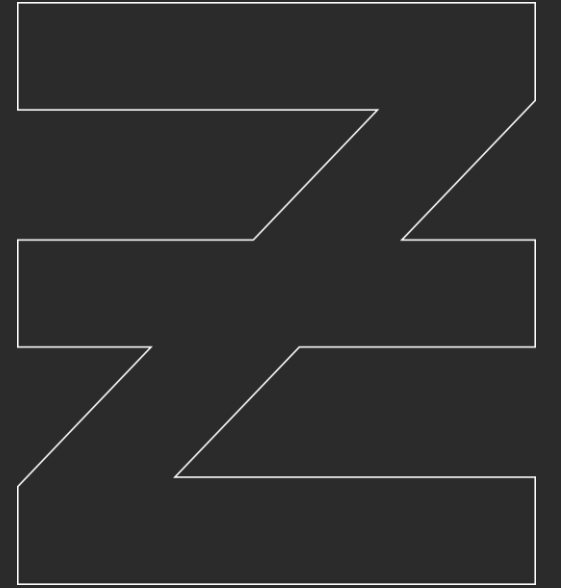


Ellerston Capital



Ellerston Global & Morphic Funds Update

March 2021

01

Circular Economy

02

PTC

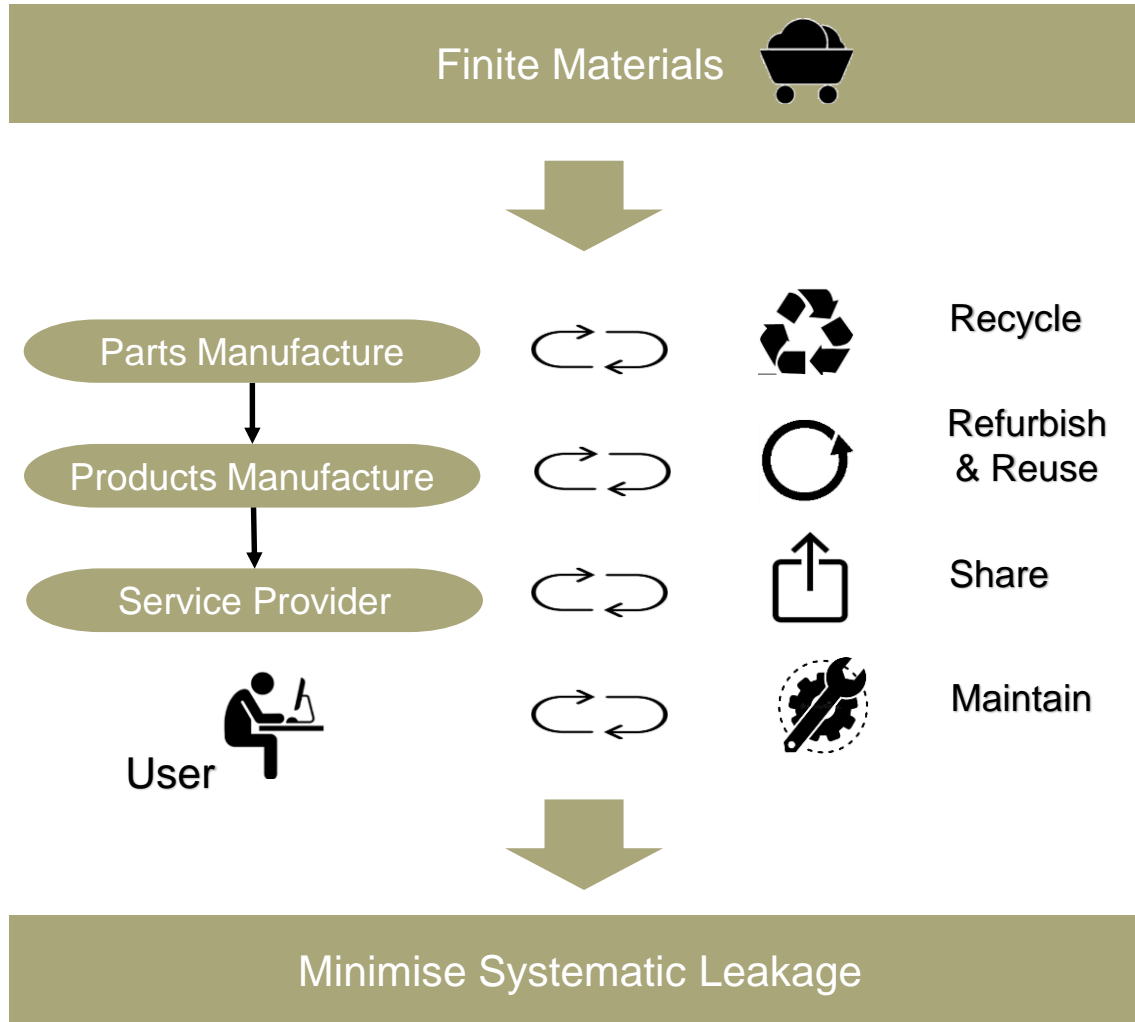
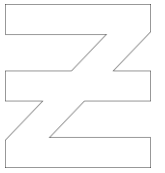
03

Positioning & Performance

04

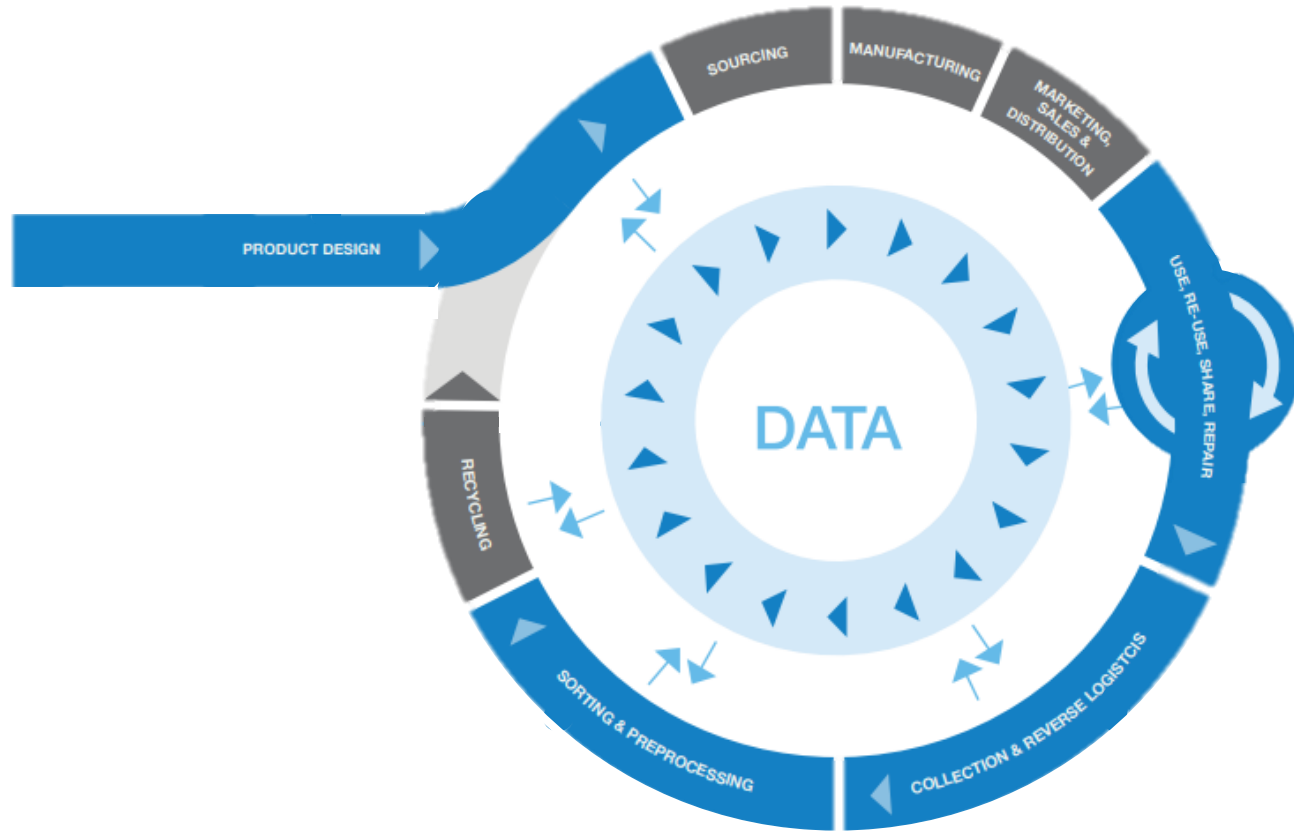
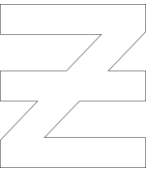
Q&A

Circular Economy



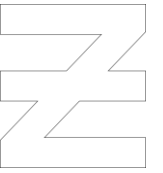
- A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems - *ellenmacarthurfoundation*
- The rapidly rising middle class we have seen over the last 100 years has resulted in suppliers relying on the “take-make-waste” business model. As a result, currently only 8.6% of the world is circular.
- Industry 4.0 has been dubbed the next industrial revolution, with many analysts expecting the digitalisation of manufacturing to revolutionise how goods are processed and produced.

Circular Economy



- According to a Deloitte survey – approx. 70% of C-suite executives believe that long term business success requires the integration of Industry 4.0 technologies.
- Circular economy promotes the elimination of waste and the continual safe use of natural resources, offers an alternative that can yield up to \$4.5 trillion in economic benefits to 2030.
- The power of Industry 4.0 can be harnessed to advance traditional manufacturing with the connectivity and computing power of the digital world.

Digital Transformation



- One clear “winner” from the Covid-19 pandemic has been digital.
- Enterprise strategies around digital implementation have been brought forward by years.
- We consider the shift to circular manufacturing, which requires a connection between physical and digital assets for effective measurement and therefore management, as a nascent yet powerful megatrend which will gain more prominence over the next several years.

01

Circular Economy

02

PTC

03

Positioning & Performance

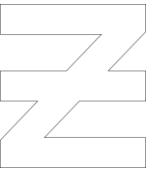
04

Q&A



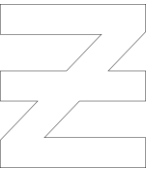
Power To Create

Computer-aided design - What is “CAD”



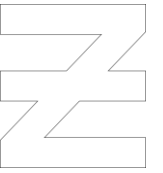
- Computer-aided design is a way to digitally create 2D drawings and 3D models of real-world products—before they’re ever manufactured.
- Bit like Excel – market shares entrenched globally between four large players.
- With PTC’s 3D CAD software, you can share, review, simulate, and modify designs easily, opening doors to innovative and differentiated products that get to market fast.
- PTC’s Creo CAD product is a global leader in the space.
- High single-digit to low double-digit growth expected.

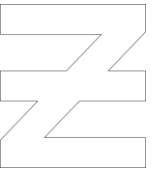
Product lifecycle management – What is “PLM”



- PLM software presents a complete enterprise dashboard to manage every aspect of products or assets from initial design to ultimate disposal.
- Foundation for the digital thread, delivering supply chain agility and business continuity.
- PLM also helps to understand how the product is performing in the field, leveraging IIOT connectivity and the digital twin of the products.
- PTC’s Windchill PLM product is a global leader in the space.
- High single-digit to low double-digit growth expected.

Product lifecycle management – PLM





Modern product development needs are becoming ever-more demanding and complex



Digital Transformation

- Increased product complexity
- Shift to the cloud
- Connected products via IoT



Increasing Impact of Compliance

- Regulatory requirements
- Environmental requirements



Global Supply Chains

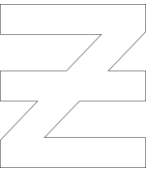
- Diverse teams
- Numerous suppliers
- Expanding geographies



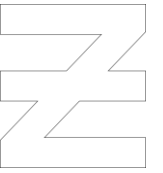
Accelerating Speed of Innovation

- Release cycles defined in months, not years
- Heightened competition
- Product seasonality

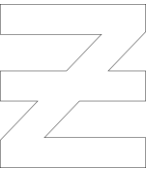
Industry 4.0 & PTC



Industry 4.0 & PTC



Industry 4.0 & PTC



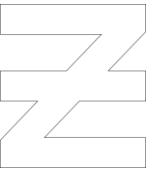
ptc

Improving training and reducing cost



GE Healthcare

Factories that Give Back



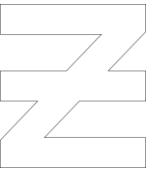
We want to be net positive by contributing more to society and the environment than we take out – across our value chain. By 2030, we will halve our environmental impact and double our benefit to society. All our raw and eco-friendly packaging materials will come from certified responsible sources. And our packaging solutions will be the most sustainable on the market.



We deliver Industry 4.0 automation and smart factory development while putting sustainability top of mind. We work with our customers to create innovative processes and advanced engineering solutions to reduce waste and improve reuse and recyclability.

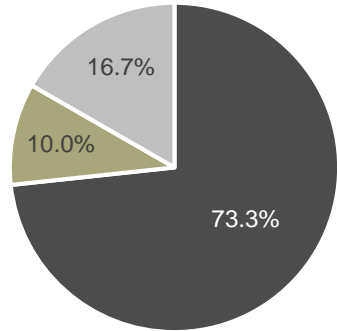


PTC's Growth Profile



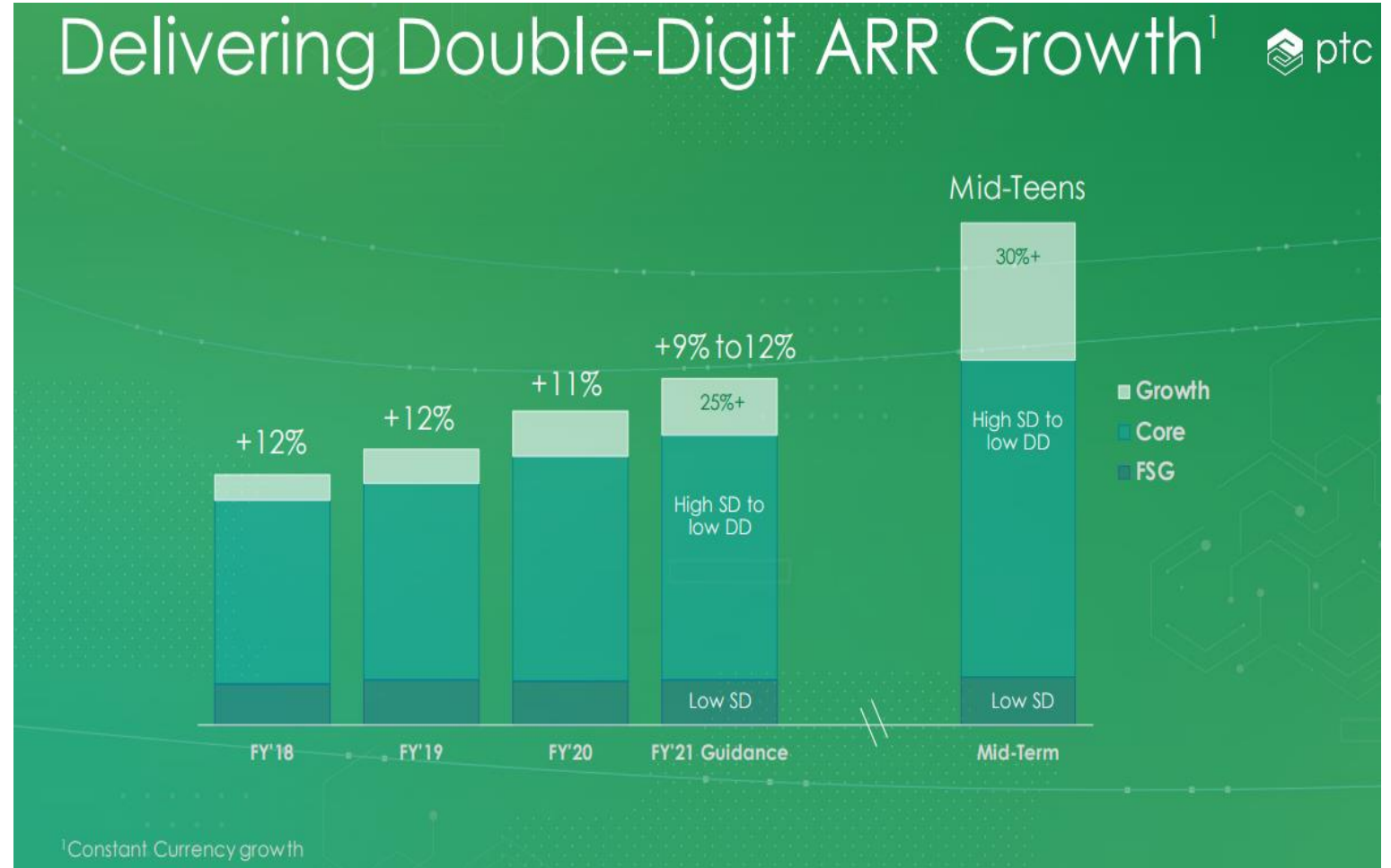
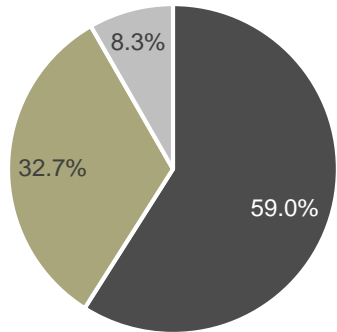
Annual Recurring Revenue

September 2018



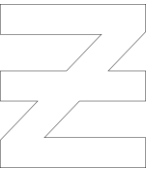
- Core (CAD, PLM)
- Growth (IoT)
- FSG

September 2024 (e)

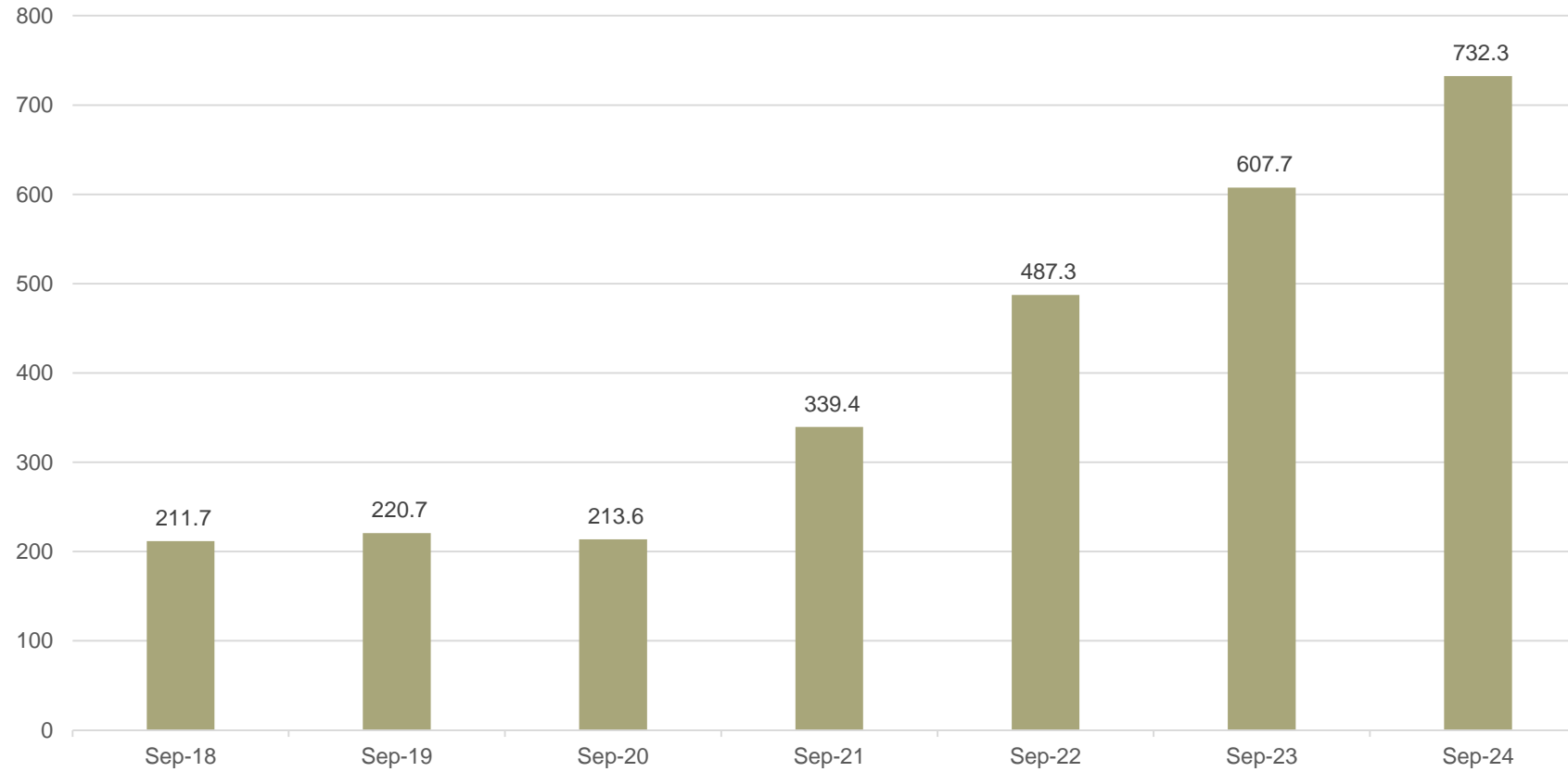


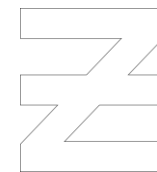
Source: Ellerston Capital, PTC FY 21 Investor Day Presentation

PTC's Growth Profile



Free Cash Flow (\$ mil)





DELIVERING SHAREHOLDER VALUE



Market Demand

- **Strong Q1'21 bookings** growth (>30%) driven by secular tailwinds.
- Industrial **Digital Transformation** catalyzed by pandemic-driven operational challenges.
- Customers creating **frictionless supply chains**, **connecting** products and factories, bringing **digital to the frontline**, enhancing **employees with AI**, and **freeing workers** from desktops.
- **SaaS leader** with solutions aligned to tomorrow's **workforce**, work **methods**, and **workplace**.



Top Line

- **ARR growth** of 16% (12% CC) **at the high-end** of guidance.
- Core businesses ARR growth continues to **outpace the market**.
- Growth businesses ARR growth **tracking to guidance**.
- **Strong ARR** growth in Americas and APAC with **Europe demand trends inflecting**.
- **Revenue growth** of 20% (17% CC) **well above guidance** driven by strong large-deal activity.
- **Healthy retention rates** despite ongoing pandemic.



Bottom Line

- **Strong operating and free cash flow** of \$114M and \$111m, respectively.
- GAAP EPS of \$0.20; Non-GAAP EPS of \$0.97 **up 70% YoY**.
- Strong **revenue growth** and operating **expense discipline** driving margin expansion.
- Continue to expect **record operating and free cash flow** in FY'21.

01

Circular Economy

02

PTC

03

Positioning & Performance

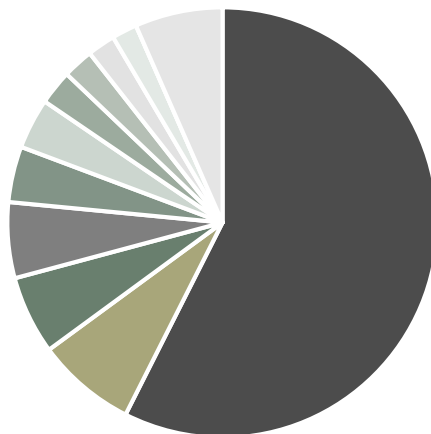
04

Q&A

Ellerston Global Mid Small Cap Fund Overview

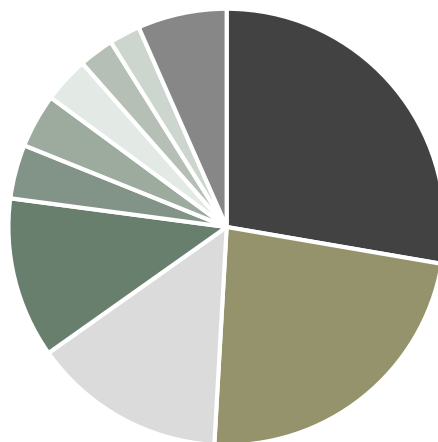


Geographic Allocation



- United States, 57.5%
- France, 7.5%
- Japan, 5.9%
- Hong Kong, 5.7%
- United Kingdom, 4.2%
- Netherlands, 3.8%
- Spain, 2.6%
- Germany, 2.3%
- Sweden, 2.1%
- Switzerland, 1.9%
- Other, 0.0%
- Cash, 6.6%

Sector Allocation



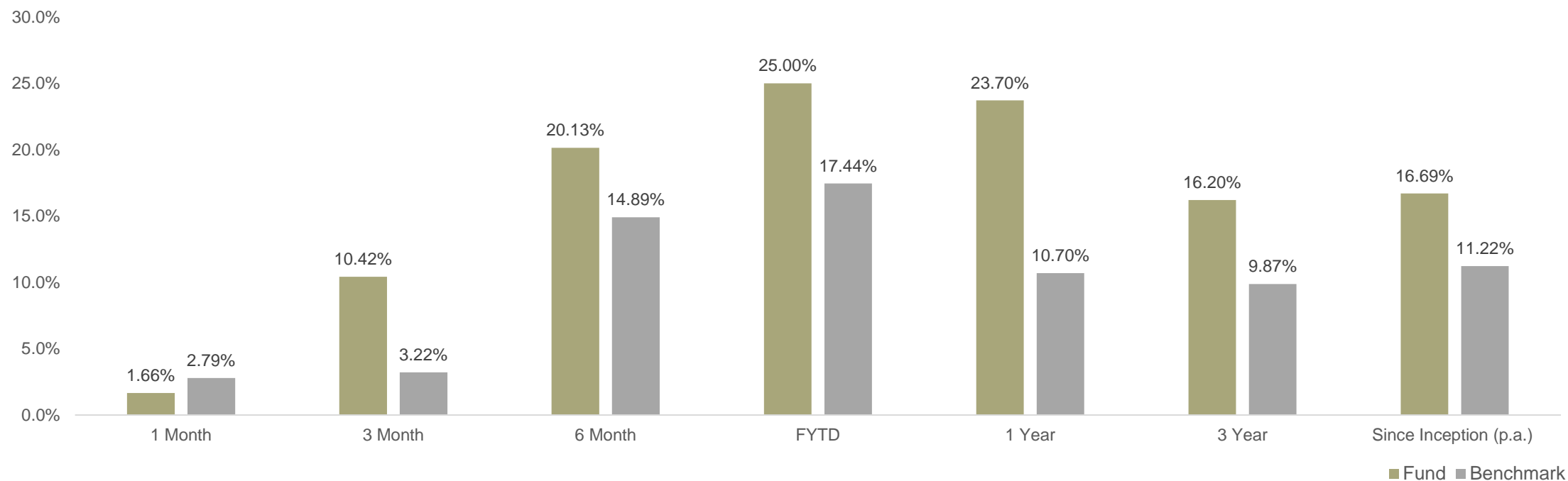
- Industrials, 27.7%
- Information technology, 23.2%
- Consumer discretionary, 14.3%
- Financials, 11.9%
- Consumer staples, 4.0%
- Health care, 4.0%
- Materials, 3.4%
- Communication services, 2.6%
- Real estate, 2.3%
- Cash, 6.6%

Top 10 Holdings

Portfolio Weight

Top 10 Holdings	Portfolio Weight
Sensata Technologies	6.0%
ptc	5.4%
flex	4.9%
TEMPUR+SEALY	4.1%
option care	4.0%
Anritsu envision:ensure	4.0%
BUREAU VERITAS	4.0%
SEB	3.5%
tti	3.4%
Comerica	3.4%

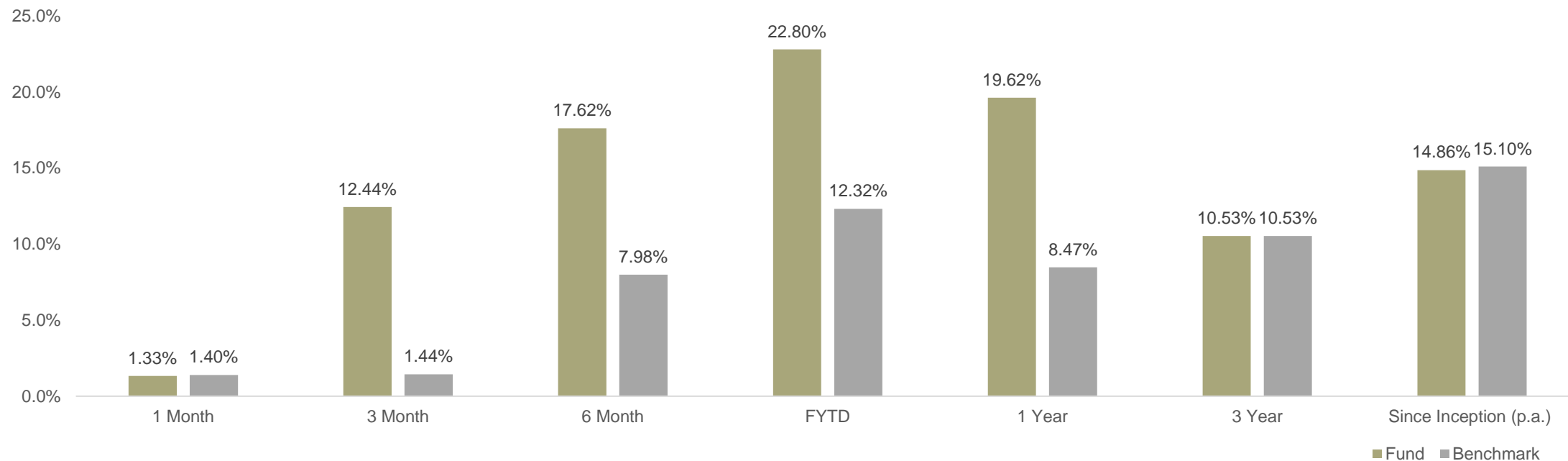
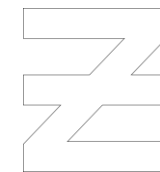
Ellerston Global Mid Small Cap Fund Performance



Performance*	1 Month	3 Months	6 Months	1 Year	3 Years (p.a.)	Since Inception (p.a.)
Net	1.66%	10.42%	20.13%	23.70%	16.20%	16.69%
Benchmark**	2.79%	3.22%	14.89%	10.70%	9.87%	11.22%
Alpha	-1.14%	7.20%	5.23%	13.01%	6.33%	5.47%

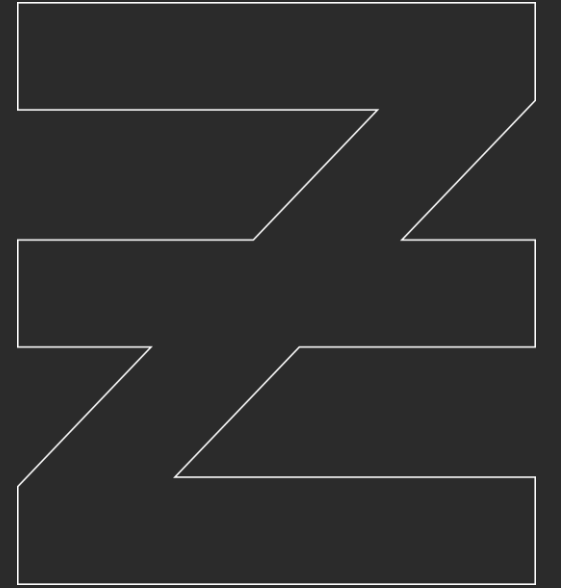
Source: Ellerston Capital as at 28 February 2021 *Class A **MSCI World Mid Cap Index (AUD). Inception Date: 1 March 2017 Past performance is not a reliable indication of future performance.

Morphic Global Opportunities Fund Performance



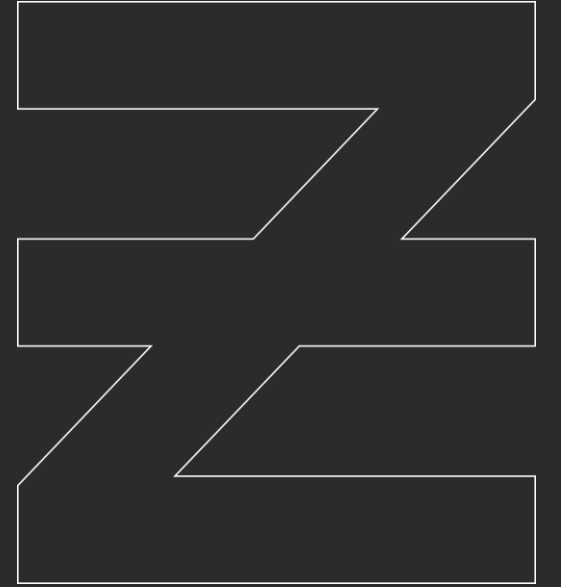
Performance	1 Month	3 Months	6 Months	1 Year	3 Years (p.a.)	Since Inception (p.a.)
Net	1.33%	12.44%	17.62%	19.62%	10.53%	14.86%
Benchmark*	1.40%	1.44%	7.98%	8.47%	10.53%	15.10%
Alpha	-0.06%	11.00%	9.64%	11.15%	0.00%	-0.24%

Ellerston Capital



Q&A

Ellerston Capital



Thank You

Next Webinar: 20 April 2021

Register [here](#)

Disclaimer

This presentation is issued by Ellerston Capital Limited (ACN 110 397 674) AFSL 283 000 (Manager or Ellerston Capital) as the responsible entity of the Ellerston Global Mid Small Cap Fund ARSN 609 725 868 and the Morpheic Global Opportunities Fund ARSN 159 465 157 (Funds). The Manager has made every effort to ensure that the information in this presentation is accurate. However, its accuracy, reliability or completeness cannot be assured. To the maximum extent permitted by law, the Manager does not accept any liability for any error or omission or for any loss or damage suffered as a result of others acting on the basis of the information contained in this presentation. Copyright in this document is owned by the Manager. Its contents are confidential and may not be copied, reproduced or embodied in any other document or distributed to a third party without the prior written consent of the Company and the Manager.

This presentation does not constitute an offer of interests in the Funds. You should not rely on this presentation if or when deciding whether or not to make an investment in the Funds. This document must not be circulated and is confidential in nature. By accepting this document you are agreeing to comply with such confidentiality requirements.

This presentation has been prepared without taking into account any investor's objectives, financial situation or needs. An investment in the Funds carries potential risks and fees which are described in the Product Disclosure Statements (PDS). An investor should, before deciding whether to invest in the Funds and consider the appropriateness of it, having regard to PDS (which can be obtained by contacting the Manager). This presentation is for general informational purposes only and is not intended to be a definitive statement on the subject matter.

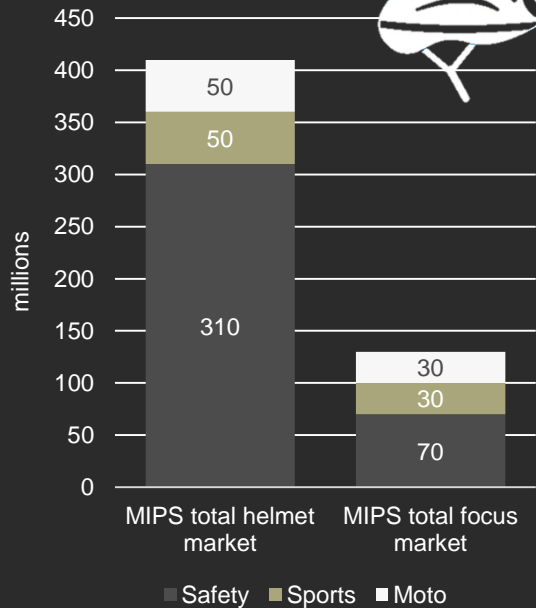
Neither the Manager nor any other person guarantees the investment performance, earnings or return of capital invested in the Funds. The information provided in this document is current only as at the date indicated on this document and is subject to change without notice. This document is not necessarily exhaustive of the relevant subject matter. This material has been prepared based on information believed to be accurate at the time of publication, including actual and estimated returns. Past performance of the Manager is not indicative of future performance. Assumptions and estimates may have been made which may prove not to be accurate. The Manager 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 fullest extent permitted by law, none of the Manager, Funds nor any member of the Ellerston Capital Group of companies makes any warranty as to the accuracy or completeness of the information in this document and disclaims all liability that may arise due to any information contained in this document being inaccurate, unreliable or incomplete.

This presentation is not available to persons for which it would be a contravention of a law to provide or offer interests in the Funds. By attending this presentation, or reading this document, you are representing that you are not such a person.

Our investments make a difference



GLOBAL LEADER IN HELMET-BASED SAFETY & BRAIN PROTECTION



MARKET LEADER ASEPTIC CARTON PACKAGING

THE **WORLD'S FIRST** ASEPTIC CARTON PACK WITH A CLEAR LINK TO **100% PLANT-BASED RENEWABLE MATERIALS**



INDUSTRY-LEADING MANUFACTURER OF BUILDING PRODUCTS

1 Billion pounds OF MATERIALS TO BE RECYCLED ANNUALLY BY 2026

Ellerston Capital

Sydney

Level 11

179 Elizabeth Street Sydney,
NSW 2000

info@ellerstoncapital.com

+612 9021 7701

Melbourne

Level 4

75-77 Flinders Lane, Melbourne
VIC 3000

info@ellerstoncapital.com

+612 9021 7701