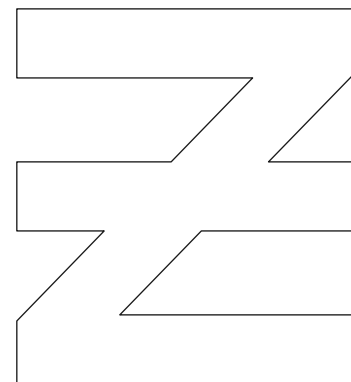


Ellerston 2050 Fund



Monthly Newsletter, April 2023

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

Strategy Inception ^^	31 May 2022
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Application Price	\$0.9388
Net Asset Value	\$0.9352
Redemption Price	\$0.9316
No Stocks	37
Management Fee	1.50% p.a.
Performance Fee**	20%
Distribution Frequency	Half Yearly (i.e. June & December)

** Of the investment return above the Benchmark for each financial year, calculated and accrued monthly

Performance Summary

Performance	1 Month	3 Months	6 Months	1 Year	Since Inception (p.a.)^^
Net^	1.02%	-0.57%	-2.96%	-	-6.48%
Benchmark*	3.61%	-1.23%	4.24%	-	-1.04%
Alpha	-2.60%	0.65%	-7.21%	-	-5.44%

^ 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 underperformed the Small Industrials Index by 2.60% in the month of April. The market rallied in April partially based on the Reserve Bank of Australia (RBA) pausing interest rate rises (we note RBA moved rates by 0.25% in May) and the anticipation of a softer landing and signs that global inflation was on a downward trajectory. We continued to see M&A activity with Kirin bidding for Blackmores and Wesfarmers/API bidding for Silk Lasers to name two. More importantly, we saw at the smaller end of the market, fundamentals return, in that catalysts and changes in earnings drove share price reactions. The month was filled news flow as companies got a handle on their 3Q results and many cleansing the market before conference season kicked off.

FWD share price has been under pressure over the last few months due to several different reasons. Some issues have been internally generated while other issues have been out of FWD's control. We have seen the conclusion of FWD's problem contracts, and we are starting to see a rebasing of its Building Solutions business. More importantly though is the announcement around a potential key client in Karratha receiving an offtake agreement. This has been the catalyst the market has been waiting on. Our attraction to FWD has always been around the operating leverage that the Searipple village can deliver to earnings. This asset over the last 10 years has been heavily written off on FWD's balance sheet given the historic downturn in accommodation requirements around Karratha. However, over the last few years even though occupancy had remained low compared to historical averages it has been a solid cash producing asset. We believe as more projects are launched around the Karratha region that this asset can once again start printing c\$25m+ of EBIT which is more than the entire business is generating currently. We believe further contracts on top of its already announced RIO contract should see a continue re-rating to the FWD share price. The company fits within the 2050 portfolio because the pre-fab housing construction results in materially lower carbon emissions than traditional construction methods.

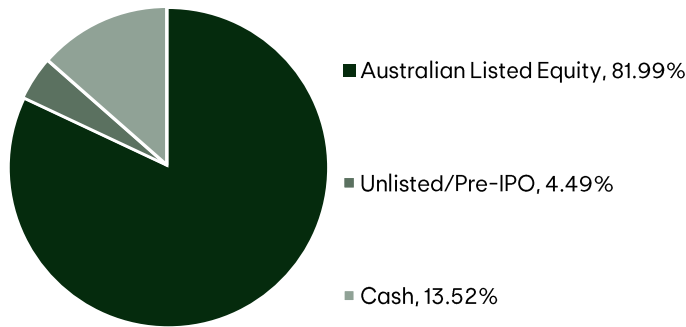
Imdex (IMD AU) is a provider of mining equipment, technology and services to the mining industry diversely across APAC, the Americas, Europe and Africa. IMD share price came under pressure in April. In recent years, IMD has had a higher percentage of its sales with exposure to gold and iron ore, in line with the S&P exploration spend by commodity. During the month of April, the commentary from around the market was that activity in many of IMD's operating regions had slowed due to poor weather, although as a whole the global market remained resilient 3Q23. Later in the month, IMD announced that they had formalised their investment in Krux Analytics, an advanced analytics software provider offering real-time exploration and production drilling data. While IMD share price performance this month was disappointing, we continue to believe the group is well placed to secure further trials for its Blastdog product as well as see improvements around utilisation in its tool rental business. We look forward to its FY23 results and updates on their integration of the Devico business. The company's technology helps its customers materially reduce energy usage when processing at the mill, helping reduce carbon emissions.

Holdings Summary

Security	Portfolio weight
Imdex Ltd	5.55%
Kelsian Group Limited	5.02%
IPD Group Ltd	4.71%
Estia Health Ltd.	4.58%
RPMGlobal Holdings Ltd	4.49%
Additional Holdings^	62.13%
Cash	13.52%
Total	100.00%

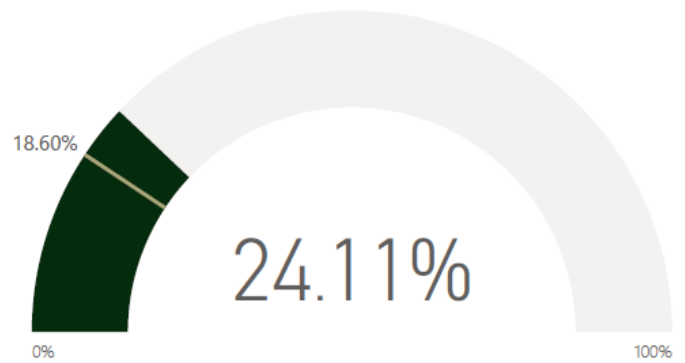
Source: Ellerston Capital. ^Other capital deployed includes additional 32 holdings.

Portfolio Breakdown

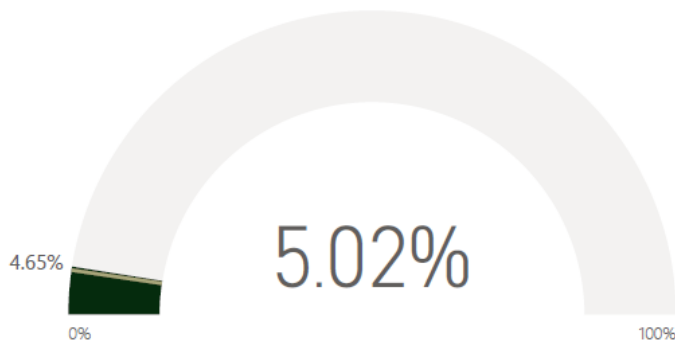


Source: Ellerston Capital.

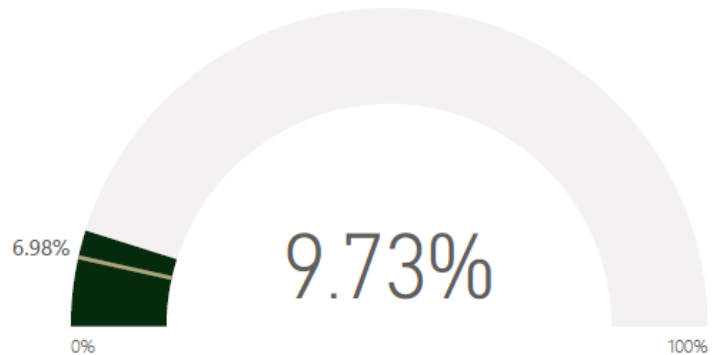
Value of Portfolio Reporting vs. Number of Companies Reporting on Scope 1 and 2*



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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