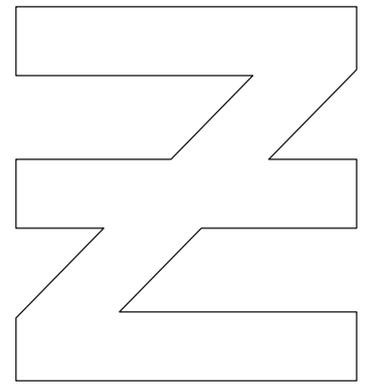


Ellerston Pre-IPO Fund



Performance Report, June 2021

Investment Objective

The investment objective of the Fund is to generate a positive return above a Hurdle Return of 6% p.a. net of fees.

Investment Strategy

The Manager uses a fundamental, research driven investment strategy to provide returns above the Hurdle Return that are not correlated to listed equity markets. The Manager undertakes fundamental research to selectively identify and invest in quality companies focus on investments in Pre-IPO, IPO, Unlisted Expansion Capital and Listed Microcap Companies, predominantly in Australia but also covering OECD and developed countries.

Key Information

Inception Date*	31 March 2020
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Application Price	\$0.9903
Net Asset Value	\$0.9903
Redemption Price	\$0.9903
No Stocks	19
Hurdle Return	6% p.a. net of fees
Management Fee	1.50%
Performance Fee	20% of the investment return above the Hurdle Return for each financial year, calculated and accrued quarterly
Distributions	Annually

Performance Summary

Performance	3 Months	6 Months	1 Year	Since Inception (p.a.)*
Ellerston Pre-IPO Fund [^]	1.86%	1.01%	17.80%	12.65%

[^] The net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance

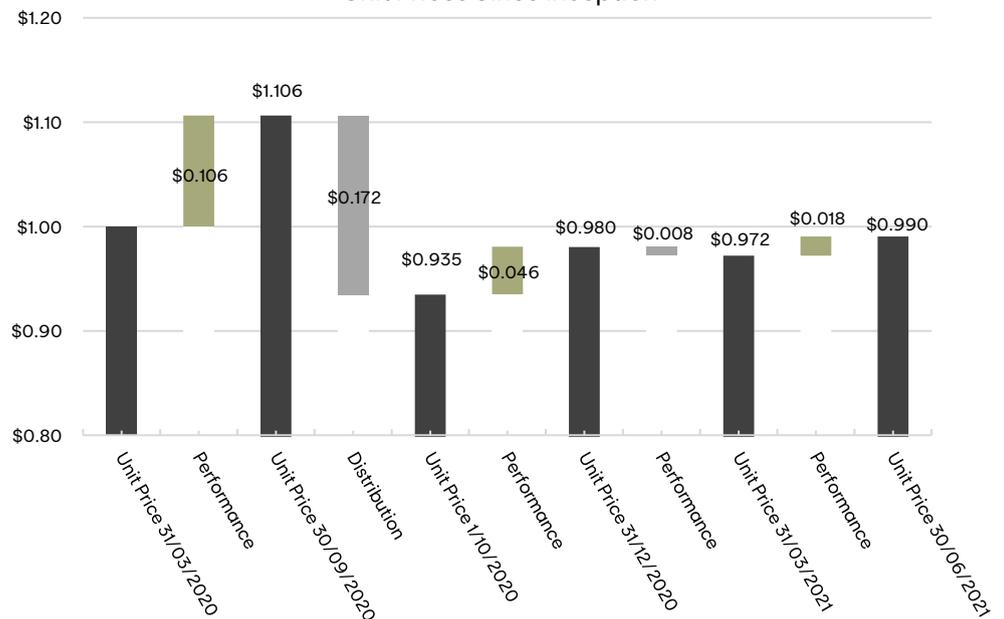
Market Commentary

The June quarter saw the S&P/ASX Small Ordinaries Accumulation Index gain 8.5%, despite volatility remaining a key theme over the period. A very strong April saw the market rise 4.9%, with continued optimism around the Australian economic recovery a key driver for market strength. The market took a breather in May, closing up 0.3%, with continued rebounds in domestic and international economic data driving inflation fears. This saw the Australian 10-year bond yield rising to 1.75% during May, while the AUD spiked above 78.6c. The market in June rallied 3.1%, primarily driven by growth and high PE names whilst Resources stocks underperformed after delivering strong returns over the preceding months.

Recent concerns around COVID outbreaks and resulting state-based lockdown activity has seen inflation fears and yields normalise, with Australian bond yields normalising in late June to ~1.5%. Record low interest rates have driven heightened merger and acquisition (M&A) activity across the ASX, with a number of takeover offers announced/touted over the quarter such as the likes of Hansen (HSN AU), Appen (APX AU), Orocobre (ORE AU), Mainstream (MAI AU) and Boral (BLD AU). We continue to believe the market's focus will be on macro themes centring on inflation i.e. pro-cyclicality, post COVID reopening and policy tightening.

During the June quarter, the Fund had no positions transition into the listed market. We anticipate a catalyst rich September quarter.

Unit Prices Since Inception



Source: Ellerston Capital.

Fund News

The Ellerston Australian Pre-IPO Fund generated a return of 1.86% during the June quarter. Below we outline a number of new investments which we have funded during the period.

Acusensus – is an Intelligent Transport Solutions (ITS) technology company, specialized in AI-enabled road safety applications. The Company has designed, developed and commercialised camera enforcement technology that detects, captures and refers motorists using mobile phones illegally whilst driving to enforcement agencies. The group has developed patent-pending technology to detect and capture prosecutable evidence 24/7 in any weather conditions of drivers illegally using mobile phones. The artificial intelligence solution detects likely illegal phone use by drivers, and shortlists detections that are subject to human review prior to enforcement. It operates with a secure end to end data management process, reviewed and accepted by the NSW Privacy Commissioner. We entered this position as a straight equity investment which equates to less than 3x revenue in FY22.

Aeon International - develops cutting-edge technology for the luxury fashion industry that supports, and where necessary replaces, the current analogue wholesale and retail supply chain processes, increasing efficiencies, significantly reducing costs and ultimately authenticating product to the end-consumer. The company is fortunate to have an extensive list of clients in the ready-to-wear luxury sector. This includes several of the world's most established fashion brands as well globally recognised emerging talent. Within the company's client ecosystem there are dual objectives. To secure clients and progressively offer them a range of company services including virtual showrooms, enhanced digital images and product authentication technology. Most major designers have the need for all three services. Building a relationship-based technology in one area and then building confidence and demand to access a complementary company service has worked extremely well to date and we expect this to continue. We entered this position via a preference share on favourable terms.

Distributed Storage Solutions – is leveraging the Filecoin protocol which is the world's largest open-source decentralised storage network. DSS is focused on the infrastructure that underpins this network and is ready to scale into commercial operations. Distributed Storage Solutions was incubated within Mawson Infrastructure. Management and ourselves believed that a dedicated and focused team to commercialise the opportunity is the key to its future success.

EP&T Global - delivers building energy management solutions that reduce energy and water wastage and improve energy efficiency within commercial real estate. EP&T works with its clients to identify opportunities to optimise building plant operating systems and settings through its proprietary cloud based data analytics software platform and data collection tool. EP&T then works with its clients to assist them to implement these initiatives to reduce a building's energy, water and gas consumption and improve operational performance. We have known EP&T since 2018 and have been keeping a close eye on the business and the progression that it has made. As such when the opportunity occurred to participate in a shorted dated convertible note we had already completed extensive due diligence. In May 2021, our convertible note converted to equity at a 25% discount to the A\$0.20 IPO price. At the end of June, EP&T closed trading at A\$0.23 versus our entry price of A\$0.15.

Nico.Lab - is a medical technology company, founded in 2015 by a group of researchers, engineers and physicians. The company specialises in developing artificial intelligence solutions for emergency care, with an emphasis focus on stroke. Currently, Nico.Lab has CE, TGA and FDA approvals in place plus reimbursement in the USA from Medicare with code 4A03X5D. Its flagship product is StrokeViewer, which uses AI algorithms powered by data sets to which the company has exclusive access. Studies have shown that StrokeViewer reduces emergency workflow delays, which creates value for patient outcomes. We entered our position in NicoLab via a number of different structures including straight equity and options.

Point Duty - is an Australian software company, operating since 2004. The range of software and hardware products are focused on unstructured data collection, data enrichment and integration. Its products are often used by government agencies, law enforcement, military intelligence and business intelligence and helps produce high quality intelligence for organisations. The technology primary use and purpose is to enable customers to undertake threat analysis, social media analysis, document and web data extraction, and Geospatial and visual data display. The company's Threat Hunter™ and Long Wall technology products are source intelligence platforms that collect, connect and enriches data and integrates into leading visualization and analytics software such as IBM, Leonardo and ESRI. The company's technology solutions are recognised as world leading and enable customers to consume and utilise unstructured and structured data sets to manage and analyse massive amounts of information from multiple sources, allowing near real time investigation and intelligence production. We hold our position in Point Duty via a preference share.

Tissue Repair – is a highly engineered molecule which was designed for topically-delivered wound healing. The highly engineered decoy cell simulates a yeast infection resulting in a "kick start" of the body's own wound repair pathways. Tissue Repairs has successfully completed Phase 2b wound care trial in 2020. This trial was a double blinded and placebo controlled Phase 2B chronic wound trial completed under FDA approved protocols. It showed that efficacy was comparable if not superior to gold standard therapies. Tissue Repairs entered Phase 3 trials in 2021 to seek drug approval in the US and Europe. It is also seeking near-term TGA approval to commence marketing chronic wound product in Australia and NZ, targeting hospitals and wound clinics. We entered our position via a convertible note and the company is targeting an ASX IPO in 2H21.

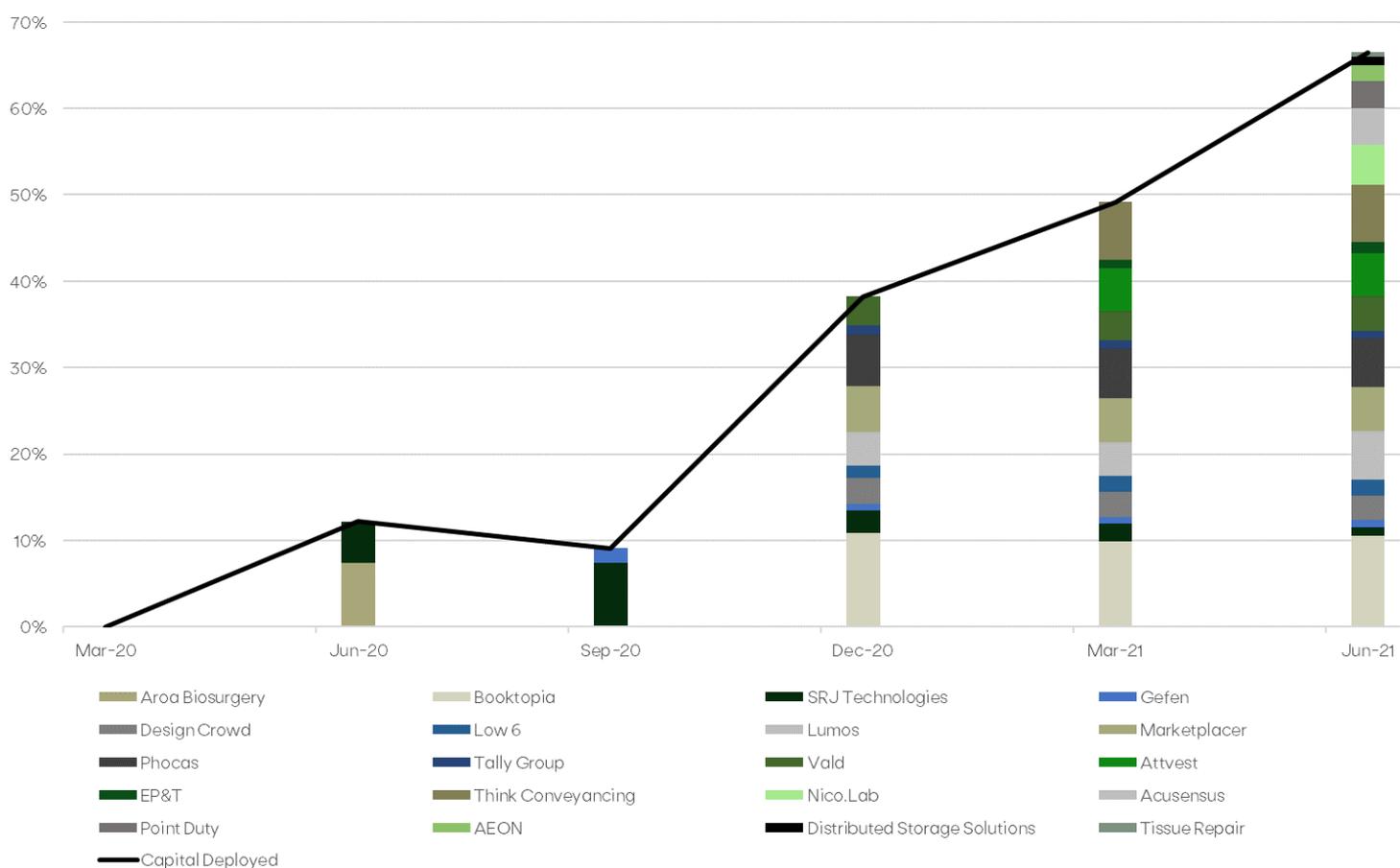
Top 5 Holdings Summary

SECURITY	PORTFOLIO WEIGHT
BOOKTOPIA GROUP	10.49%
THINK CONVEYANCING (DEEP BLUE COMPANY)	6.63%
PHOCAS GROUP	5.68%
CMINT	4.99%
ATTVEST (CAPEVEST)	4.92%
OTHER CAPITAL DEPLOYED*	34.10%
CASH	33.19%
TOTAL	100.00%

Source: Ellerston Capital. *Other capital deployed includes additional 14 holdings.

Capital Deployed

Capital Deployed



Source: Ellerston Capital.

Outlook

Total funds under management for the Ellerston Pre IPO Fund were A\$52.8m as at 30 June 2021. The Fund held A\$17.5m of cash at the end of June which is available for investments, alongside the current listed investments of Booktopia (BKG AU; 10.5% of portfolio), SRJ Holdings (SRJ AU; 1.0% of portfolio) and Lumos (LDX AU; 5.8% of portfolio) and EP&T (EPX AU; 1.3% of portfolio). Over the coming FY we are aiming to reach liquidity events in a number of investments that are all tracking well towards their IPO or trade sale.

Our philosophy around pre IPOs is very simple. We are looking for high quality businesses that have clear pathways to IPO, offering opportunities to achieve superior returns with minimal correlation to the market. We are looking to achieve a 20% IRR and given the current state of the market we believe we are well placed to deliver on this target.

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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, Link Market Services on **1800 992 149** or **ellerston@linkmarketservices.com.au**

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