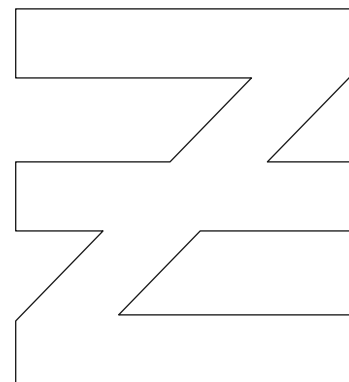


Ellerston Australian Absolute Return Fund



Monthly Newsletter, August 2023

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	\$1.0104
NAV Price	\$1.0079
Redemption Price	\$1.0054
Liquidity	Daily
Gross Exposure	156.74%
Net Exposure	24.15%
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 [^]	-1.74%	-3.34%	0.07%	-14.29%	-0.43%	1.65%	4.81%
Benchmark*	0.34%	1.01%	1.93%	3.36%	1.29%	1.16%	1.57%
Alpha	-2.09%	-4.35%	-1.86%	-17.65%	-1.71%	0.49%	3.23%

[^] 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 -1.74% in August 2023.

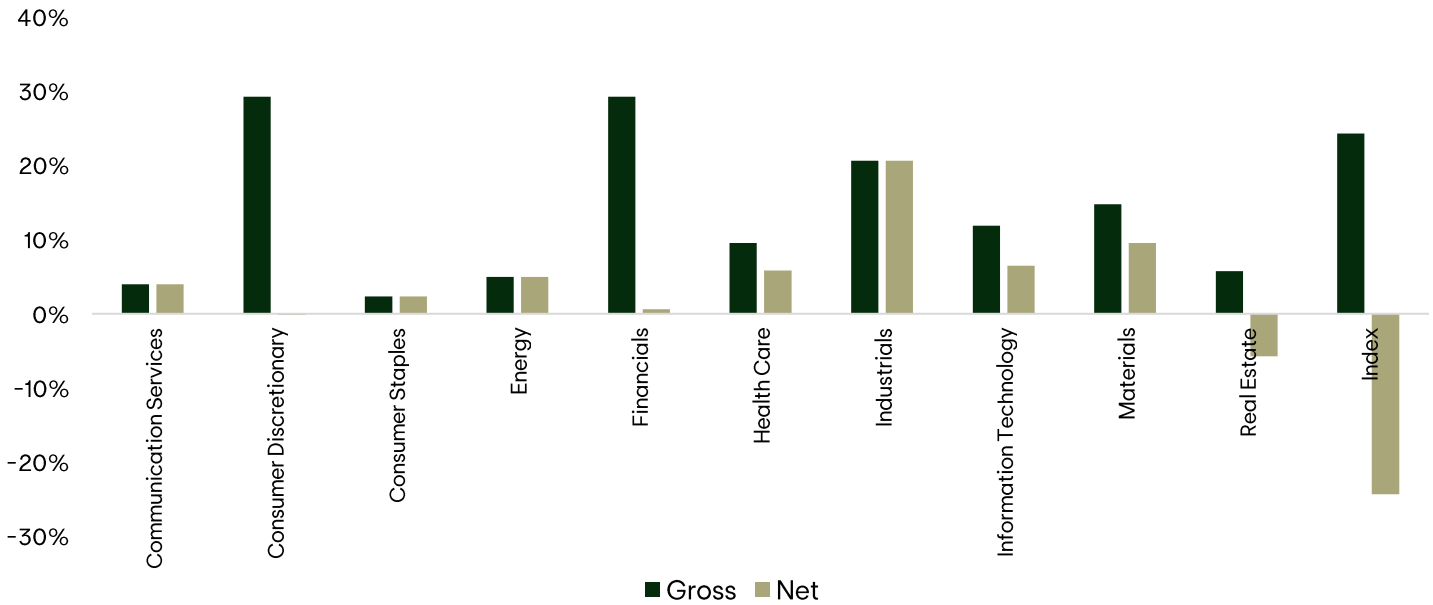
COMMENTARY

Helloworld (HLO AU) finished the month up 10.3%. HLO was one of very few companies to provide the market with FY24 guidance and was rightfully rewarded. The group is guiding for EBITDA of \$64-72m which implies 45-63% growth. Given we are only early in the year and with a number of acquisitions undertaken in the back end of FY23, we believe guidance may prove to be conservative. This is particularly evident if you extrapolate the 4Q23 which implies an EBITDA run rate of \$57m pre the groups most recent acquisitions which would add an additional \$11-12m EBITDA to FY24. While we remain conscious of the perception that travel is discretionary, so far it is holding up exceptionally well, and HLO expects to return to FY19 travel volumes in FY25. This will be supported by its customers continuing to purchase premium fares, hotels, and cruises at record levels.

HUB24 Limited (HUB AU) had a strong month, rallying 15.24%. The group reported 4Q23 Platform FUA of \$62.7bn which was up 5.5% quarter on quarter and over 26% on the prior period. Given the relatively soft backdrop 4Q23 net flows were reasonably solid at \$2.1bn with inflows year to date at \$9.7bn. HUB saw advisors' growth of 263 net adds in the quarter bring total advisor numbers to 4,011 which is the largest quarter increase since June 2021. HUB provided FY24 FUA target of \$80-89m which assumes 28% growth. We think this target may prove to be a little ambitious given the current environment. Overall, HUB continues to entrench itself in a market leading position and we can see further scale benefits materialising over the medium term.

PORTFOLIO CHARACTERISTICS

Sector Exposure

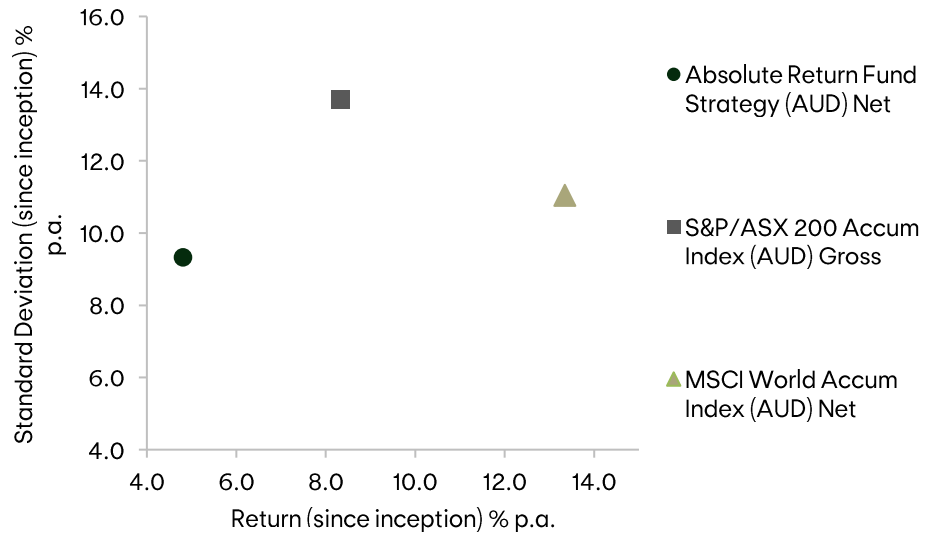


Source: Ellerstion Capital.

Top 10 Holdings (Alphabetical, Long Only)

- ALS Ltd.
- EQT Holdings Ltd.
- EVT Limited
- Generation Development Group
- Genesis Minerals Limited
- Helloworld Travel Ltd
- Kelsian Group Limited
- Propel Funeral Partners Ltd.
- Qoria Limited
- SmartPay Holdings Limited

Strategy Performance & Volatility



Source: Ellerstion Capital.

RG240 Fund Disclosure Benchmark – Periodic Reporting (monthly)

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

Please refer to the details on page one.

- **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 the details on page one.

- **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 the details on page one; 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 holding enquiries should be directed to our register, Automic Group on **1300 101 595** or **ellerstonfunds@automicgroup.com.au**

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