

# Ellerston Global Equity Managers Fund (GEMS)

Performance Report | November 2020

## PERFORMANCE SUMMARY

Performance*	FYTD	CYTD	1 Year	3 Year (p.a.)	5 Yr (p.a.)	Since Inception (p.a.)**
GEMS C	18.37%	26.64%	31.22%	8.30%	10.10%	11.89%

Source: Ellerston Capital

\*Net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance

## PORTFOLIO COMMENTARY & MARKET OUTLOOK

### Performance:

**Fiscal Year to Date** from July 1 to November 30, 2020, the Australian ASX 200 is up +11.8%, and the US S&P500 is up +17.6%. **The Fund is up net after fees +18.4%.**

**Calendar Year to Date** from January 1 to November 30, the Australian ASX 200 is up +0.2%, and the US S&P500 is up +14.0%. **The Fund is up net after fees +26.6%.**

For the **Month of November 2020**, the Australian ASX 200 was up +10.2%, and the US S&P500 was up +10.9%. **The Fund was up net after fees +8.2%.**

The portfolio performed very strongly in November, in spite of a significant hedging drag, in what was a strong month for global equity markets.

As of December 21, the portfolio had a net exposure (delta adjusted) of circa 70%, plus an exposure to gold and silver of circa 10%, uranium of circa 8%, and had minimal foreign currency exposure.

The Fund has performed very strongly during the December month to date period.

### Portfolio:

**Investments** – We are invested in and continue to identify new opportunities that excite us and fit our asymmetric risk reward profile requirements. The portfolio is eclectic and provides exposure to growth, recovery, themes, juggernauts, hidden gems and stock specific opportunities across a range of sectors. While the performance has been strong, the portfolio is fresh, with a number of investments being at the starting and most compelling point of their risk/reward profile.

**Hedging** - We remain heavily hedged with portfolio protection through futures, put options, rotation hedges and individual stock shorts. Options hedging includes both at the money and deep out of the money put options. If equity markets were to have a material decline, we would expect the delta of the put options to significantly increase and reduce the net exposure of the fund very dramatically. The nature of our protection is such that we are protecting against material market falls as opposed to smaller market pullbacks.

### Market Commentary:

We will provide detailed reflection on 2020 and outlook for 2021 in our newsletter for the month of December, which we will release in the next few weeks.

### Investment Objective

The investment objective is to generate superior returns for Unitholders with a focus on risk and capital preservation.

### Investment Strategy

The Fund provides investors with exposure to global markets through a long short equity strategy. The strategy overlays fundamental bottom-up stock selection with global macroeconomic and market outlook.

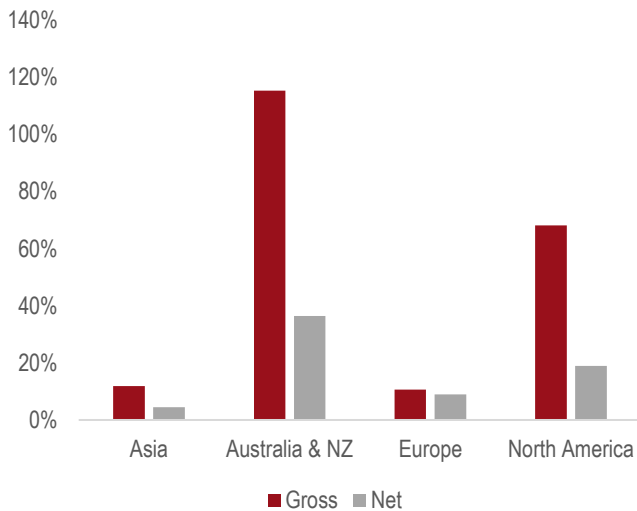
### Key Information

\*\*Class Inception Date 1 December 2009

Co Portfolio Managers	Ashok Jacob & Arik Star
Application Price	\$ 1.7364
Net Asset Value	\$1.7320
Redemption Price	\$ 1.7277
Liquidity	Monthly
No Stocks	100
Gross Exposure	206.13%
Net Exposure	68.87%
Management Fee	1.50%
Performance Fee	16.50%
Buy/Sell Spread	0.25%/0.25%

## PORTFOLIO CHARACTERISTICS

### Market Exposure as a % of NAV



Source: Ellerston Capital

### Top 10 Holdings (Alphabetical, Long Only)

- ADAIRS LTD
- AMPOL LTD
- BED BATH & BEYOND INC
- BETMAKERS TECHNOLOGY GROUP
- GRAINCORP LTD
- LYNAS CORPORATION LIMITED
- NEXTDC LTD
- S.O.I.T.E.C.
- SCIENTIFIC GAMES CORP
- SKY CITY ENTERTAINMENT GROUP

All holding enquiries should be directed to our registrar, [Link Market Services](http://linkmarketservices.com.au) on 1800 992 149 or [ellerston@linkmarketservices.com.au](mailto:ellerston@linkmarketservices.com.au)

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Should investors have any questions or queries regarding the Fund,

please contact our [Investor Relations team](mailto:investorrelations@ellerstoncapital.com) on 02 9021 7701 or [info@ellerstoncapital.com](mailto:info@ellerstoncapital.com)

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

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#### DISCLAIMER

<sup>^</sup> Actual performance for your account may vary from that set out in this newsletter and will vary for investments made in different classes, or at different times throughout the year. Some performance data is estimated and preliminary and subject to change.

<sup>^^</sup> For the period 1 January 2002 to 30 April 2006, the CPH Group GEMS Portfolio was not operated within a separate fund structure. The underlying investment assets of the CPH Group GEMS Portfolio were owned during that time within corporate entities of the CPH Group for which audited accounts were prepared on an annual basis. Accordingly, in order to provide relevant historical performance information for the period 1 January 2002 to 30 April 2006 (Historical Returns) net returns were calculated on the basis of the actual dollar returns of the CPH Group GEMS Portfolio adjusted to reflect a fund structure similar to the Fund and including all fees. For GEMS B, GEMS A returns have been used between 1 May 2006 and 2 November 2009. The returns of the Fund and the relevant Indices are net of fees, expenses and taxes and assuming distributions are reinvested.

<sup>#</sup> The standard deviation is often used by investors to measure the risk of an asset. The standard deviation is a measure of volatility; the more an asset's returns vary from the average return, the more volatile the asset. A higher standard deviation means a greater potential for deviation of return from the average return of the asset.

The returns and risk of the Fund and the relevant Indices are net of taxes, fees and expenses and assuming distributions are reinvested. The performance figures presented are for the Ellerston Global Equity Managers Fund GEMS C Units. The one month return figure may be an estimate and not the final return. This estimate also impacts other performance information provided. Estimated performance figures are preliminary and subject to change. Returns for other classes may differ slightly. Past performance is not indicative of future performance. Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000 is the responsible entity of the Ellerston Global Equity Managers Fund ARSN 118 887 095 (Fund). This newsletter has been prepared by Ellerston Capital Limited without taking account of the objectives, financial situation or needs of investors. Before making an investment decision you should consider your own individual circumstances and obtain a copy of the Product Disclosure Statement for the Fund which is available by contacting Ellerston Capital. This material has been prepared based on information believed to be accurate at the time of publication. Assumptions and estimates may have been made which may prove not to be accurate. Ellerston Capital undertakes no responsibility to correct any such inaccuracy. Subsequent changes in circumstances may occur at any time and may impact the accuracy of the information. To the full extent permitted by law, none of Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, or any member of the Ellerston Capital Limited Group of companies makes any warranty as to the accuracy or completeness of the information in this newsletter and disclaims all liability that may arise due to any information contained in this newsletter being inaccurate, unreliable or incomplete.

2 Ellerston Global Equity Managers Fund (GEMS)

### GEMS Strategy Performance & Volatility<sup>^</sup>

