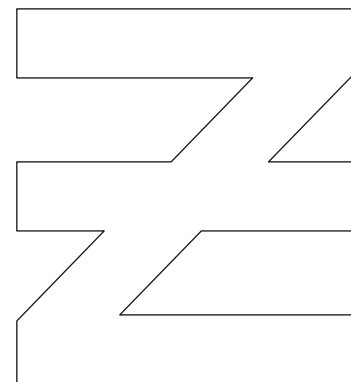


Ellerston 2050 Fund



Performance Report, October 2022

Investment Objective

The investment objective of the Fund is to outperform the Benchmark over a rolling three year period.

Investment Strategy

The Fund employs an active, research-driven investment approach which seeks to identify a portfolio of unlisted (pre-IPO and expansion capital) and listed (micro and small capitalisation) companies, with the aim of delivering superior returns to the benchmark over time. Investments will generally be made in companies that have sound business franchises with attractive earnings profiles that operate in growth industries and trade at a discount to valuation. For inclusion in the portfolio, companies must, either directly or indirectly, demonstrate a pathway to aiding the abatement of carbon within Australia and the global economy.

Key Information

Inception Date*	31 May 2022
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Application Price	\$0.9675
Net Asset Value	\$0.9638
Redemption Price	\$0.9601
No Stocks	34
Management Fee	1.50%
Performance Fee	20% of the investment return above the Benchmark for each financial year, calculated and accrued monthly
Distributions	Half Yearly

Performance Summary

Performance	1 Month	3 Months	6 Months	1 Year	Since Inception (p.a.)*
Ellerston 2050 Fund^	2.29%	-4.06%	-3.62%	-	-3.62%
Benchmark**	7.37%	-4.89%	-5.07%	-	-5.07%
Alpha	-5.08%	0.84%	1.45%	-	1.45%

^ The net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance
 **S&P/ASX Small Ordinaries Industrials Accumulation Index

Market Commentary

The Ellerston 2050 Fund delivered 2.3% in October while the Small Industrial Accumulation Index rallied strongly up 7.4% after rebounding from September's weakness. The month was full of central bank news with the RBA and BOC being more dovish than the market had anticipated with smaller hikes announced. The market saw glimmers of hope that inflationary pressure might have been easing with shipping costs retreating and US rents starting to roll. While we are not macro investors, we are watching inflation closely and believe it will be weighing on our portfolio companies for a while to come. Looking to Asia, China had a rough month with the Hang Seng finishing down 14.7% on the back of concerns around Chinese property and CCP Congress which saw weaker iron ore prices and the AUD/USD sell off heavily early in the month before finishing roughly flat. We continue to see M&A being a key theme in the market with a number of additional bids occurring predominately focused on the tech space with Nitro, ReadyTech and Pushpay all getting bids.

October was also full of news flow for our portfolio companies and the general market with both AGMs ramping up and wave of broker conferences. Trading updates were mixed but general themes came as no surprise with cost inflation and consumer demand being discussed ferociously. Turning to the portfolio, several of our stocks had solid trading updates which helped support October's performance.

RPM Global (RUL AU) delivered a strong return in October, rising 25% over the month. The company provides advisory consulting, technology and software solutions to the mining industry. RUL provided an update at its AGM late in the month, noting the group had added \$2.5m of ARR over the first four months, bringing the total ARR to \$51m. On the back of this strong start, RUL reconfirmed its FY23 guidance for >A\$100m of revenue and A\$14.2m EBITDA - a significant increase on the prior year. We believe RUL is well placed to benefit from the continued digitisation of mine sites and the increased penetration of RUL's software across its key customers globally. The group continues to be a stand-out in the technology sector, with a combination of strong top-line growth and operating leverage, as well as the announced buy-back underway. The company helps its clients monitor and minimise their carbon emissions via its ESG advisory services and software.

Estia Health (EHE AU) was one of our stronger performers, putting on 16% during the month. This reflected the accretive acquisition the company made, which added another 409 relatively new beds to its portfolio, at a material discount to what they would cost to build. In addition, both listed aged care operators released positive trading updates which showed improving spot occupancy and declining COVID-related costs. Looking beyond the trading updates, we think EHE will benefit from several tailwinds including the ageing population (and consequential supply shortage), tightening occupancy, increased government funding, and improved staff availability with immigration starting to come back online. Combine these tailwinds with solid balance sheets and healthy RAD inflows, EHE is well placed to continue growing both organically and execute opportunistic acquisitions when they present themselves. Estia will decarbonise by transitioning to renewable energy at its properties, reducing use of disposable plastics (diverting waste from landfill) and minimising natural gas consumption.

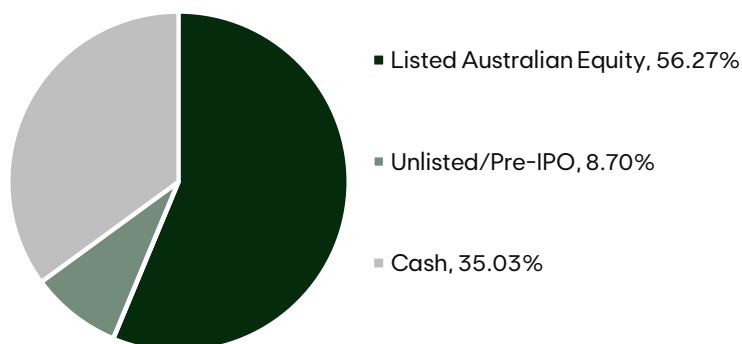
Holdings Summary

SECURITY	PORTFOLIO WEIGHT
Adrad Pty Ltd*	5.36%
RPMGlobal Holdings	5.25%
IPH Ltd	4.07%
Kelsian Group	3.49%
Estia Health	3.33%
Additional Holdings^	43.45%
Cash	35.03%
Total	100.00%

Source: Ellerston Capital. ^Other capital deployed includes additional 29 holdings.

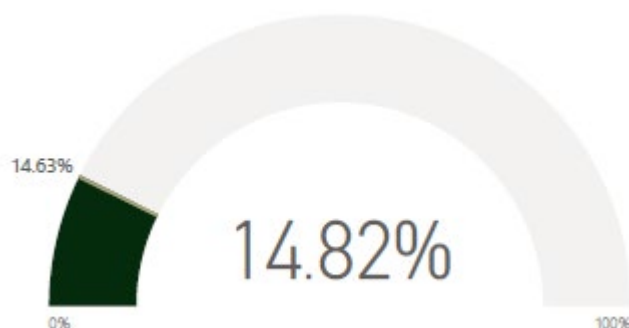
*Unlisted position.

Portfolio Breakdown

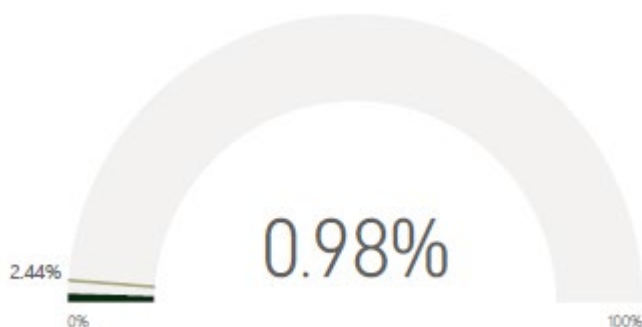


Source: Ellerston Capital.

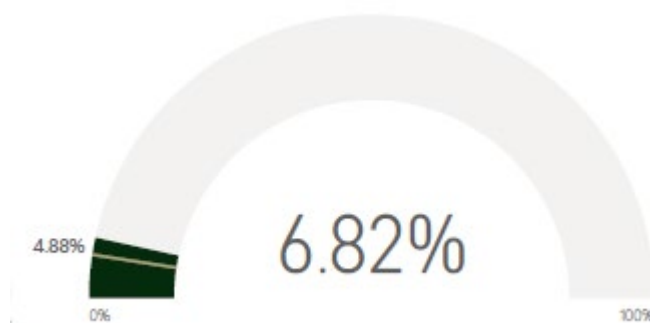
Value of Portfolio Reporting vs. Number of Companies Reporting on Scope 1 and 2*



Value of Portfolio Reporting vs. Number of Companies Reporting on Scope 3*



Value of Portfolio Reporting vs. Number of Companies Reporting According to TCFD^*



Source: ^Task Force on Climate-Related Financial Disclosure

*Please note the % represented by the line is the number of companies reporting and the shaded area (green) is the total holding value of the portfolio that the companies represent.

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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, Automic Registry Services on **1300 101 595** or **ellerstonfunds@automicgroup.com.au**

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