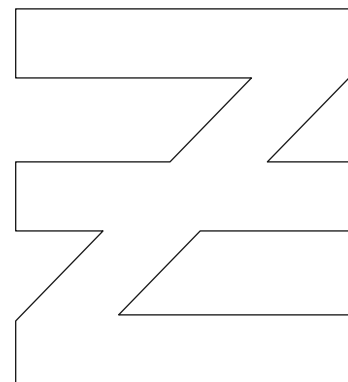


Ellerston Global Equity Managers Fund (GEMS) Class C



Monthly Newsletter, April 2023

Investment Objective

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 December 2009
Portfolio Managers	Ashok Jacob & Arik Star
Application Price	\$1.4451
NAV Price	\$1.4415
Redemption Price	\$1.4379
Gross Exposure	101.3%
Net Exposure	49.4%
Unit Pricing	Monthly
Management Fee	1.50%
Performance Fee	16.50%
Buy/Sell Spread	0.25% on application 0.25% on redemption

PERFORMANCE SUMMARY

Performance (Net)*	FYTD	2 Years (p.a.)	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	Since Inception (p.a.)^^
GEMS C	-8.2%	-10.3%	9.9%	5.2%	10.6%	10.2%

Source: Ellerston Capital.

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

Performance

For the 3 Year period from April 30, 2020 to April 30, 2023, the compound annual returns for the Australian S&P/ASX 200 Total Return Index was +14.0%, the US S&P 500 Index was +14.5%, the Russell 2000 Index was +11.9% and MSCI World (Local) Index was +13.5%.

Your Fund returned +9.9% p.a. (after fees).

For the Month of April 2023, the Australian S&P/ASX 200 Index was up +1.8%, the US S&P 500 Index was up +1.6%, the Russell 2000 Index was down -1.8% and the MSCI World (Local) Index was up +1.6%.

Your Fund returned +0.2% (after fees).

Portfolio Commentary

GEMS has had a number of our core long positions report quarterly results over the past month. We remain cautious on the broader economic outlook, given a credit contraction seems all but assured at this point. That said, the majority of our core longs are primarily driven by idiosyncratic, company-specific factors. To illustrate, we outline some highlights on our core longs and their most recent quarterly commentary below.

Booking (BKNG.US)

Booking has benefited from the macro tailwind of an invigorated return of leisure travel globally post pandemic, but what is perhaps underappreciated, it just how much share BKNG has taken from competitors throughout the recovery and continues to do so. BKNG continues to build out their connected trip vision and drive their direct share mix higher which flows through to materially better cash-flow unit economics. Whilst a much longer term dynamic, we believe that BKNG is likely to be a beneficiary of broad-based AI adoption. Firstly, as Large Language Models (LLMs) can be embedded to provide interactive itinerary building, answering traveller questions, etc. which will further drive the online mix of travel booking higher. Secondly, BKNG is a major beneficiary of any increased competition in the upstream 'search' part of the value chain.

"In the first quarter, we reached all-time quarterly highs for both room nights of 274 million and gross bookings of \$39.4 billion and achieved year-over-year growth rates of 38% and 44%, respectively... Both room nights and gross bookings came in ahead of our previous expectations as a result of the continued strength in leisure travel demand and from a lengthening booking window, particularly in Europe and the U.S.... Just over 45% of our room nights were booked through our apps in the first quarter, which is a few percentage points higher than in Q1 2022... Our average share count in the first quarter was 8% below Q1 2022 and 16% below Q1 2019... Our strong bookings in the first four-month of the year created the potential for some upside, but we want to see how the next few months develop before considering any updated commentary..."

Celsius (CELH.US)

Celsius produced a blow-out quarterly result, with revenue coming in at \$260 million, meaningfully ahead of consensus at \$219.5 million. The transition to PepsiCo distribution has been smoother than anticipated. Importantly, the additional distribution points Celsius has been able to pick up from the PepsiCo distribution partnership has been complemented by increasing same-store sales velocity. We believe international expansion remains an underappreciated option at this point, as the company works towards a 2024 launch.

"We achieved record sales for the first quarter of approximately \$260 million, an increase of 95% from last year's first quarter of \$133 million... Our North America revenue increased 101% for the quarter to \$249 million, up from \$124 million in the year-ago quarter... Per IRI in the last four weeks ending as of March 26, 2023, in total MULO Energy, Celsius is the number three energy drink brand in the United States reaching a new market share record totalling 7.5%, doubling its 3.7% share a year ago... We are gaining market share at the fastest pace in company history, while at the same time drove the highest quarterly EBITDA margin of over 18%, demonstrating the leverage in our operating module. We believe we have significant runway ahead of us, and are excited about the spring resets, driving additional shelf space, in both new and existing customers while optimizing our placements... While the U.S. transition has taken a majority of our focus to date, we do expect to announce additional international expansion details in the future. With that said, we look forward, probably likely to early 2024 for opportunities to roll out internationally, with 2023 being the year of planning around logistics, production, distribution, and marketing".

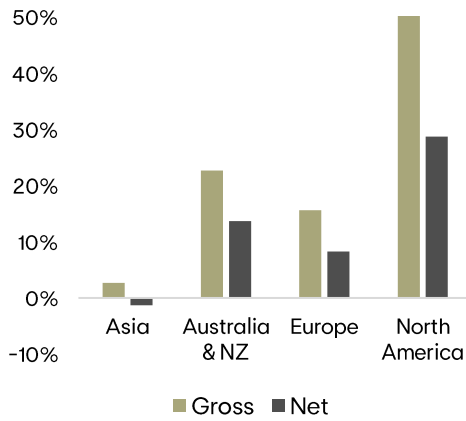
Light & Wonder (LNW.US)

Post divestments of non-core lottery and sports betting assets in 2022, LNW continues to execute upon their strategy centred around leveraging their core content R&D engine to underpin three end-markets, traditional land-based gaming, iGaming and social gaming. At a c.10% 2024 FCF yield, the market is giving LNW very little credit for the transformation that has taken place thus far and heavily discounting any operational success going forward, as such we continue to find the risk/reward skew of the situation compelling.

"Turning to game sales, we returned to significant growth, shipping over 7,600 units globally with 4,000 units in North America and 3,600 units internationally. The robust demand in game sales led to a \$158 million in revenue for the first quarter, translating to over 50% growth year-over-year, well above 2019 first-quarter levels... Let's turn to SciPlay. The momentum we established last year continued into the third quarter and the investments we've made over the past 18 months are being validated with significant share gain. SciPlay extended its winning streak in the social casino market, once again exceeding market performance with 18% year-over-year growth on record revenue of \$186 million... Operating income was \$102 million, an increase of 155% year-over-year, and consolidated AEBITDA grew 23% to \$249 million, driven by double-digit topline growth across all businesses as well as improved margins."

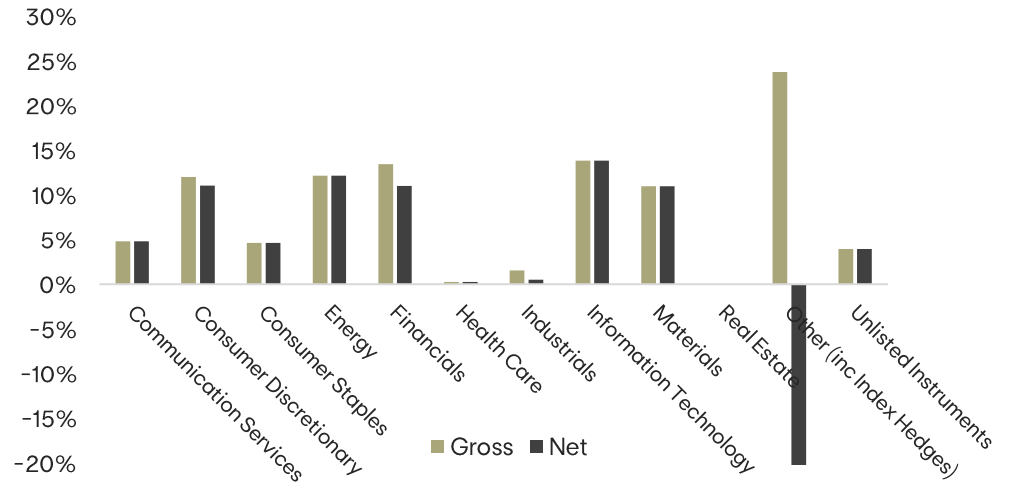
PORTFOLIO CHARACTERISTICS

Region Exposure



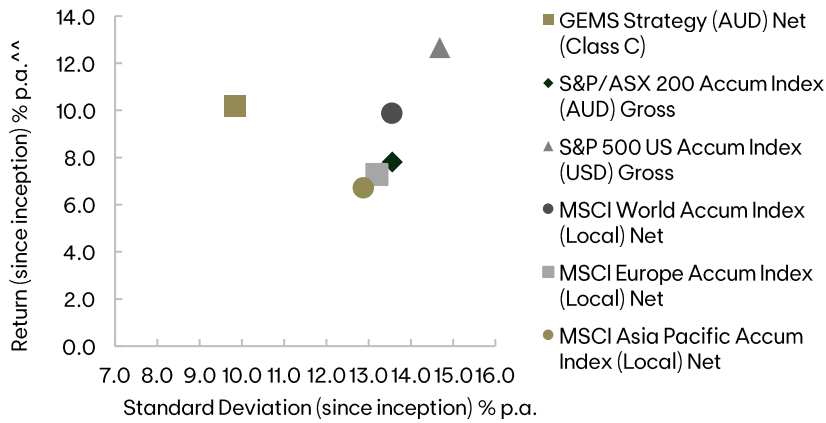
Source: Ellerston Capital.

Sector Exposure



Source: Ellerston Capital.

GEMS Strategy Performance & Volatility^^



Source: Ellerston Capital.
 Past performance is not a reliable indication of future performance.
 ^^Inception Date 1 December 2009.

Top 10 Holdings (Alphabetical, Long Only)

- AMAZON.COM
- BOOKING HOLDINGS
- CALUMET SPECIALTY PRODUCTS PARTNERS
- CELSIUS HOLDINGS
- FLUTTER ENTERTAINMENT
- GOLAR LNG
- LIGHT AND WONDER
- META PLATFORMS
- MICROSOFT
- VANECK VECTORS GOLD MINERS

Source: Ellerston Capital.

- **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.

Contact Us

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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 holdings enquiries should be directed to our register, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.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.

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 returns and risk of the Fund and the relevant Indices are net of taxes, fees and expenses and assuming distributions are reinvested. The performance figures presented are for the Ellerston Global Equity Managers Fund GEMS C 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. This report has been prepared by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, as the responsible entity of the Ellerston Global Equity Managers Fund ARSN 118 887 095 without taking account the objectives, financial situation or needs of individuals. Before making an investment decision about the Fund persons should read the Fund's Product Disclosure Statement and Target Market Determination (TMD) which can be obtained from the Manager's website www.ellerstoncapital.com or by contacting info@ellerstoncapital.com and obtain advice from an appropriate financial adviser. Units in the Fund are issued by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000. This information is current as at the date on the first page. 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. Past performance is not a reliable indicator of future performance.