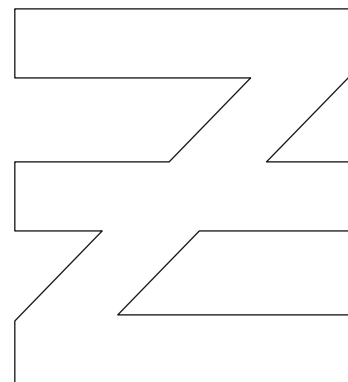


Ellerston Global Equity Managers Fund (GEMS)



Performance Report, March 21

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

Inception Date^^	1 January 2002
Portfolio Manager	Ashok Jacob & Arik Star
Class A Redemption Price	\$1.9888
Class B Redemption Price	\$1.9439
Liquidity	Quarterly
No Stocks	93
Gross Exposure	206.56%
Net Exposure	99.27%
Management Fee	1.50%
Performance Fee	16.50%
Buy/Sell Spread	0.25% on application 0.25% on redemption

Performance Summary

Performance*	CYTD	FYTD	1 Year	3 Year (p.a.)	10 Year (p.a.)	Since Inception (p.a.)**
GEMS A	15.83%	49.65%	64.03%	15.44%	14.23%	13.94%
GEMS B	15.83%	49.65%	64.04%	15.44%	14.03%	13.78%

* The 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 March 31, 2021, the Australian S&P/ASX 200 Index is up +18.02%, and the US S&P500 Index is up +29.71%. **Your Fund is up net after fees +49.65%.**

Calendar Year to Date from January 1 to March 31, 2021, the Australian S&P/ASX 200 Index is up +4.26%, and the US S&P500 Index is up +6.17%. **Your Fund is up net after fees +15.83%.**

For the Month of **March 2021**, the Australian S&P/ASX 200 Index was up +2.44%, and the US S&P500 Index was up +4.38%. **Your Fund was down net after fees -0.31%.**

The portfolio was effectively flat during the month of March, which obscured very strong performance from the long investments of the portfolio. This was however offset by hedging. At the start of the period as macro uncertainties became materially elevated, we added incremental put option protection which proved to be costly. Investors in GEMS should always remember that this is a long/short fund. We take our risk management and absolute return responsibilities extremely seriously. March was a classic but uncomfortable example of that.

At April 25, 2021, the portfolio had a net exposure (delta adjusted) of circa 66%, plus an exposure to gold and silver of circa 11%, and uranium of circa 11%.

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

Portfolio:

Along with our non-thematic stock specific investments, we maintain material exposures to cyclical, financials, uranium and gold.

During March we significantly adjusted our gold exposure, buying direct holdings in Northern Star Resources and Newmont as well as long dated call options in Barrick Gold. By mid-March the valuations of these companies had been crushed, reaching a point where they were generating in excess of 10% free cash flow yields, complemented by strong balance sheets and highly strategic long-life tier 1 assets. This provided a fantastic opportunity as the risk reward had become compelling.

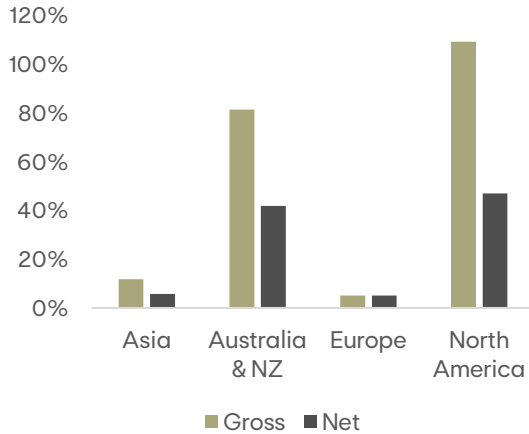
Investments in cyclical companies include Cemex, one of the largest global cement producers, and Olin, one of the largest global chlorine, caustic soda and epoxy manufacturers, Bluescope Steel, and Alcoa. Investments in US financials including a recently increased position in Wells Fargo. Exposure to uranium includes Cameco, Kazatomprom, and Paladin. We are invested in and continue to identify, new opportunities that excite us and fit our asymmetric risk reward profile requirements.

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 significantly reduce the net exposure of the Fund. The nature of our protection is such that we are protecting against material market falls as opposed to smaller market pullbacks.

We have been consumed by US quarterly earnings this month, with a handful of our investee companies having reported already and many more still to come. So far results have been very robust. We look forward to providing an update on our market and macro thoughts as well as insights gained from the quarterly earnings season in our next monthly update.

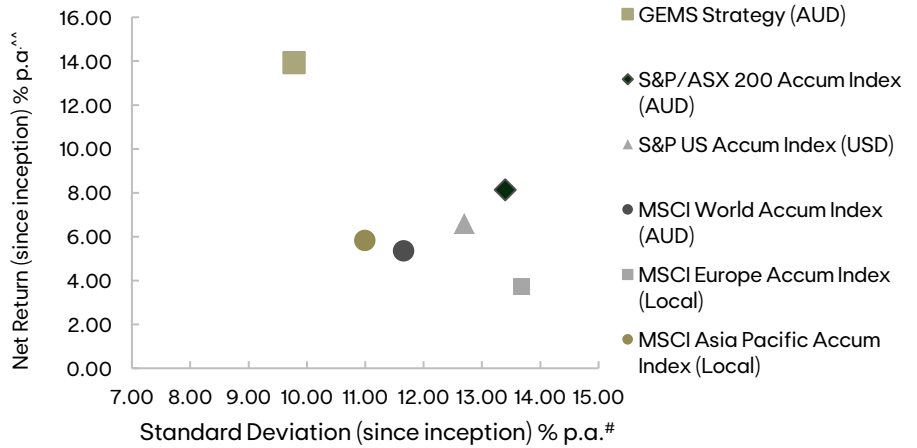
Portfolio Characteristics

Market Exposure as a % of NAV



Source: Ellerston Capital.

GEMS Strategy Performance & Volatility



Source: Ellerston Capital.

Top 10 Holdings (Alphabetical, Long Only)

- BED BATH AND BEYOND
- BETMAKERS TECHNOLOGY
- BLUESCOPE STEEL
- CAMECO CORP
- CITI GROUP
- GRAINCORP
- JPMORGAN CHASE
- OLIN CORP
- SKY CITY ENTERTAINMENT
- TEKKORP ENERGY

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Find out more

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 ellerstoncapital.com

All holding enquiries should be directed to our register, Mainstream Fund Services on **1800 992 149** or ellerston@linkmarketservices.com.au

[^] 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.

^{^a} 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.

[#] 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 performance figures presented are for the Ellerston Global Equity Managers Fund GEMS A and B 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.