

# Elston Australian Large Companies Fund – Class A

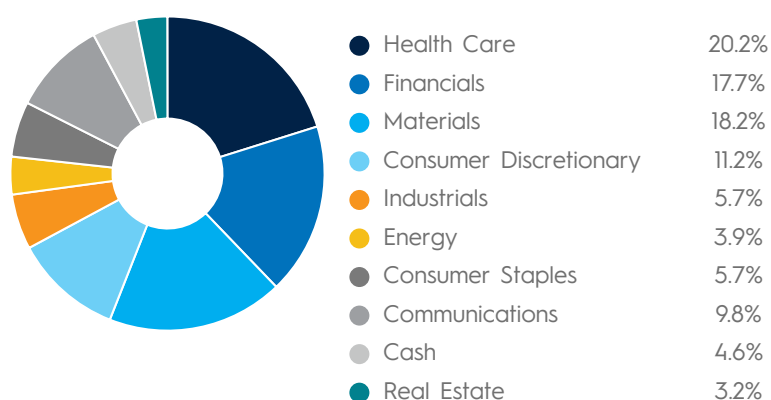


June 2025

## Key Information

Investment Manager	Elston Asset Management Pty Ltd	Asset Class	Australian Equities
Target Growth / Defensive	Australian Equities 97% / Cash 3%	Number of Holdings	20-35
Investment Style	Active / Style Neutral	Management Fee	Refer to PDS
Minimum Investment Horizon	5 Years	Performance Fee	16.50%
APIR Code	ETL7541AU	Inception Date	03/12/2018

## Sector Allocation



## Investment Objective

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

## Benchmark

S&P/ASX 100 Accumulation Index.

## Investment Strategy

An actively managed portfolio of predominantly ASX listed businesses. The strategy's investment universe is restricted to the S&P/ASX 100 index (at the time of investment), with a maximum of 25% of the portfolio being able to be invested in companies outside of the S&P/ASX 50 index. The portfolio holds between 20 and 35 companies and can hold up to 10 per cent in cash; however, the portfolio is expected to be fully invested a majority of the time.

## Top Portfolio Holdings

BHP Group Limited	6.31%
CSL Limited	6.17%
ANZ Banking Group Limited	5.65%
Macquarie Group Ltd	5.43%
Amcor PLC	4.87%
ResMed Inc	4.44%
The Lottery Corporation Limited	4.35%
Woodside Energy Group Ltd	3.93%
Aristocrat Leisure	3.92%
Rio Tinto Limited	3.84%

## 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
- a minimum investment timeframe of five years.

## Platform Availability

HUB24, Netwealth, MyNorth, BT Panorama, Macquarie Wrap, Praemium.

## Portfolio Construction Guardrails

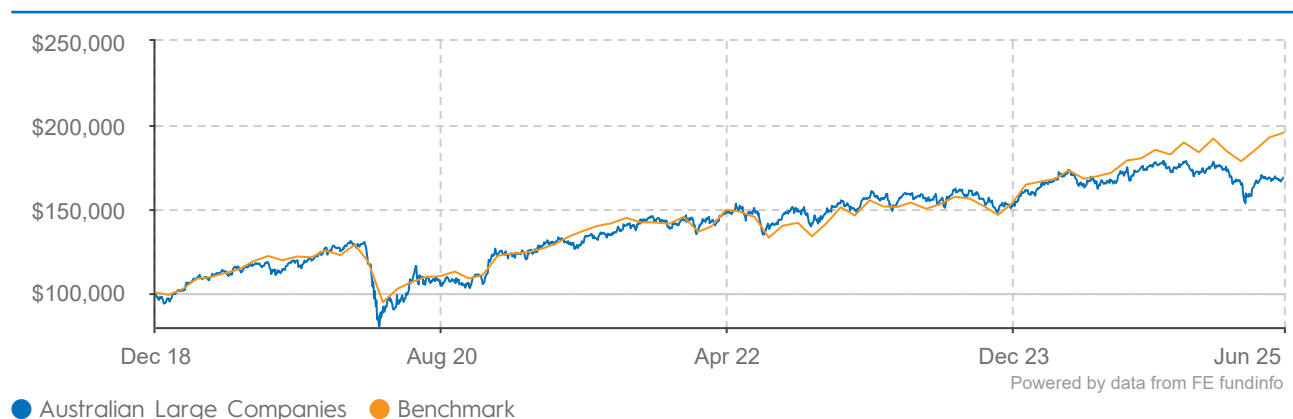
The portfolio contains a number of guardrails within its construction process that aim to promote genuine diversification. These include (at the time of investment) maximum and minimum individual position sizes (of 6.5% and 2.5%, respectively), a maximum of 25% being invested in any one sector and a minimum number of GICS industry sectors represented (8).



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## Value of \$100,000 Since Inception



Performance Table	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	7 Yr (p.a.)	10 Yr (p.a.)	Inception (p.a.)	Value of \$100,000 (Since Inception)
Australian Large Companies A	0.06%	2.79%	-1.04%	1.04%	6.88%	9.51%	-	-	8.29%	\$168,753.30
Benchmark	1.49%	9.59%	6.35%	13.90%	13.75%	12.34%	-	-	10.72%	\$195,346.54

Past performance is not a reliable indicator of future performance returns.

## Portfolio Update

The portfolio continues to underperform its benchmark on a 12-month view. This primarily reflects our positioning, notably with regard to the index's largest constituent, Commonwealth Bank (CBA), which we do not own. As it happens, CBA has enjoyed an extraordinary run over the past 12 months. Indeed, 40% of the difference in the return of the portfolio, versus its index, comes down to us not owning CBA. While this is frustrating, CBA is trading beyond all reasonable fundamental justification, in our opinion. For instance, using a simple forward price/earnings ratio as a measure of valuation, we note that investors are currently paying around double what they historically would have for \$1 of CBA's earnings. Further, CBA is approximately three times as expensive as U.S. peers, Citigroup, Wells Fargo & JP Morgan (which are banks of similar quality), and trades on a similar price multiple to the 'Magnificent 7' group of 'big tech' companies in the U.S. .... despite not have earnings growth anywhere near what they offer. This is quite irrational and is unlikely to be sustainable, in our view.

Looking forward, we have a balanced outlook. On one hand, risks appear to be elevated. Most obviously, this relates to ongoing tariff uncertainty and the potential implications for economic growth, inflation and interest rates as that plays out. That said, our central view assumes that deals will be made, mitigating the impact of tariffs on the global economy. In an investment sense, valuations at the Australian index level are starting to price in little room for error once again. Said another way, investors are becoming increasingly complacent at these levels, raising the likelihood of further volatility from here. Nonetheless, we continue to find opportunities to invest, noting that the Australian equities within the portfolio appear superior in aggregate across a range of valuation, growth and quality metrics, when compared to the Australian index.

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