

# Newsletter

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## Six weeks in – time to see what the leaders are up to?

If you're not in profit you might be looking at the top players who have increased their portfolios by up to \$14,000 and wondering how they are doing it.

To help answer your question, this fortnight we are taking a look into the trading activity of a few of the leaders, as well as some of the most popular stocks traded by the top 10 players.

**Top 10 Players:** Out of the top 10 Game players, there is a mix of strategies being used.

There are two players that have chosen to buy and hold, they have not sold at all. Two have mostly held, but have sold a couple of times to either lock in profits or get rid of non performing stocks. There are six players that have bought and sold quite a lot.

**The most popular stocks** held by these players include: ALU, APT, WTC, XRO and BBN.

**An inside look:** We have randomly chosen three leading portfolios\*. In fairness to these players, we have hidden some of the shares they have invested in; however, this doesn't stop you from seeing the strategy the top players are using. Please remember, that trying to immediately replicate the leading portfolios would be missing the point, as the shares they hold may have already shown their greatest gains.

**Player 1:** This player is using mostly buy and hold strategy. They have bought five times and sold once, locking in profits when selling. At present, they hold four stocks including BBN, KGN and two others.

**Player 2:** This player has bought and sold. At present they have sold out completely and have no holdings. Stocks they have invested in include APT, KGN, WTC, IRI and two others.

**Player 3:** This player is buying and selling quite frequently. They have sold to both lock in profits, but also to get out of some non-performing stocks. Once sold, they have also reinvested in some of the same stocks. At present they are holding four stocks including ASX, WTC and two others.

You can view player portfolios here. (CSV 2KB)

As you can see the top players are using a variety of strategies. It's important to remember, it is about playing your own game, learning and testing your own strategies and seeing what works for you.

Don't be frustrated if your portfolio is showing losses. The market has fallen over the past 2 weeks, which may have affected your portfolio, however, as a result you should be learning some valuable lessons.

**How is your Game plan going?** We'd love to hear from you - what lessons you have learnt so far, whether it is from a mistake, something you have tried and it is working well, a book you have found helpful. Email your feedback to [share.game@asx.com.au](mailto:share.game@asx.com.au).

\*11 September



## Stock Doctor Webinars



### Webinar 1 recording

Game on with Stock Doctor

### Webinar 2 recording

Smarter Game strategies

## Webinar 3 recording

### Reporting season update – the good, the bad & the ugly

## Webinar 4 - Six secrets of successful sharemarket investing

Wednesday 17 October 2018 @ 12.30 pm AEST

[Register here](#)



The reporting season has passed and ASX Game participants may be wondering which companies at Stock Doctor we were impressed with. Below is a list of companies that are available to you in the game.

### **Breville Group Limited (BRG)**

BRG is a Star Growth Stock that develops and distributes premium small electrical kitchenware. The company has strong operating margins as well as a robust retail brand, both here and overseas. It has a strong balance sheet and net cash of approximately \$58m. We anticipate continued strength in North America and Rest of the World. Though muted retail conditions in Australia will need to be monitored.

### **Cochlear Limited (COH)**

COH is a global leader and Star Growth Stock involved in the design and production of hearing implants that help individuals around the world with a profound hearing loss. Remaining at the cutting edge of their field, COH spends between 10% - 15% of revenue on R&D. For example, its latest product Nucleus 7 is the world's first processor that allows patients to stream sound straight from their iPhone, iPad and/or iTouch to the implant. With a strong pipeline and investment in a new production facility in China, the future looks strong for this great business.

### **CSL Limited (CSL)**

CSL is a Borderline Star Growth Stock that manufactures biopharmaceutical products mostly derived from immunoglobulins, a component of blood plasma, and has a strong global competitive advantage. Expansion into Asia, including China, recent acquisitions and regulatory successes for new products underpin the long-term growth properties of this business. It is defensive because of its strong market position, high margins and track record of innovation.

### **Corporate Travel Management (CTD)**

CTD is a Star Growth Stock that manages the purchase and delivery of travel services for the corporate market globally. It was pleasing to observe strong levels of organic growth within the core business in FY18, and this provides us great comfort in knowing future earnings are not only reliant on acquisitive means. Founder Jamie Pherous still holds a significant interest in the business, and recent acquisitions will remain the key driver of earnings moving forward.

### **Northern Star Resources (NST)**

While mining stocks are not ordinarily defensive, NST is Australia's premier gold producer and Borderline Star Growth Stock. Gold is a good hedge against the threat of rising global inflation and uncertainty, and as an Australian producer, a declining Aussie dollar benefits them as they obtain their revenue in USD. They have also spread the currency risk away from Australia with the recent acquisition of Pogo, a high grade and low-cost Tier one mine in Alaska, which is expected to be a positive contributor straight away.

### **Pro Medicus Limited (PME)**

PME is a Star Growth Stock and a medical imaging software provider. Strong sales growth in the US on the back of professional fees and transactional revenues related to the existing client base has helped generate strong earnings growth for FY18. We expect the company's growth outlook to be supported by its track record of contract wins, contract pipeline of \$135m in future contracted revenues (for the next 5 years) and ability to expand on sites and products with existing clients.

Code	Company	Share price (\$)	Star Stock status	Financial Health rating	Lincoln val (\$)	EPSG 1yr (%)	EPSG 1yr (%) fcst yr1	Price chg 1mth (%)	Price chg 1yr (%)
BRG	Breville Group Ltd	13.33	Star Growth Stock	Strong	12.35	8.7	15.97	21.29	26.59
COH	Cochlear Ltd	206.49	Star Growth Stock	Strong	173.46	8.28	11.78	4.88	29.11
CSL	CSL Limited	211.83	Borderline Star Stock	Strong	190.98	32.74	16.02	4.54	59.86
PME	Pro Medicus Ltd	10.85	Star Growth Stock	Strong	8.83	36.31	28.97	28.71	117
NST	Northern Star Resources Ltd	8.22	Borderline Star Stock	Strong	7.55	2.1	51.28	11.59	54.48
CTD	Corporate Travel Management Ltd	31.9	Star Growth Stock	Satisfactory	26.2	33.63	32.83	10.98	49.13

\*All figures, information and illustrations are as at 11 September 2018 unless stated otherwise.

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## Game update

