ELLERSTON CAPITAL

Ellerston Australian Share Fund (ASF)

Performance Report | June 20

PERFORMANCE SUMMARY

Net %	1 Month	3 Month	FY2020	5 Yr p.a.	Strategy Since Inception p.a.
ASF	-2.93	13.04	-6.04	2.87	6.92
Benchmark	2.61	16.48	-7.68	5.95	8.97

Past performance is not a reliable indicator of future performance.

MARKET COMMENTARY

Market Overview

As restrictions on mobility were eased around the world, global markets rallied again in June. The Australian Dollar remained firm, mainly due to the resilience in the iron ore price. However, towards the end of June, a spike in COVID-19 cases, particularly in the US, weighed on investor sentiment. But it didn't impact what turned out to be the second-best quarter for global equities since the turn of the century. While price momentum continues to be positive, the risks from the spike in COVID-19 cases and a lack of consensus on the shape and timing of the economic recovery will ensure high market volatility going forward.

USA

In June, despite the rise in the number of COVID-19 cases towards the end of the month (especially in key states like Florida, California and Texas), markets were stronger as the economy was opened up. The S&P 500 was up 2.0%, the Dow Jones was up 2.3% and the NASDAQ Composite was up an impressive 6.1%. As at the end of June, the NASDAQ was up +12.7% for the calendar year-to-date. Investors clearly betting on the ongoing strength of tech-related stocks.

Activity indicators were mixed. The manufacturing ISM improved to 43.1, which was slightly weaker than consensus expectations. While economic data was negative, there were signs of improvement. May retail sales surged +17.7% month-on-month, and May housing starts lifted 4.3%.

Europe

European equities, which had been previously hit very hard, also participated in the rally on hopes of a strengthening global recovery, as economies commenced opening up again in that region. The Euro STOXX 50 closed the month up 6.4%. Among the major exchanges, the UK's FTSE 100 recorded a 1.7% gain, France's CAC 40 was up +5.4%, and Germany's DAX ended the month up +6.3%.

Activity indicators in Europe appear to be improving. Flash Eurozone manufacturing PMI for May was ahead of expectations, coming in at 46.9 (consensus: 45.0; previous: 39.4).

Asia

Asian equities also participated in the rally. The Hang Seng Composite Index rebounded strongly to +8.1% (after last month's negative return), the Chinese SSE Composite Index was up 4.6% and Japan's Nikkei 225 Index was up just shy of 2%. Better Chinese economic data helped sentiment in the region, with China's trade surplus in May ahead of expectations and June manufacturing PMI up, albeit modestly, to 50.9 (consensus: 50.5; previous: 50.6).

Investment Objective

The Investment objective for the Ellerston Australian Share Fund is to outperform the S&P/ASX 200 Accumulation Index (Benchmark).

Investment Strategy

The Fund uses a benchmark-independent, high conviction approach that looks beyond investing in the Top 20 stocks in order to capture the neglected opportunities created by under-researched stocks in the broader Australian market.

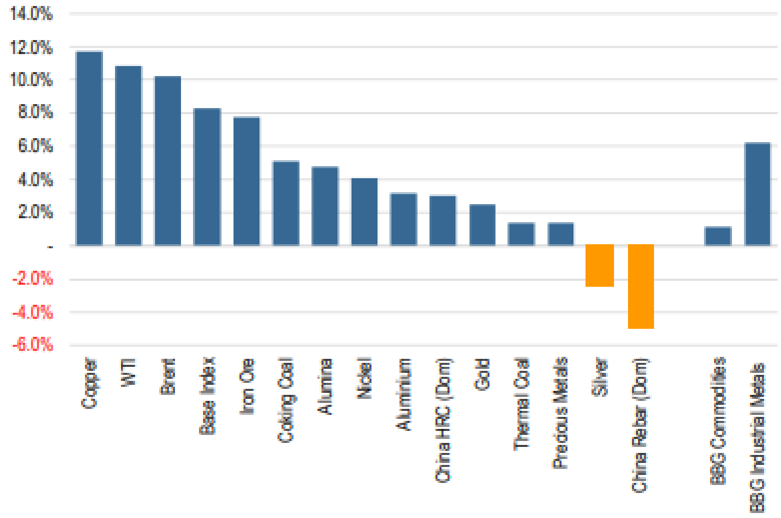
Key Information

Strategy Inception Date	1 April 2009
Fund Net Asset Value	$0.8281
Liquidity	Daily
Application Price	$0.8302
Redemption Price	$0.8260
No Stocks	21
Management Fee	0.90%
Buy/Sell Spread	0.25%
Performance Fee	15%

Commodities

Global commodity markets continued to rise in June. Gold was stronger again, with rising risk sentiment supporting the price, but the standout performers were Iron Ore (+7.8%) and Brent Crude (+10.2%), driven by the improving China demand outlook for steel, economies coming out of lockdown and the extension of OPEC+ cuts.

Global commodity performance in June 2020



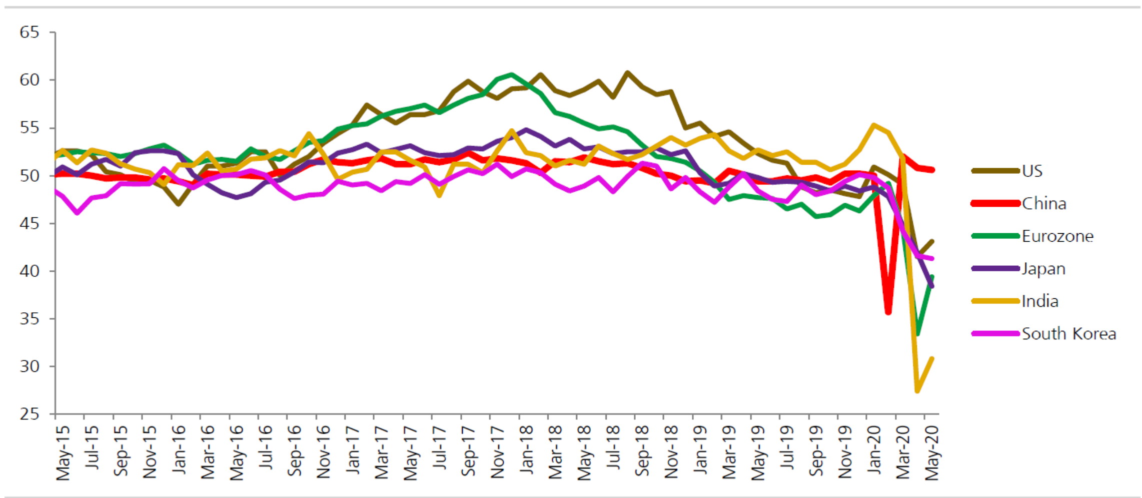
Source: JP Morgan, Bloomberg

The June quarter was better than expected for commodities. Investors expected the June quarter to be challenging, with mobility restrictions driving outcomes and bulk commodities to outperform base metals, given the ongoing supply issues with Vale's Brazilian iron ore operations. While this broadly played out, what surprised was the speed of China's recovery and the resilience of commodity prices in the face of weak demand elsewhere, particularly Europe. What investors overlooked was the greater than expected disruption to commodity supply, especially in emerging markets. This resulted in the Metals & Mining Index rising 28% versus the ASX 200 up 16% in the quarter, with FMG leading the charge, up +38%, BHP +22% and RIO lagging, +14%.

In China a V-shaped recovery appears underway as property and infrastructure investment increase. RoW demand should also bounce back in the 2H and production risks in emerging markets will probably continue to restrict commodity supply, with COVID-19 re-emergence being the greatest risk to this scenario.

Our preferred exposure, particularly to the strength in Chinese commodity demand, as well as RoW recovery, is through S32, given its strong balance sheet, valuation support and key exposures to alumina, as well as the steel making raw materials, manganese and coking coal.

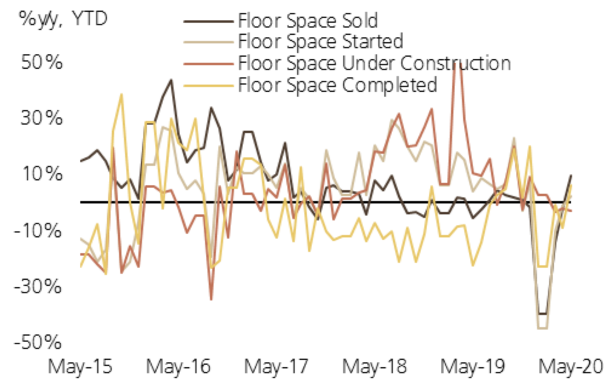
Global PMI: China has rebounded sharply v RoW



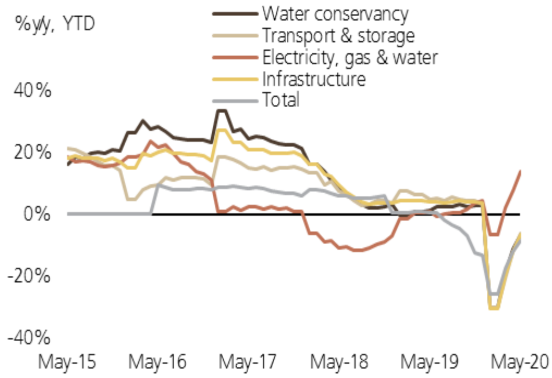
Source: Bloomberg

China was directly impacted first but also strong government stimulus has been responsible.

China Property Activities Continue to Improve



China FAI is Rebounding



Source: UBS Research

Bonds

Global bond yields remained depressed, with 10-year yields in the US flat at 0.65%. Australian 10-year bond yields fell 2 basis points to finish the month at 0.87%.

Australia

The S&P/ASX 200 Accumulation Index was in positive territory again, up another 2.6% in June, despite a surge in COVID-19 cases in Victoria's hotspots causing heightened investor anxiety. The index is now down 10.4% for the calendar year to the end of June 2020. The Australian sharemarket had its best quarter since the turn of the century, with the S&P/ASX 200 Accumulation Index up 16.5% in the June quarter.

As the macro outcome so far has turned out to be better than previously expected, the laggard Financials sector, given its economic sensitivity, was the best performer in terms of contribution to the index's performance, with a contribution of 1.2%. Materials was the second best contributor (+0.5%) followed by Health Care (+0.4%). The bottom three sectors in terms of contribution were Real Estate (-0.10%), Industrials (-0.09%) and Energy (-0.07%).

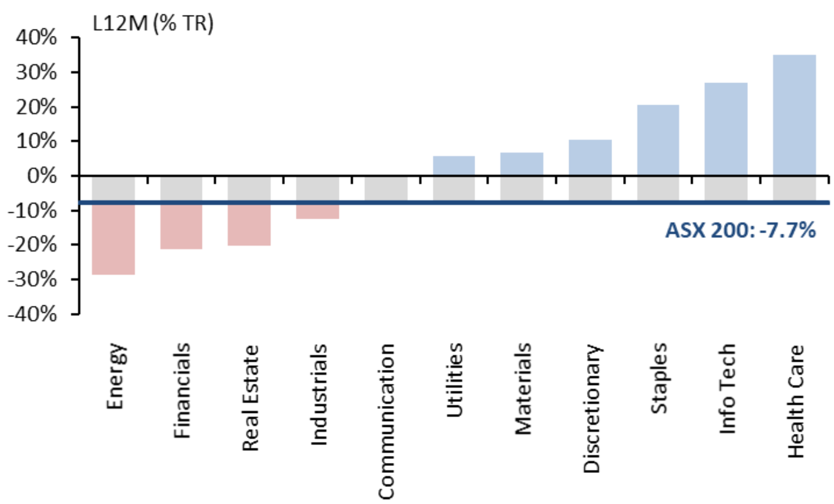
The ASX 200 Industrial Accumulation Index was the best performing sub-index in the month of June, up 2.9%, with the Small Ordinaries Accumulation Index the worst performer, returning -1.9%. The ASX 200 Resources Accumulation Index delivered a credible return of +1.7% and the ASX 200 A-REIT sector gave up some recent gains and ended the month down 1.4%.

The top five stocks that detracted from the performance of the S&P/ASX 200 Accumulation Index were: Telstra Corporation (-8 points), Brambles (-7 points), Northern Star Resources (-7 points), Woodside Petroleum (-6 points) and Vicinity Centres (-5 points).

Conversely, the top five stocks that made a positive contribution to the index's return were Commonwealth Bank of Australia (+62 points), Wesfarmers (+31 points), CSL (+30 points), BHP Group (+22 points) and Afterpay (+18 points).

Not surprisingly, the RBA left rates unchanged in June. The Australian dollar remained strong, closing at 0.69 against the US dollar, given the recovery in key commodity prices.

The ASX delivered -7.7% Total Return in FY2020, the 15th worst Financial year since 1903. Attribution was heavily influenced by Healthcare, whilst Financials were a sizeable laggard, with Technology's share of the Index continuing to grow (now 3.5% of ASX200).



Source: Morgan Stanley Research

COMPANY SPECIFIC NEWS

The Market Misses

Southern Cross Media (SXL -25.5%)

SXL gave back most of the returns generated in May. Whilst reports pointed to an improvement in the advertising market, investors remain very sensitive to any hiccup and given SXL's high operating leverage, took a glass half empty view.

Nufarm (NUF -24.3%)

Trading conditions for NUF's European operations have been difficult for a while and an early June update confirmed previous company guidance. Unfavourable weather has resulted in reduced demand, increased competitive intensity and has compounded supply sourcing issues of key ingredients out of China. The negatives in Europe overshadowed better Australia and North America conditions and positive news in relation to glyphosate litigation, with Bayer reportedly settling with claimants. At the same time, a US Federal judge rejected a California State Government's request for a cancer warning to be put on glyphosate labels, because it ruled the evidence did not support such a statement. Improved agricultural conditions should support a strong EBITDA recovery in FY21.

Whitehaven Coal (WHC -21.0%)

New South Wales thermal coal producer, WHC was negatively impacted by a combination of weaker US$ thermal coal prices and a stronger A$/US$ exchange rate. Thermal coal prices have been affected by weaker COVID-19 related demand outside of China, particularly the next largest seaborne importers Japan, India and Korea, who collectively account for 30% of demand. As a pure energy coal producer, the ESG drums are beating louder and the stock is falling out of favour.

Corporate Travel / Webjet / Flight Centre (CTD -19.2% / WEB -19.8% / FLT -15.0%)

The travel sector had a very rough month as second wave fears of COVID-19 escalated. A spike in Victorian corona cases and a bearish message delivered from Qantas about the timeframe for international demand recovery, set expectations on the back foot.

Jumbo Interactive (JIN -18.9%)

The online seller of lottery tickets struck a new deal with Tabcorp that extends its distribution agreement for an extra 7 years out to 2030. The problem for JIN is that it will now receive a materially lower commission for tickets sold through its platform. The share price fall in June reflected the large adverse change in earnings expectations, as a result of this new distribution contract.

Bega Cheese (BGA -16.7%)

Bega's share price declined in the month on no company specific news. However, the core business continues to suffer from a structural oversupply in Australian milk processing capacity.

oOH! Media (OML -15.7%)

The advertising market in Australia is recovering slowly as the worst of the COVID pandemic appears to be behind the country. That said, advertising demand still remains relatively subdued. COVID outbreaks in Victoria in June raised the possibility that restrictions will be eased slower than previously expected, which would have an adverse impact on outdoor advertising.

G8 Education (GEM -14.9%)

G8 education announced during the month that the company expects to take a $230-$250mil non-cash impairment charge in its 30 June 2020 financial accounts. G8 also gave a trading update at its AGM, outlining that physical attendances were currently tracking at around 53%. Importantly, under the new Government childcare package, fees will be reintroduced from 13th July. GEM has not given any guidance for its expectations of bookings and attendances since.

The Market Hits

Afterpay Touch (APT +28.6%)

APT had another strong month after announcing that its UK operations hit a milestone of achieving one million active shoppers. This comes less than 12 months after launch, with take-up and purchasing rates exceeding its US operations. APT has now signed up more than 1,100 brands and retailers in the UK.

Healius (HLS +25.5%)

The decision to sell the long troubled Medical Centres business to private equity for $500m was well received by the market. The price of 7-8x EBITDA was at the high end of market expectations, enabling the company to reduce the balance sheet risk that was concerning the market. It leaves HLS with its earnings now predominantly coming from its higher quality pathology and imaging businesses.

Boral (BLD +21.9%)

Seven Group Holdings revealed it acquired a 10% stake in BLD. That news, along with the appointment of a new CEO, with a clear mandate to rationalise the portfolio, instilled some confidence that the inherent value within the conglomerate would be extracted sooner rather than later. The announcement of fiscal stimulus for the Australian construction sector also supported the share price in June.

Fisher & Paykel Healthcare (FPH +18.5%)

This manufacturer of in-hospital ventilators and sleep apnoea treatment equipment reported a better than expected earnings result in June. Its ventilators are used to treat COVID-19 patients in hospital. The management team remain relatively conservative about the duration of the strong demand. Given the share price rally in June, the market clearly believes the elevated sales levels will continue for a while yet.

Collins Foods (CKF +17.8%)

CKF jumped on the last day of June when it released FY20 results that were well ahead of market expectations. NPAT of $47.3m was nearly 20% ahead of consensus, driven by higher margins from its European KFC operations, where online deliveries rose sharply.

ADBRI (ABC +16.9%)

This Australian focussed cement, concrete and lime producer benefited in June from the Federal Government's decision to direct some fiscal stimulus into the housing construction sector.

Bank of Queensland (BOQ +16.4%)

As it started to emerge that the hit to the economy from COVID-19 was likely to be less bad, all the banks bounced sharply off their lows, with the regionals, including BOQ, bouncing the hardest. Also, the outlook for net interest margins, while still negative, looks better than expected as deposit pricing and improved funding support management's pre-coronavirus predictions on margins. BOQ still trades at a discount to book value.

Oz Minerals (OZL +16.3%)

Copper producer, OZL outperformed on the back of a strong uptick in the copper price during the month and a positive update on the potential expansion of its Carrapateena copper mine. It released a pre-feasibility study of the block cave expansion which could extend the mine life to 2045 with an additional investment of $1.3bn. A final investment decision is expected in 2023.

Resmed (RMD +14.3%)

The surge in COVID-19 infections in the US in June suggests strong demand for RMD's ventilator and related mask products will remain strong for an extended period.

FUND PERFORMANCE

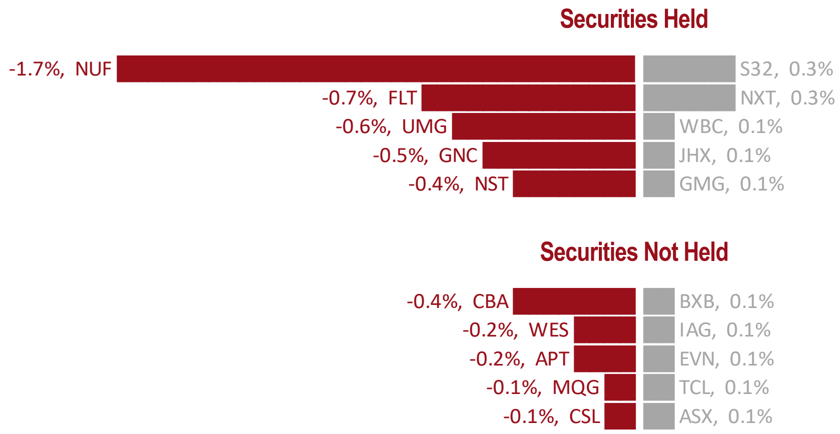
The June quarter was the best quarter since the turn of the century, with the S&P/ASX 200 Accumulation Index up a staggering 16.5%. More importantly, the market has recovered two-thirds of the March collapse.

We struggled to keep pace with the broader market in the month of June, returning -2.84% and underperforming the benchmark return of 2.61% where some stock specific news and the Victorian spike in COVID-19 cases impacted performance.

However, we still managed to outperform the market for the 2020 financial year by 264 basis points, albeit in a down year and one that will remain memorable.

RETURNS[1] (%)	GROSS	BENCHMARK*	EXCESS	NET
1 MONTH	-2.84	2.61	-5.45	-2.93
3 MONTH	13.34	16.48	-3.14	13.04
FY2020	-5.04	-7.68	2.64	-6.04
5 YEARS (P.A.)	3.97	5.95	-1.99	2.87
SINCE INCEPTION (P.A.)	8.08	8.97	-0.89	6.92

Past performance is not a reliable indicator of future performance.



Source: Ellerston Capital.

The main positive contributors to this month's relative performance were overweight positions in: South32 (S32 +6.8%), Nextdc (NXT +7.0%), Westpac Banking Corp (WBC +4.2%), James Hardie Industries (JHX +6.1%) and Goodman Group (GMG -2.4%).

Zero weight positions that helped performance included Brambles (BXB -6.6%), Insurance Australia Group (IAG -5.6%), Evolution Mining (EVN -7.0%), Transurban Group (TCL +0.0%) and ASX (ASX -3.2%).

The main detractors to relative performance for the month which more than offset the above were overweight holdings in: Nufarm (NUF -24.3%), Flight Centre Travel (FLT -15.0%), United Malt Group (UMG -8.3%), Graincorp (GNC -6.8%) and Northern Star Resources (NST -9.7%).

Not holding any shares that also constrained returns included: Commonwealth Bank of Australia (CBA +8.9%) Wesfarmers (WES +11.0%), Afterpay (APT +28.6%), Macquarie Group (MQG +7.8%) and CSL (CSL +3.9%).

[1] The return figures are calculated using the redemption price for Class A Units and on the basis that distributions are reinvested. The Gross and Excess return figures are before fees and expenses whereas the Net Return figures are net of fees and expenses for the Class A Units. Returns of the Fund may include audited and un-audited results. Past performance is not a reliable indicator of future performance.

* The benchmark was changed from the S&P/ASX 200 Accumulation Ex REITS Index to the S&P/ASX 200 Accumulation Index on 1 July 2012.

The Financial Year in Review

The 2020 Financial Year was another where Value significantly lagged Momentum and Growth, creating a headwind for our selectively contrarian and valuation disciplined process. We remained true to our high conviction approach and despite those headwinds, our stock selection generated alpha and we outperformed the market over the 1-year period. In terms of strategy, positioning and performance, we would describe the year as one of consolidation.

The Fund deliberately increased its focus on quality companies with defensive business models and solid financials. We, along with the market, have become increasingly concerned about businesses with stretched balance sheets, opaque accounting and those without the ability to weather the COVID-19 induced storm of a global recession.

Remaining significantly underweight the Financials sector, together with good stock picking, provided the largest positive contribution to performance. Owning only one of the big four banks, combined with our overweight positions in Janus Henderson and Goodman Group (by far the best performing REIT) generated significant alpha. Our overweight position in Macquarie Group was exited pre the sell-off in global equity markets, also helping performance.

Despite our overweight exposure to the Materials sector which generally performed poorly, once again our stock selection offset the broader sector headwinds. One of the highlights was introducing quality and well managed building materials company James Hardie (JHX) in early August 2019. JHX performed very strongly, up ~50%, easily outperforming its peer group which for the most part went backwards.

Significant overweight positions in Defensives which proved resilient, such as Medibank, NEXTDC (data centres), Northern Star Resources (gold) and Telstra also helped performance, especially during periods of sharp market drawdowns. The recent heavy rains on the Eastern Seaboard, improved the outlook for the winter cropping season, helping Agricultural stocks recover from their lows. Both GrainCorp and Nufarm (with Sumitomo's $1.0 billion capital injection for the sale of the LATAM business repairing its balance sheet) outperformed the broader market.

It has been a diabolical year for the Energy sector and our overall performance was constrained by an overweight position in Woodside, especially in the six months to 30 June. Shares in peer group Beach Energy and Oil Search (OSH), which we have avoided, plunged (with OSH requiring an emergency heavily discounted capital raise to avoid covenant breaches at $2.10). Woodside, despite having a strong balance sheet, also sold off post the oil price collapse after OPEC+ imploded, Saudi entered a price war with Russia and COVID-19 caused material demand destruction. We clearly did not see or predict the oil price collapse, with WTI at one point touching minus $US37.00 per barrel, as the market locked up. Encouragingly, the spot price has rebounded to over US40.00 per barrel since OPEC+ raised the white flag.

On a positive note, our significant position in Caltex, now renamed Ampol, benefited from a takeover offer from Canadian petrol retailer Alimentation Couche-Tard. The stock rallied to ~$35, hitting our fair value, where we completely exited at the top, locking in significant alpha. Caltex which was a very high conviction position, more than compensated for Woodside's underperformance within the Energy sector.

The tourism, travel and entertainment sector was devastated by COVID-19 and the speed and severity of the sell-off in the segment has generally caught the market by total surprise. We exited our holding in Star Entertainment early in the financial year, however despite reducing the exposure to Flight Centre (FLT) back in December (where we commenced de-risking the position), we were left with a residual holding which impacted negatively on performance in the six months to 30 June. The FLT exposure was lifted during the capital raise at $7.20.

Our underweight to the Healthcare sector, was the single biggest detractor to the Fund's performance for the year (zero holding in CSL alone cost the fund ~280 basis points). The flight to safety and earnings certainty during COVID-19 meant stocks like Resmed, Sonic Healthcare and Fisher and Paykel absolutely ripped. In a similar vein, not owning many of the best performing big cap defensive consumer stocks such as Woolworths, Coles, A2 Milk and Wesfarmers, all of which rallied materially, constrained performance.

The IT sector continued to defy gravity. Afterpay, after hitting a low in March, rebounded over 700% to be the best performing name in the ASX200 and was well supported by Xero. A few cracks appeared in some of the former IT darlings, with Wisetech and Nearmap significantly underperforming the market. Pleasingly, in NEXTDC we have found a low risk way of investing in this fast growing sector.

FUND ACTIVITY

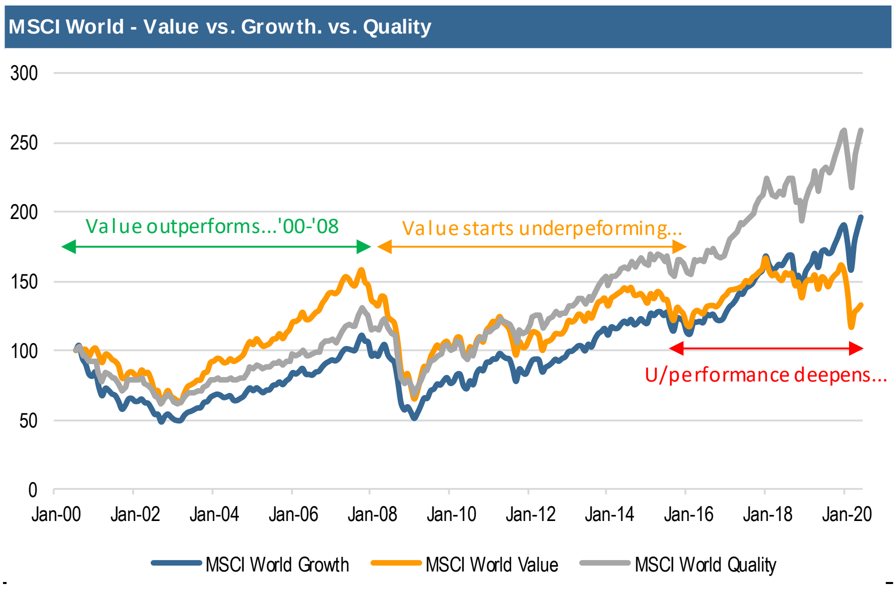
In June, the market extended its gains, and following on from last month, we continued to progressively right-size certain portfolio positions and strengthen other core holdings.

NEW STOCKS ADDED	STOCKS EXITED
	• Medibank Private
INCREASED	**DECREASED**
• Downer EDI	• Janus Henderson
• NextDC	• Nufarm
• Telstra	• Origin Energy
• Treasury Wines Estates	• Sydney Airport

FUND STRATEGY AND OUTLOOK

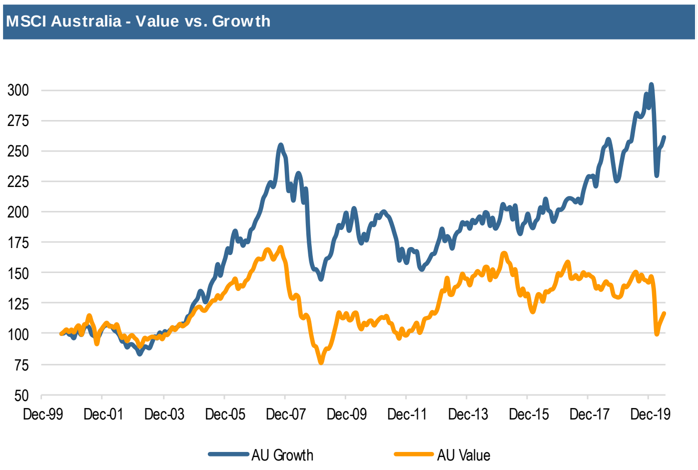
When the COVID-19 pandemic accelerated in March, most governments imposed some form of lockdown. Since then, the progressive relaxation of lockdown measures, coupled with mass protests globally over the past few weeks, have increased the risk of a second wave of the pandemic in those countries most affected (with a record number of cases being recorded daily). It would also appear that unlike during the first outbreak, where markets were quickly dismissive and investors looked over the recovery valley, most governments this time around will probably adopt the "Sweden model" and not continue to shutter their economies in response to a resurgence in infection rates. As a reminder, Sweden closed their external borders and certain facilities, but it did not impose stay-at-home orders, close businesses, or curtail domestic travel. Policy makers are currently faced with the dilemma of weighing up the economic damage of shutdowns, against the potential reduction in the fatality rate. It is far too early to make any sensible judgements as to how this all ultimately plays out.

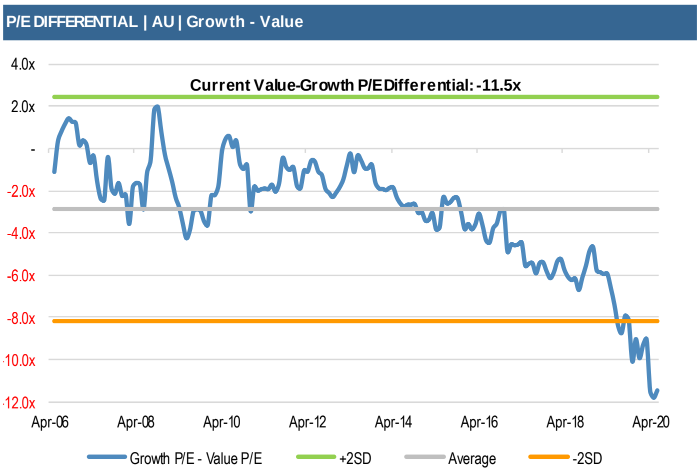
In terms of market behaviour, whilst there have been spurts of short term outperformance by value as a factor, with a collapsing interest rate backdrop and in a deflationary environment, the value journey from about 2008 has been challenging.



Source: JP Morgan Strategy

In Australia, this value underperformance has been even more pronounced (chart below on the left), leading the valuation gap to even more extreme levels, *now at around 3-standard deviations* (see chart below on the right).

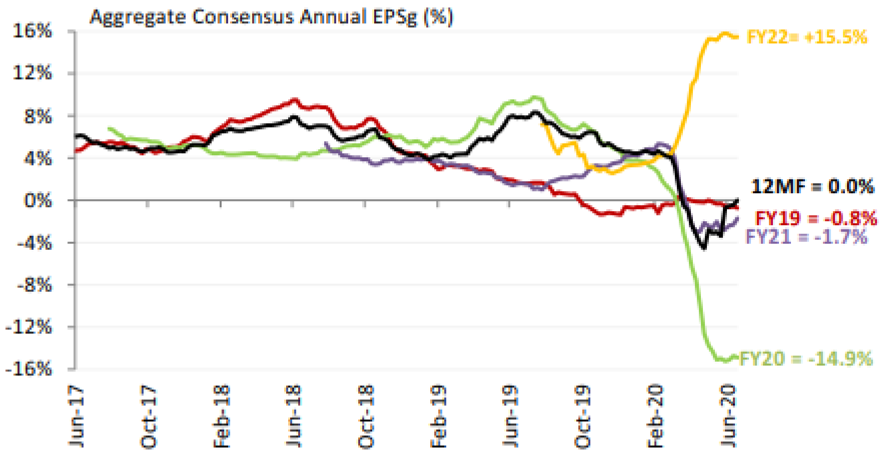




Source: JP Morgan Strategy

Any hint of inflationary pressures creeping into the system, or of interest rates backing up from these historically low levels (given unprecedented massive fiscal and monetary stimulus from Governments and Central Banks) will reverse this trend.

Whilst the 2020 Earnings picture has become so distorted by COVID-19 and investors are looking over the valley into 2021 and 2022, consensus earnings forecasts continue to be under pressure.



Source: RIMES, IBES, Morgan Stanley Research

The issue for investors in the market today is the prevalence of stale earnings estimates. Many companies withdrew guidance using the uncertainty created from COVID-19 as their justification. It is likely that as the economy keeps opening up and the outlook, at least in the short-term, appears less bad or different compared to initial more dire expectations, the quality of consensus earnings forecasts will continue to deteriorate and become almost irrelevant. The market is now pricing in FY22 earnings forecasts, and the upcoming reporting season should provide more useful colour.

As we've said before, in the absence of a sharp economic recovery and a refresh in earnings, earnings multiples look stretched. But we are mindful that, in the short-term, it can be difficult to fight the sheer 'weight of money' argument that could continue to propel price momentum and keep valuations elevated, especially in a virtually zero interest rate environment.

The ASX 200 Industrials ex-Financials PE ratio is now at record highs.

Source: RIMES, IBES, Morgan Stanley Research

In terms of strategy, we continue to refresh and improve the quality of the portfolio. We remain cautiously optimistic on the medium-term prospects for the market and continue to focus on picking stocks that look attractive relative to our assessment of value and appear to be mispriced by the market.

We expect heightened volatility in global markets given the absence of consensus from investors on the economic outlook and shape of the recovery. As always, exogenous shocks could derail markets, with ongoing geopolitical tensions between China and its trading partners, civil unrest and the Presidential election in the US to be considered.

We believe the fund is reasonably well placed to navigate the current developments and expect our stocks to deliver solid returns in the years to come.

To summarise your portfolio's positioning:

1. Quality Franchises
Solid companies with strong/leading market positions and credible management with good balance sheets

James Hardie Industries, NextDC, Ramsay Health, Sydney Airport, Goodman Group, United Malt, Treasury Wines and Telstra

2. Businesses that are highly cyclical or seasonal in nature, facing headwinds
Heavily discounted companies with strong market positions and strategic assets, but very sensitive to economic conditions/seasonality/weather

Graincorp, QBE, Nufarm, Downer EDI and Flight Centre

3. Turnarounds
Sound businesses that have historically generated poor returns, have been poorly managed, under-earned versus their potential, are in transition and where we think earnings/returns will improve over the medium term. Out of favour with the market, somewhat contrarian positions

Orica, Fletcher Building and Janus Henderson

4. Deep Value Resource Plays
Stocks trading at discounts to NPVs, where much of the heavy lifting has been done (cost out, self help deleveraging)

South32, Woodside Petroleum, Origin Energy and Northern Star Resources

Underweight Financials, especially Banks where we own 1 of the Big 4

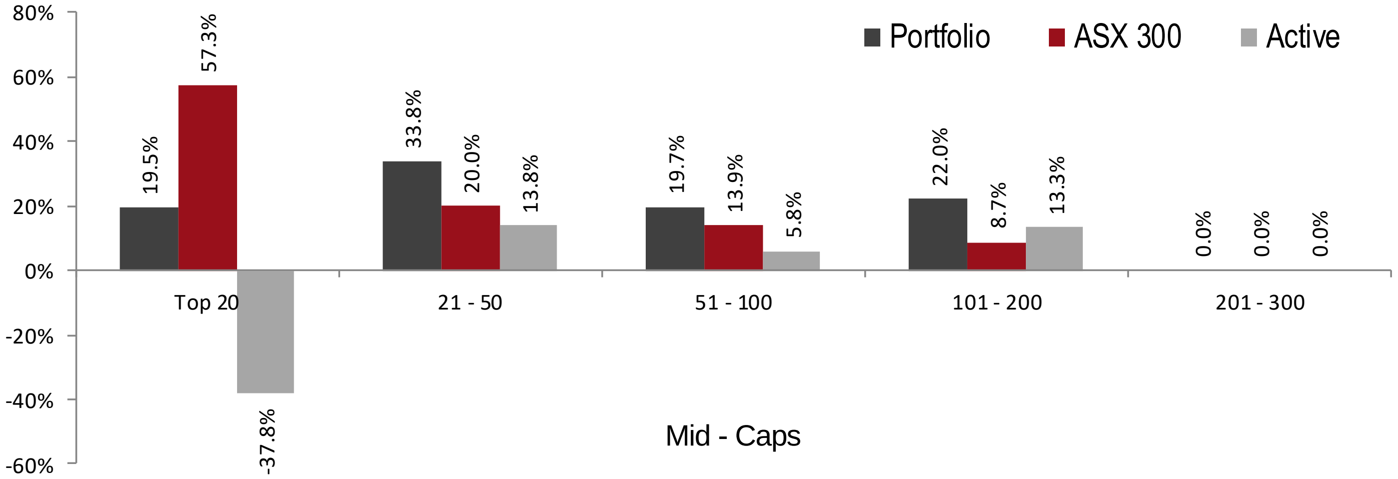
Warm Regards,

Chris Kourtis

Portfolio Manager

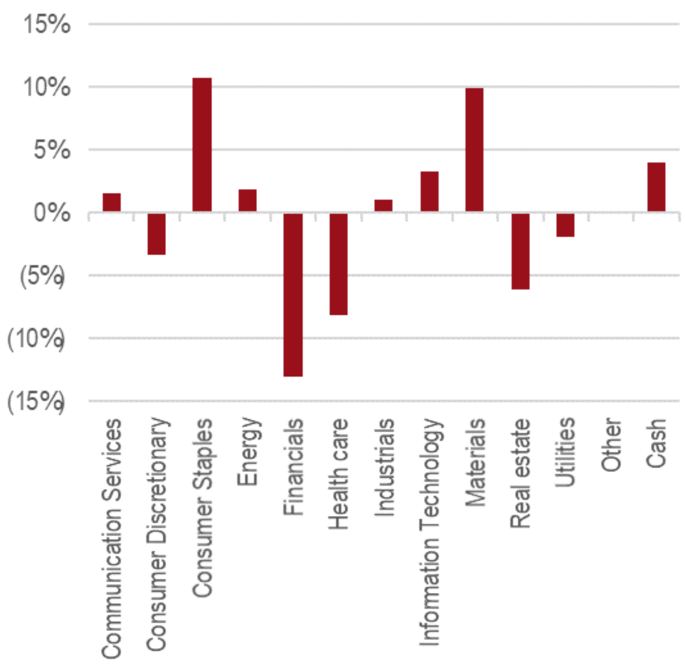
PORTFOLIO FEATURES

Size comparison Chart vs ASX 200^



^Size Comparison Data as at 26 June 2020
Source: Bloomberg, Ellerston Capital Limited

Active Sector Exposures*



TOP 10 HOLDINGS**
GRAINCORP
NEXTDC
NORTHERN STAR RESOURCES
NUFARM
ORICA
SOUTH32
TELSTRA CORP
TREASURY WINE ESTATES
UNITED MALT GROUP
WESTPAC BANKING CORP

Source: Ellerston Capital Limited

* Active sector exposures are determined by subtracting fund sector weights from benchmark weights. Positive percentages represent over-weight sector exposures relative to benchmark and negative percentages represent under-weight sector exposures relative to the benchmark.

** Top 10 Holdings are listed in alphabetical order.

ABOUT THE ELLERSTON AUSTRALIAN SHARE FUND

The Fund aims to achieve its performance objectives by adopting a fundamental "bottom-up" investment approach to stock selection which is focused on identifying and then constructing a portfolio of the highest conviction ideas.

Investment opportunities for the Fund are identified by analysing and understanding the factors affecting (amongst other things): business model, industry structure, management team and overall valuation. Ellerston Capital typically favours businesses that can sustain high returns or improve their return on capital and looks to invest in businesses with a market value below the value we attribute to them.

Benchmark weightings do not drive our stock decisions, our approach is totally benchmark independent.

Due to the high conviction nature of the portfolio and the resulting deviation in portfolio composition relative to benchmark weighting, it is expected that the returns from the Fund will differ significantly from the broader market indices.

FUND FACTS

STRATEGY FUNDS UNDER MANAGEMENT	$2. Billion
FUNDS UNDER MANAGEMENT – ASF UNIT TRUST	$25.83 Million
APPLICATION PRICE	$0.8302
REDEMPTION PRICE	$0.8260
NUMBER OF STOCKS	21
INCEPTION DATE	1 APRIL 2009

Source: Ellerston Capital Limited

All holding enquiries should be directed to our registrar, Link Market Services on 1800 992 149 or ellerston@linkmarketservices.com.au

Should investors have any questions or queries regarding the Fund,

please contact our Investor Relations team on 02 9021 7701 or info@ellerstoncapital.com

or visit us at https://ellerstoncapital.com/

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