

## Ralton Smaller Companies

*A concentrated portfolio of quality small-cap Australian companies, the Ralton Smaller Companies managed account seeks to provide investors long-term capital growth and some tax-effective income by delivering a return superior to that of the market over the long term.*

### Reasons to invest

- 1. Concentrated portfolio of small-cap Australian companies**  
Access a portfolio of 25 to 40 smaller Australian companies that offer attractive value relative to the market.
- 2. Seasoned investment professionals**  
Access the extensive investment management expertise of Andrew Stanley, Roger Walling and the Ralton Asset Management team, with Andrew and Roger having managed Ralton's portfolios together since inception.
- 3. Tax-efficient managed account structure**  
Benefit from the beneficial ownership and transparency of the underlying securities, centralised management of activities, such as stock selection, portfolio construction, trades and corporate actions, and the tax advantages of a professionally managed account.
- 4. Proven process, strong long-term track record**  
Proven investment process with a thematic value bias that has delivered investors strong long-term returns across all market cycles.
- 5. Alignment of investor interest**  
Aligned interests with investors due to the Ralton team's ownership of the business and personal investment in the underlying portfolios.

### Key facts

**Manager**  
Ralton Asset Management

**Responsible entity**  
Copia Investment Partners

**Product inception**  
February 2008

**Suggested investment time frame**  
At least 5 years

**Risk level**  
High

**Benchmark**  
S&P/ASX Small Ordinaries Accumulation Index

**Target outperformance**  
3% p.a. (gross of fees)

**Number of stocks**  
20 – 35

**Tracking error**  
3 – 6% p.a.

**Platform availability**  
AMP PPS, Hub24, Linear, netwealth, Praemium

### Suitable investors

- Investors seeking long-term capital growth with some tax-effective income from a concentrated portfolio of small-cap Australian companies.
- Investors with a long-term investment horizon of at least five years who can accept the volatility of equity markets.

### Ratings



**Lonsac**  
Approved

## Overview

The Ralton Smaller Companies portfolio is a professionally constructed managed account that invests in quality smaller-capitalisation Australian companies that are assessed as likely to provide investors with attractive long-term returns.

## Investment objective

The Ralton Smaller Companies portfolio seeks to provide investors with long-term capital growth from a concentrated portfolio of smaller-capitalisation Australian shares. It aims to deliver a return superior to that of the market over periods of five years or more, while at the same time seeking to minimise the risk of investment capital loss.

## Investment approach

Ralton applies a thematic value approach to its investment process believing it provides the best opportunity to capture and take advantage of market inefficiencies through market cycles.

Intensive bottom-up research of target companies is the cornerstone of Ralton's investment process, which it supplements with top-down economic and thematic views. Disciplined and consistently applied, Ralton uses a number of proprietary qualitative and quantitative techniques in its process to thoroughly scrutinise companies so as to uncover undervalued businesses.

Ralton aims to invest in companies with:

- strong and reliable management
- good profit and dividend growth expectations
- reasonably predictable future profits and cash flows, and
- clear business models.

*“Our view is that although capital markets are reasonably efficient, the intrinsic (or true) value of a company is not always reflected in the market price of its securities, both in an absolute and relative sense. Through our proprietary and disciplined investment process, we believe we can consistently identify and exploit this mispricing for the long-term benefit of investors.”*

**Andrew Stanley**  
Head of Australian Equities

## Investment manager

Established in 2006, Ralton Asset Management is a pioneer in Australia's managed account industry. Specialising in managing Australian equities portfolios, Ralton's disciplined, value-orientated investment approach has delivered investors strong, tax-efficient returns since inception.



**Andrew Stanley**  
Head of Australian Equities  
BEC LLB MAppFin CA



**Roger Walling**  
Portfolio Manager  
BOptom MBB



**Olga Kosciuczyk**  
Investment Analyst  
BFin&Acc MFin

- Joined Ralton in 2006 as Head of Australian Equities.
- Responsible for portfolio management and Ralton's investment philosophy and strategy.
- Prior to Ralton, Andrew was an Executive Director within the Financial Structuring Group at UBS in Hong Kong.

- Joined Ralton in 2006 as a Portfolio Manager.
- Responsible for portfolio management including industry, sector and company analysis and financial modelling.
- Prior to Ralton, Roger was a Senior Analyst at Cinnabar Equities where he was responsible for sub-sector and stock investment decisions.

- Joined Ralton in 2015 as an Investment Analyst.
- Responsible for company analysis and financial modelling.
- Prior to Ralton, Olga was an Assistant Portfolio Manager at Aurora Funds Management where she was responsible for financial modelling, trading and researching securities.

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