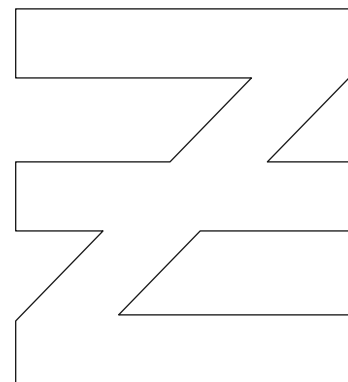


# Ellerston Global Equity Managers Fund (GEMS) Class C



## Monthly Newsletter, August 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 Manager	Ashok Jacob
Application Price	\$1.5011
NAV Price	\$1.4974
Redemption Price	\$1.4937
Gross Exposure	89.56%
Net Exposure	52.66%
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)*	1 Year	2 Years (p.a.)	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	Since Inception (p.a.)^^
GEMSC	-4.5%	-9.2%	5.6%	6.7%	10.9%	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 August 31, 2020 to August 31, 2023, the compound annual returns for the Australian S&P/ASX 200 Total Return Index was +10.7%, the US S&P 500 Index was +10.5%, the Russell 2000 Index was +8.1% and MSCI World (Local) Index was +9.8%.

**Your Fund returned +5.6% p.a. (after fees).**

For the Month of August 2023, the Australian S&P/ASX 200 Index was -0.7%, the US S&P 500 Index was -1.6%, the Russell 2000 Index was -5.0% and the MSCI World (Local) Index was -1.8%.

**Your Fund returned +0.6% (after fees).**

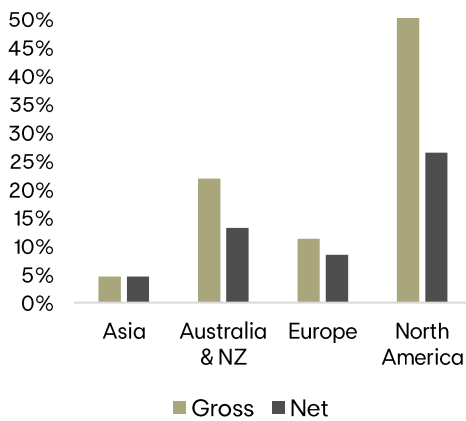
### PORTFOLIO COMMENTARY

Global stock markets were generally weaker during August with the MSCI World -1.8%, S&P 500 -1.6% and ASX200 down -0.7%. Markets drifted lower during the month until the release of the Nvidia result, which came in well ahead of expectations, drove the markets higher to claw back some of the losses. It is amazing that one stock is having such an influence on global markets. The Fund benefitted from individual stock positions and hedging to rise +0.8% (gross) for the month.

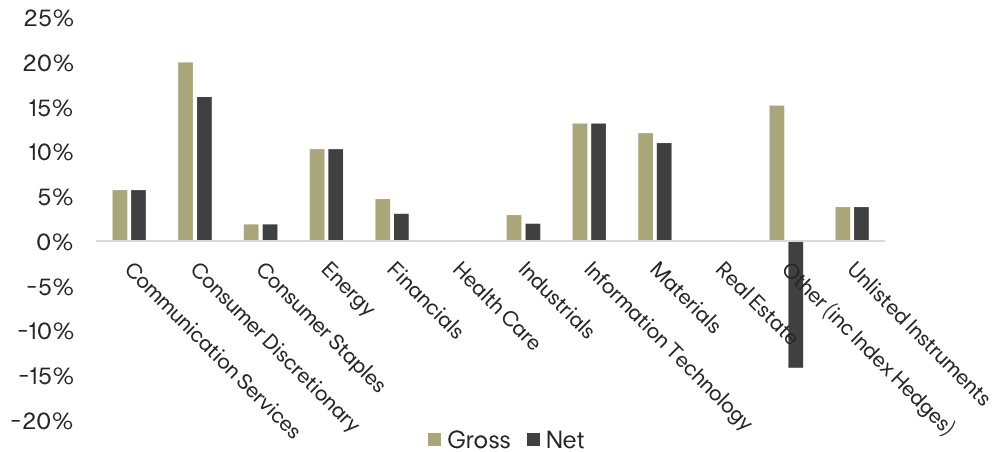
The US stock market continues to see positive earnings revisions and the vast majority of the Funds long positions (by weight) are exposed to this market. Excellent profit results from Celsius Holdings and Light & Wonder drove share prices higher by 35% and 9% respectively. Our Uranium thesis is playing out as the physical spot price continued to rise during the month as Nuclear Energy continues to be spoken about as one of the main beneficiaries of the switch to a low carbon energy market. At the same time our index hedging delivered some upside with the broader market weakness. Alternatively, the Australian stock market continued to see net revisions downwards as weakness in commodity prices, wage inflation and debt funding costs eat into corporate profits locally. That said, within the sideways action of the local market of the last year, there have been some severe dislocations in price from long term value. Consequently, you should expect to see our net weighting in the Fund increase locally. The HK/China market is another region that has suffered significantly from the Covid induced slowdown, but unlike other economies, has not rebounded. We see some optionality in some share prices for a consumer led recovery and have been building some positions in the Fund.

## PORTFOLIO CHARACTERISTICS

### Region Exposure



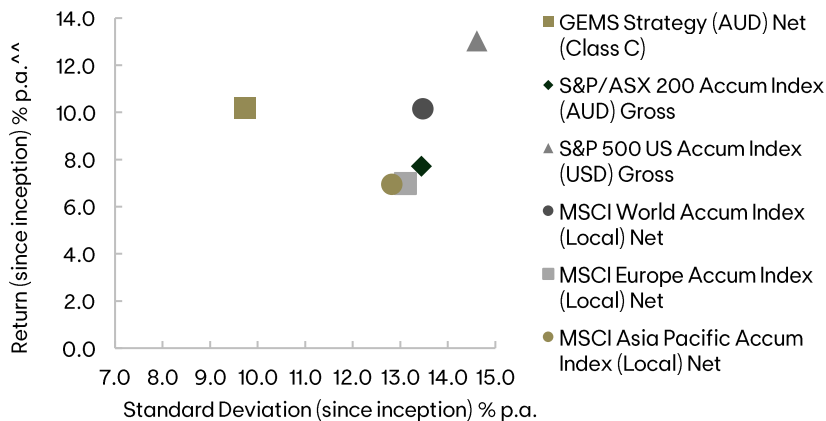
### Sector Exposure



Source: Ellerston Capital.

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 INC
- BOOKING HOLDINGS INC
- CALUMET SPECIALTY PRODUCTS PARTNERS
- CELLNEX TELECOM SA
- INTERNATIONAL GAME TECHNOLOGY
- LIGHT AND WONDER INC
- META PLATFORMS INC
- MICROSOFT CORP
- SANTOS LTD
- TRIP.COM GROUP

Source: Ellerston Capital.

## Regulatory Guide (RG240) Fund Disclosure Benchmark – Periodic Reporting (monthly)

- **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.

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## 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](mailto:info@ellerstoncapital.com) or visit us at [ellerstoncapital.com](http://ellerstoncapital.com)

All holdings enquiries should be directed to our register, Automic Group on 1300 101 595 or [ellerstonfunds@automicgroup.com.au](mailto:ellerstonfunds@automicgroup.com.au).

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<sup>^</sup> 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](http://www.ellerstoncapital.com) or by contacting [info@ellerstoncapital.com](mailto: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.