

Elston Australian Large Companies Fund – Class A

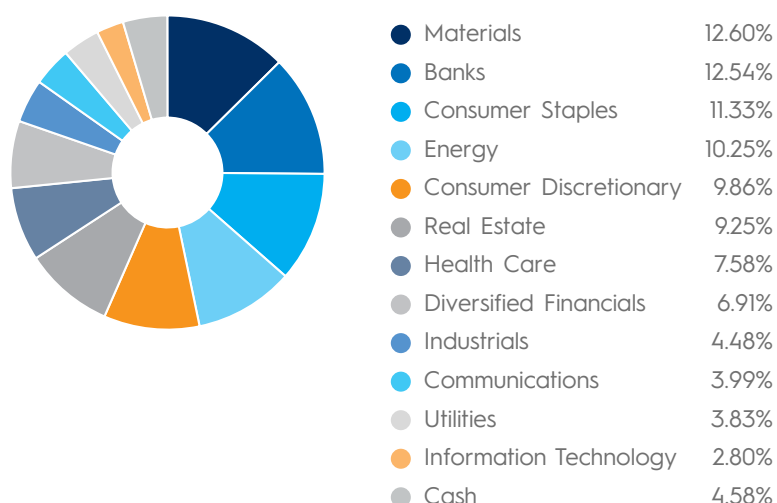


June 2022

Key Information

APIR Code	ETL7541AU	Number of Holdings	20-25
Investment Manager	Elston Asset Management	Minimum Investment Horizon	7 Years
Asset Class	Equity	Management Fee	0.33%
Investment Style	Style Neutral	Performance Fee	16.50%
Benchmark	S&P ASX 100		
Launch Date	03/12/2018		

Sector Allocation Exposure



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 Strategy¹

This is an actively managed portfolio of predominantly ASX listed businesses. The strategy's investment universe is all businesses within the S&P/ASX 100 index (at the time of investment), with a minimum of 80% of the portfolio invested in companies in the S&P/ASX 50 index. The portfolio holds between 20 and 25 holdings and can hold up to 10 per cent in cash; however, the portfolio is expected to be fully invested most of the time.

Top Portfolio Holdings¹

VANECK VECTORS AUSTRALIAN PROPERTY ETF	5.96%
WESTPAC BANKING CORP	5.26%
AMCOR PLC	4.67%
BHP GROUP LIMITED	4.62%
BRAMBLES LIMITED	4.48%
ANZ BANKING GROUP LIMITED	4.43%
COCHLEAR LIMITED	4.38%
MACQUARIE GROUP LTD	4.22%
TREASURY WINE ESTATES	4.09%
ENDEAVOUR GROUP LIMITED	4.08%

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

Platforms Availability²

HUB24
Macquarie Wrap
Netwealth
Praemium



Elston Australian Large Companies Fund – Class A



Growth of \$100,000 since inception³



● Australian Large Companies ● Benchmark

Performance	YTD	1 Yr	3 Yr	5 Yr	7 Yr	ITD
Australian Large Companies	-3.27%	4.76%	5.97%	-	-	9.48%
Benchmark	-8.47%	-4.97%	3.86%	-	-	8.25%

Portfolio update

- There were no outright model switches or weighting changes during the month
- The model portfolio (-7.1%) outperformed its benchmark (-8.5%), driven by sector allocations.
- From a sector allocation perspective, the overweight to Consumer staples and Energy were the primary contributors to relative performance. Positive stock selection within the Materials and Consumer discretionary sectors were more than offset by positions in the Financials and Consumer staples sectors though.
- The top three positive contributors were positions in Endeavour Group (+0.4%), Aristocrat Leisure (+0.3%) and from not owning Commonwealth Bank (+0.5%). The largest detractors were from the underweight position in CSL (-0.3%) and from not owning Woolworths (-0.2%) or Transurban (-0.2%).
- The largest average overweight positions compared to the benchmark were Amcor (+3.8%), Brambles (+3.7%) and Treasury Wine Estates (+3.6%), while the largest underweights were due to not owning Commonwealth Bank (-8.7%) or National Australia Bank (-4.9%) and from being underweight BHP (-7.2%).

Snapshot of the Month

- The S&P/ASX 300 Accum. Index finished down -8.9%, while the MSCI ACWI Ex Australia NR Index (A\$) ended -4.4% lower.
- The A\$ depreciated -4.1% against the USD and -2.2% on a trade-weighted basis.
- In fixed income, the Bloomberg AusBond Composite 0-5Yr TR Index fell -0.5%, while the Barclays Global Aggregate TR Hedged Index finished down -1.6%.
- The best performing sectors domestically were Consumer Staples (+1.3%), Energy (+0.9%) and Health Care (-2.8%), while the worst performers were Financials (-12.1%), Materials (-11.6%), and Real Estate (-11.2%).
- The best-performing stocks in the S&P/ASX 100 were Tabcorp Holdings (+14.5%), Atlas Arteria (+9.5%) and Woodside Energy (+7.0%). The worst performers were Evolution Mining (-38.0%), Block Inc (-28.1%) and OZ Minerals (-26.3%).
- Global markets remained under pressure during June as concerns around slowing growth and the increasing risk of recession weighed as financial conditions continued to tighten in the face of stubbornly high inflation. June's close marked the end of a historically dismal first half for markets; the S&P 500 Index fell -8.4% in June to be down -20.6% in the first six months, the worst 1H performance since 1970. Meanwhile the pan-European Stoxx 600 Index returned -6.4% to be -15.8% lower for the half. The MSCI World Index dropped -8.8% to be down -20.0% with emerging market equities (MSCI EM Index) being a relative outperformer with losses of -2.6% for the month and -12.9% for the half. Chinese equities enjoyed a late quarter surge (Shanghai CSI Index +9.6%) on easing Covid-19 lockdown measures and positive government data showing that factory activity in China grew in June. This helped offset the weakness in the more commodity-centric emerging markets.
- The local equity market was no place to hide, the -8.9% loss (S&P/ASX 300 Accum Index) being its worst monthly performance since the start of the pandemic. Despite the terrible month, the -10.4% loss for the first half was a comparatively resilient performance, aided by a solid showing in the Materials sector. For the month, the benchmark heavyweight Financial and Material sectors led the rout as the RBA's hawkish commentary raised credit quality concerns for the former while cost concerns combined with recession-related demand concerns weighed on the latter. Not surprisingly, in a difficult month consumer staple companies like Endeavour Group (+4.3%), Woolworths (+2.7%) and Coles (+1.6%) performed well as investors rotated into positions traditionally viewed as defensive.

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 for ratings information and to access the full report. © 2021 Lonsec. All rights reserved.