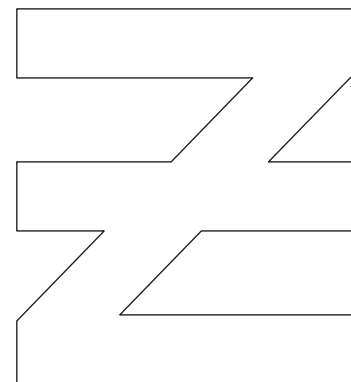


Ellerston 2050 Fund



Performance Report, November 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	\$0.9577
Net Asset Value	\$0.9541
Redemption Price	\$0.9505
No Stocks	36
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[^]	-1.01%	-4.50%	-4.61%	-	-4.59%
Benchmark**	2.74%	-1.26%	-1.74%	-	-2.47%
Alpha	-3.75%	-3.25%	-2.87%	-	-2.13%

[^] 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

November was a disappointing month for the Ellerston 2050 Fund which delivered -1.01%, compared to the Small Industrials Accumulation Index which put on 2.74%. The strong rally in November was a function of the softer than expected US CPI print, and dovish commentary from the Fed. Accordingly, the markets have peeled back their terminal rate expectations and the Australian 10-year bond yield declined by 20bps. In November we saw significant news flow with many of our portfolio companies - and the general market - providing trading updates at their AGMs and broker conferences. The updates were mixed with the consumer holding up surprisingly well although the headwinds are building, with cost pressures still present (albeit moderating) and funding costs continuing to rise. The markets remain extremely volatile which is creating opportunities and we think well-funded companies will look at resuming M&A activity to capitalise on current conditions.

Imdex (IMD AU) - one of our high conviction positions - was a strong performer for the month, putting on almost 19%. The strong share price rally was supported by an update on the commercialization of its Blast Dog product, broker initiations, victory in a lingering court case against fellow listed peer Boart Longyear Group (BLY AU) and successfully defending their patented technologies. Looking ahead, we expect the 1H23 will show continued sales momentum after a record 1Q23, continued traction in the Americas and a further shift towards rental and SaaS sales mix. Imdex helps its client's decarbonise by optimizing their drilling processing using software, data and real time analytics.

Adrad Holdings (AHL AU) specialises in the design, manufacture importation and distribution of heat exchanges for motor vehicles. November was a rough month for the stock (down 13%), however this is more a function of its illiquidity rather than the momentum of the business which is positive. However, having listed in September, Adrad has held up relatively well in what has been an extremely tough market for IPOs. At the AGM the company signalled the business is performing well and provided guidance in line with consensus estimates. We still like the longer-term outlook buoyed by structural tailwinds, and material EBITDA growth in FY24 as the reaps the benefits on its recent investment into offshore manufacturing and distribution centre. Adrad will help the country decarbonise as it's cooling technology will be a crucial component of the transition to electric vehicles, while also enabling industrial machinery to run more efficiently.

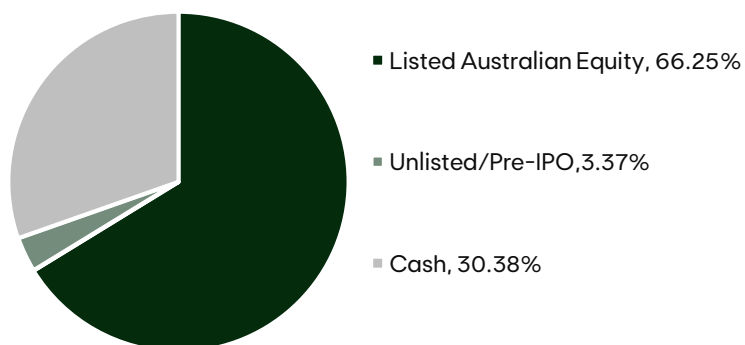
Moving forward, we expect the volatility to remain high for the near term which will continue to create new and interesting investment opportunities. We will stick to our process, looking for high quality businesses with resilient revenues, pricing power, strong management teams and ideally companies which are catalyst rich.

Holdings Summary

SECURITY	PORTFOLIO WEIGHT
RPMGlobal Holdings	5.10%
Adrad Pty Ltd	4.69%
Kelsian Group	4.36%
Imdex	4.32%
IPH Ltd	3.77%
Additional Holdings^	47.37%
Cash	30.38%
Total	100.00%

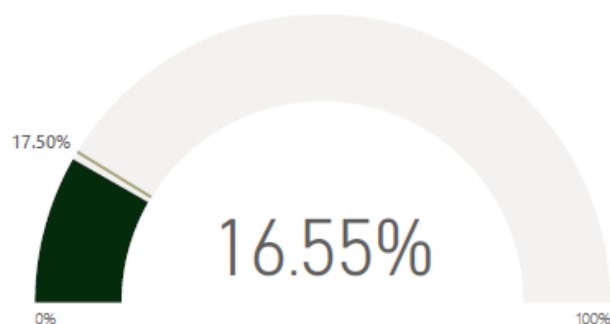
Source: Ellerston Capital. ^Other capital deployed includes additional 30 holdings.

Portfolio Breakdown

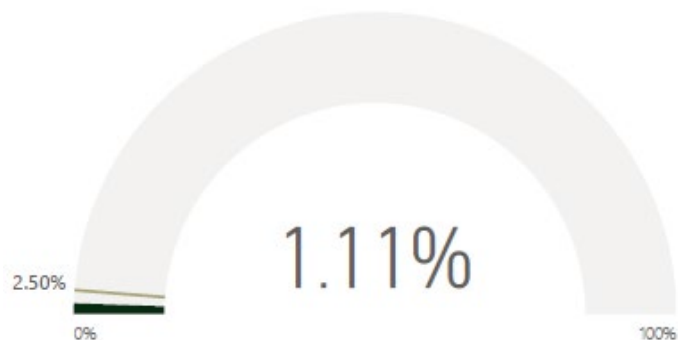


Source: Ellerston Capital.

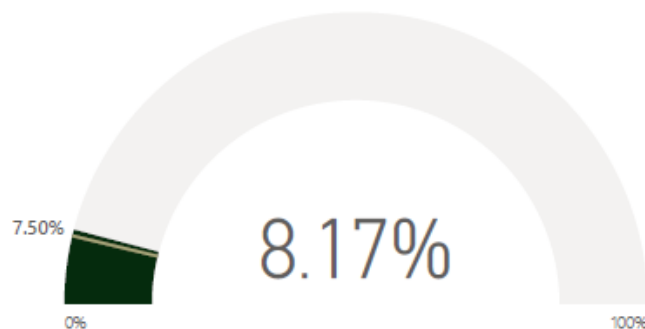
Value of Portfolio Reporting vs. Number of Companies Reporting on Scope 1 and 2*



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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