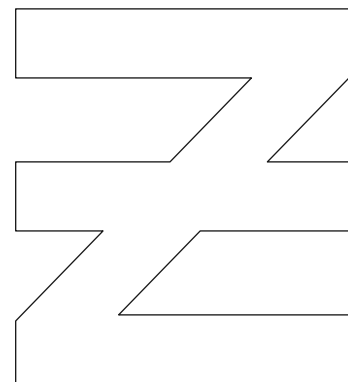


Ellerston Australian Absolute Return Fund



Monthly Newsletter, June 2022

Investment Objective

The Fund targets absolute returns with an annualised return objective of 5% above the RBA Cash Rate over rolling five year periods.

Investment Strategy

The Fund seeks to provide investors with a return profile that has a low correlation with traditional asset classes. The Fund aims to generate positive returns in all market environments by reducing the majority of market risk and focusing on capital preservation and alpha generation.

Key Information

Inception Date **	3 June 2013
Portfolio Manager	Ashok Jacob
Application Price	\$1.1146
NAV Price	\$1.1118
Redemption Price	\$1.1090
Liquidity	Daily
Gross Exposure	76.43%
Net Exposure	31.44%
Management Fee	1.20% p.a.
Performance Fee	20%
Buy/Sell Spread	0.25% on application 0.25% on redemption

PERFORMANCE SUMMARY

Performance	1 Month	3 Months	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)**
Net^	-4.75%	-10.03%	-11.73%	-7.51%	7.77%	3.56%	6.59%
Benchmark*	0.06%	0.09%	0.12%	0.17%	0.33%	0.79%	1.38%
Alpha	-4.81%	-10.13%	-11.85%	-7.68%	7.44%	2.77%	5.21%

^ Net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance
* RBA Cash Rate

PERFORMANCE

The Ellerston Absolute Return Fund delivered -4.75% in June.

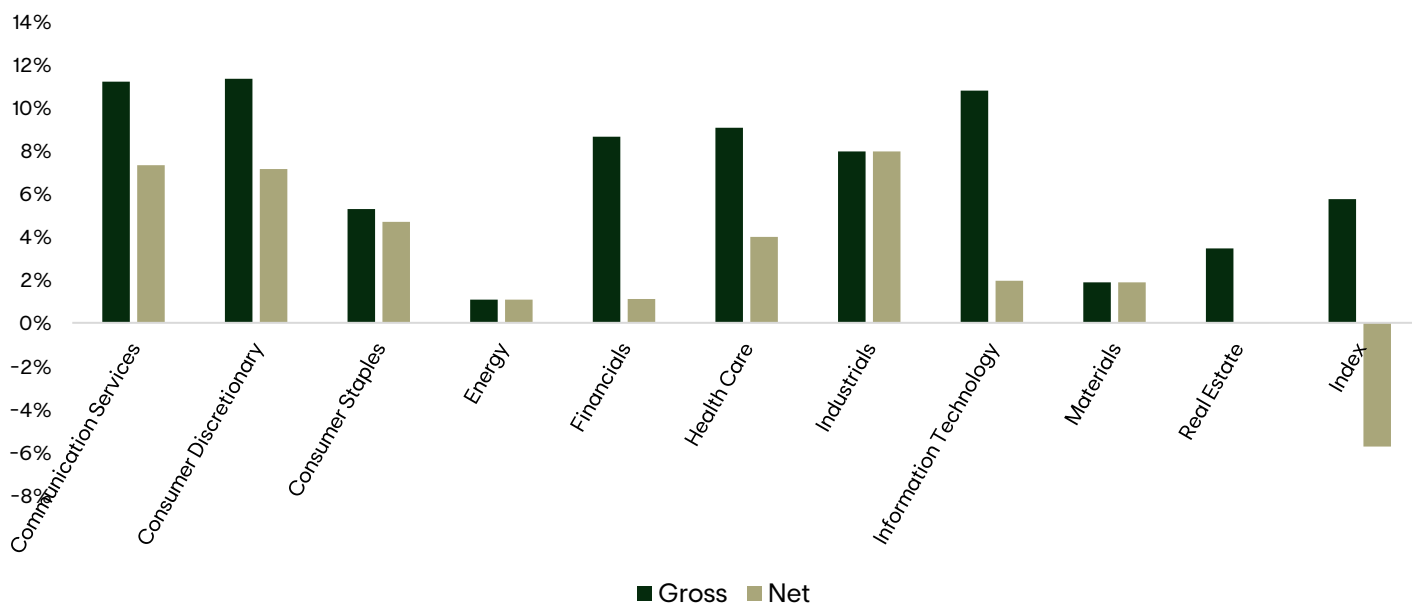
COMMENTARY

One of our core positions, RPM Global (RUL AU) outperformed in June. The company provides advisory consulting, technology and software solutions to the mining industry. RUL provided a number of trading updates during June, given it is typically the largest selling period for the group. The group continues to show strong sales momentum with Annual Recurring Revenue of \$32.8m and total pre-contracted software revenue of A\$95.5m (as at 30 June). While the technology sector has been under pressure in recent times, we see RUL as a high-quality play given its blue-chip customer base, is EBITDA profitable and is currently undertaking a share buyback (announced in late May).

Pacific Smiles (PSQ AU) was a strong outperformer in June, delivering a +15.4% absolute return. The group provided a trading update for May, reporting the first return to positive same-centre patient fees (+2.8% YoY) since November 2021 and that the rollout was tracking well. Operating conditions have been challenging as a result of COVID-19 and flu disruptions, however these factors started to abate during May. PSQ also announced it had extended its A\$40m loan facility with CBA for a further 3 years and confirmed that it had no requirement to raise capital. We see PSQ as a quality organic growth story over coming years with significant market share and earnings potential over time and have used disrupted trading conditions to increase our position.

PORTFOLIO CHARACTERISTICS

Sector Exposure

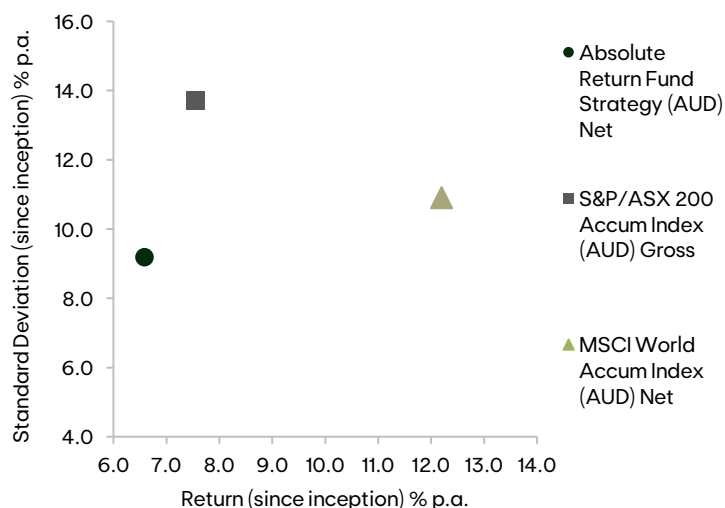


Source: Ellerston Capital.

Top 10 Holdings (Alphabetical, Long Only)

- Aussie Broadband
- Corporate Travel Management
- EQT Holdings
- Estia Health
- Generation Development Group
- HiPages Group Holdings
- IPH
- Regis Healthcare
- Rubicon Water
- TasFoods

Strategy Performance & Volatility



Source: Ellerston Capital.

RG240 Fund Disclosure Benchmark – Periodic Reporting (monthly)

- **Net Asset Value of the Fund and Redemption Price of Units**

Please refer to details on P1.

- **Any changes to key service providers including any change in related party status**

There have been no changes to key service providers, including any change in related party status.

- **Net returns after fees, costs and relevant taxes**

Please refer to details on P1.

- **Any material changes to the Fund's risk profile and strategy**

There have been no changes to the Fund's risk profile and strategy.

- **Any material changes related to the primary investment personnel responsible for managing the Fund**

Please refer to details on P1; there have been no changes to the primary investment personnel responsible for managing the Fund

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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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