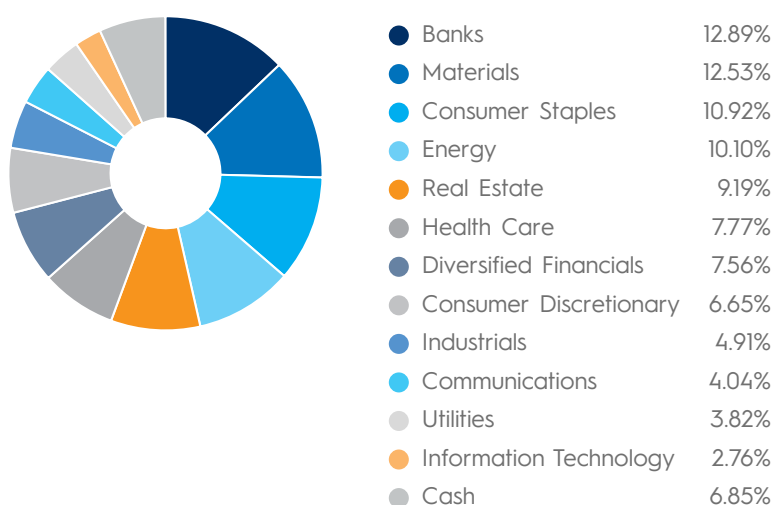


December 2021

## 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>

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<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.

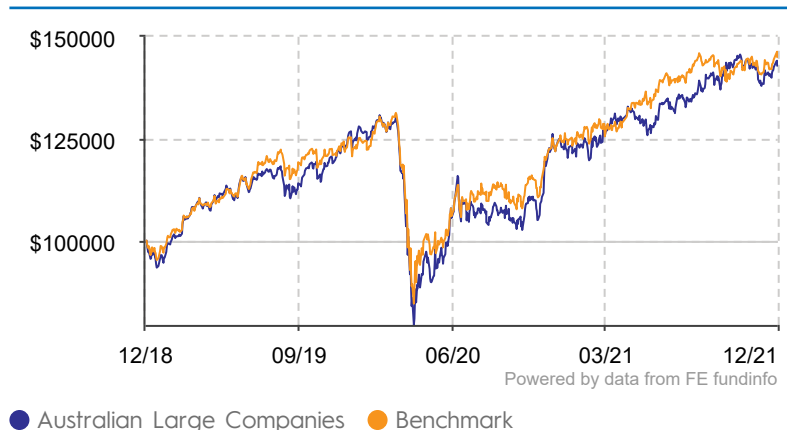
## Investor Philosophy

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	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.

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Elston Australian Emerging Leaders Fund ARSN 649 899 301. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This publication has been prepared by Elston Asset Management Pty Ltd ("Elston"), a Corporate Authorised Representative of EP Financial Services Pty Ltd (ACN 130 772 495, AFSL 325 252), to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Elston, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

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.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned June/2021) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>

The rating issued 10/2021 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2021 Lonsec. All rights reserved.