50%

Sector Allocation Exposure

Banks	12.89%
Materials	12.53%
Consumer Staples	10.92%
Energy	10.10%
Real Estate	9.19%
Health Care	7.77%
Diversified Financials	7.56%
Consumer Discretionary	6.65%
Industrials	4.91%
Communications	4.04%
Utilities	3.82%
Information Technology	2.76%
Cash	6.85%

Top Portfolio Holdings[1]

VANECK VECTORS AUSTRALIAN PROPERTY ETF	5.39%
WESTPAC BANKING CORP	5.34%
AMCOR PLC	4.93%
BRAMBLES LIMITED	4.91%
RAMSAY HEALTH CARE LIMITED	4.76%
BHP GROUP LIMITED	4.52%
ANZ BANKING GROUP LIMITED	4.48%
MACQUARIE GROUP LTD	4.36%
TELSTRA CORPORATION	4.04%
TREASURY WINE ESTATES	3.99%

Platforms Availability[2]

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[1]

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

Zenith APPROVED

Recommended Lonsec Research

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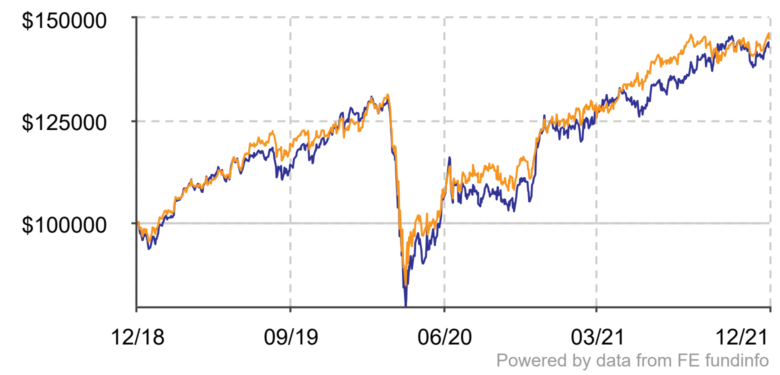
Growth of $100,000 since inception³



Australian Large Companies   Benchmark

Performance	YTD	1 Yr	3 Yr	5 Yr	7 Yr	ITD
Australian Large Companies	17.70%	17.70%	14.01%	-	-	12.30%
Benchmark	17.65%	17.65%	13.74%	-	-	12.84%

Portfolio update

- There were no outright model switches or weighting changes during the month.
- The model portfolio (+2.6%) underperformed its benchmark (+2.8%), driven entirely by sector positioning.
- A positive contribution to relative performance from stock selection was primarily from positions within the Health Care and Information Technology sectors. In terms of sector positioning, the underweight to Materials and overweight to Consumer Staples were the primary detractors.
- The top three positive contributors were from not owning positions in CSL (+0.6%), Afterpay (+0.4%), and Woolworths (+0.3%). The largest detractors were the position in a2 Milk (-0.4%) and from not owning either Commonwealth Bank (-0.5%) or Fortescue Metals (-0.2%).
- The largest overweight positions on average compared to the benchmark were Amcor (+4.0%), Brambles (+3.9%) and Ramsay Health Care (+3.8%), while the largest underweights were due to not owning Commonwealth Bank (-8.9%), CSL (-7.2%) or National Australia Bank (-5.0%).

Snapshot of the Month

- The S&P/ASX 300 Accum. Index finished the month up +2.7%, while the MSCI ACWI Ex Australia NR Index (A$) ended +1.4% higher.
- The A$ appreciated +2.5% against the USD while on a trade-weighted basis, it rose by +1.5%.
- In fixed income, the Bloomberg AusBond Composite 0-5Yr TR Index finished flat while the Barclays Global Aggregate TR Hedged Index finished -0.4% lower.
- The best performing sectors domestically were Utilities (+7.9%), Materials (+6.8%) and Financials (+4.6%), while the worst performers were Health Care (-2.4%), Consumer Staples (-3.3%) and Information Technology (-6.0%).
- The best-performing stocks in the S&P/ASX 100 were Mineral Resources (+23.7%), Pilbara Minerals (+23.1%) and Reece Group (+15.4%). The worst performers were Domino's Pizza (-9.0%), Afterpay (-23.7%) and Magellan Financial (-36.0%).
- Global markets bounced back strongly during December suggesting investors are not overly concerned by the rise in COVID cases. This capped off another strong year of performance, certainly much stronger than we had expected heading into 2021. The major developed markets were once again amongst the best performing, led by Europe and the US where the Stoxx600 and S&P 500 indices gained 5.4% and 4.5% respectively. While many of the major Asian markets also enjoyed solid gains, China lagged yet again, a notable feature of 2021. In fact, China was a key driver behind developed markets outperforming emerging markets by approximately 26% last year.
- The local bourse lagged its developed market peers after easing back from three-month highs in late trading. The ASX300 finished the calendar year with a gain of 17.5% as dividends contributed just over 4% to total returns. Pleasingly the remaining gains were all driven by higher company earnings and not PE multiple expansion. Despite the very strong returns generated from the ASX, US stocks generated double the return of Australian equities in local currency terms.
- While no-one can predict the future, with valuations exceeding pre-pandemic highs, elevated inflation and the end of ultra-loose monetary policy a near certainty at least in the US, the backdrop for markets is increasingly fragile. That said, solid fundamentals should support equity markets, but investor's return expectations must be realistic.

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.