Elston Australian Large Companies Fund – Class A

ELSTON

July 2022

Key Information

APIR Code	ETL7541AU
Investment Manager	Elston Asset Management
Asset Class	Equity
Investment Style	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	13.01%
Materials	12.11%
Consumer Staples	11.34%
Energy	11.23%
Health Care	10.45%
Consumer Discretionary	9.75%
Real Estate	9.23%
Diversified Financials	7.36%
Industrials	4.30%
Communications	3.84%
Information Technology	2.85%
Cash	4.53%

Top Portfolio Holdings[1]

VANECK VECTORS AUSTRALIAN PROPERTY ETF	6.01%
WESTPAC BANKING CORP	5.50%
BHP GROUP LIMITED	4.78%
ANZ BANKING GROUP LIMITED	4.65%
AMCOR PLC	4.33%
BRAMBLES LIMITED	4.30%
MACQUARIE GROUP LTD	4.30%
WOODSIDE ENERGY GROUP LTD	4.23%
COCHLEAR LIMITED	4.22%
TREASURY WINE ESTATES	4.10%

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 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.

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

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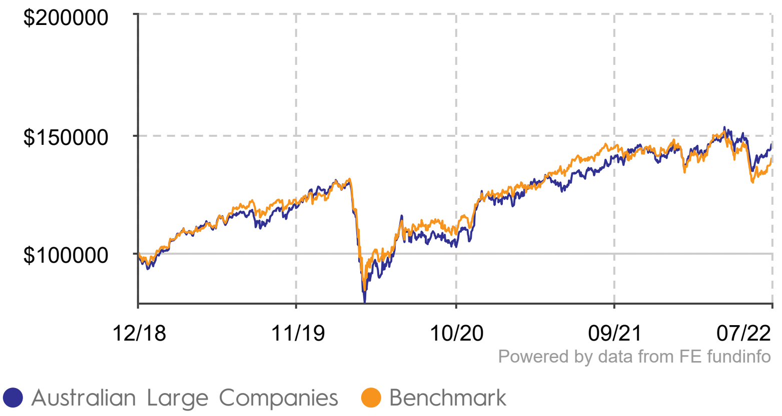
Growth of $100,000 since inception[3]



Performance	YTD	1 Yr	3 Yr	5 Yr	7 Yr	ITD
Australian Large Companies	2.00%	8.70%	7.48%	-	-	10.85%
Benchmark	-3.61%	-1.07%	4.70%	-	-	9.59%

Portfolio update

- Outright portfolio changes saw the inclusion of Ramsay Health Care, funded from the sale of Origin Energy. Weighting changes included an increase to Santos and Woodside Energy while the weighting to Lendlease was decreased.
- The model portfolio (+5.4%) outperformed its benchmark (+5.3%), driven by sector allocations.
- From a sector allocation perspective, the underweight to Materials and overweight to Real Estate were the primary contributors to relative performance. Positive stock selection within the Materials and Information Technology sectors was more than offset by positions in the Energy and Consumer Discretionary sectors.
- The top three positive relative contributors were the underweight position in BHP (+0.8%) and positions in Wisetech Global (+0.6%) and AMP (+0.2%). The largest detractors were from not owning Commonwealth (-0.5%) or National Australia Bank (-0.3), and the position in Santos (-0.2%).
- The largest average overweight positions compared to the benchmark were Amcor (+3.7%), Brambles (+3.6%) and Treasury Wine Estates (+3.6%), while the largest underweights were due to not owning Commonwealth Bank (-8.9%) or National Australia Bank (-5.1%) and from being underweight BHP (-5.9%).

Snapshot of the Month

- The S&P/ASX 300 Accum. Index returned +5.9%, while the MSCI ACWI Ex Australia NR Index (A$) finished +5.4% higher.
- The A$ appreciated +1.5% against the USD and +2.1% on a trade-weighted basis.
- In fixed income, the Bloomberg AusBond Composite 0-5Yr TR Index rose +1.5%, while the Barclays Global Aggregate TR Hedged Index finished up +2.5%.
- The best performing sectors domestically were Information Technology (+14.4%), Real Estate (+12.1%) and Financials (9.2%), while the worst performers were Materials (-1.5%), Energy (+1.5%), and Utilities (+3.1%).
- The best-performing stocks in the S&P/ASX 100 were Wisetech Global (+32.4%), Whitehaven Coal (+28.3%) and Pilbara Minerals (+20.9%). The worst performers were Newcrest Mining (-7.6%), Tabcorp Holdings (-7.0%) and BHP (-6.2%).
- Following a historically poor first half of the year, in July most major markets posted strong gains. Despite inflation remaining at levels not seen in decades, with more signs that economic growth is slowing, investors started to reprice the likelihood of a less-hawkish US Fed with a pivot to being more supportive of markets. Better than expected US corporate earnings also helped sentiment. Developed markets (MSCI DM Index +7.9%) markedly outperformed their emerging counterparts (MSCI EM Index -0.7%). Within developed markets the Nasdaq (+12.4%) topped the list of best performers for the first time since April 2020 - big tech names Amazon, Apple, Alphabet and Microsoft all reported better-than-feared earnings. European equities were positive but underperformed the US with the overhang of the Russian gas supply crisis and the collapse of the Italian coalition government. Chinese equities were particularly weak (Shanghai Composite Index –3.1%) and a key driver of the EM underperformance. The poor performance was despite further loan stimulus from the PBOC and GDP data positively surprising given zero-COVID restrictions and property sector fears.
- The local equity market also rose strongly, recouping a large part of June's decline. With bond yields falling longer-duration growth stocks and interest rate-sensitive sectors outperformed, offsetting weakness in the heavyweight materials sector as commodity prices fell on concerns over China's property market and slowing global economic growth. Small cap stocks significantly outperformed large caps.

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.