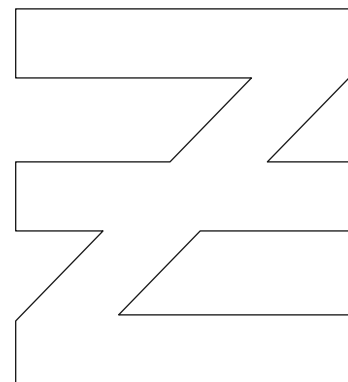


Ellerston Global Equity Managers Fund (GEMS) Class C



Monthly Newsletter, February 2024

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	\$1.6458
NAV Price	\$1.6417
Redemption Price	\$1.6376
Current Total NAV	\$99,400,820
Gross Exposure	125%
Net Exposure	73%
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*	FY24TD	FY23	FY22	FY21	5 Years (p.a.)	10 Years (p.a.)	Since Inception^^ (p.a.)
GEMS C	12.4%	-7.0%	-13.5%	58.6%	11.8%	11.0%	10.5%
MSCI WI**	13.9%	18.2%	-11.1%	36.9%	12.2%	10.1%	10.7%
ASX200***	9.7%	14.8%	-6.5%	27.8%	8.6%	8.0%	8.0%

Performance*	1 Month	3 Months	1 Year
GEMS C	3.1%	6.9%	13.2%
MSCI WI**	4.6%	10.9%	25.1%
ASX200***	0.8%	9.4%	10.6%

Source: Ellerston Capital.

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

**MSCI World Index – Net Return Unhedged in Local Currency

*** S&P/ASX 200 - Total Return

PORTFOLIO COMMENTARY

The markets continued to rally in February driven by an ideal situation where growth is better than expected and inflation is falling, although slower than originally expected. Growth has not weakened enough to see interest rate cuts commencing and the Federal Reserve has signalled that they are unlikely to raise rates. The market quickly saw through the disappointment of rate cuts being delayed, by embracing a stronger US economy and the continued strength in demand for all things AI. The two biggest risks to this perfect scenario are either a delayed downturn in the US economy or strength in the economy and inflation driving what would be a totally unexpected upward move in interest rates.

The market moves have meant that our exposure continues to remain high as we continue to find opportunities on the long side to make money. We continue to spend a percentage of our profits on option protection to insulate the portfolio from any sudden downtrend in the market as we are currently running a low level of individual short positions in the portfolio.

Australia

We benefitted from our positions in Superloop and Insignia Financial whom both delivered positive results and trading updates for the half year. Superloop then attracted a takeover approach from Aussie Broadband which drove the share price higher. On the downside, the market reacted negatively to Humm Financials half year result and the outlook from chicken producer Inghams. We continue to hold both companies as we expect their share prices to recover over the next six months.

North America

Light & Wonder, Meta Platforms and Celsius Holdings drove positive returns this month as all three reported financial results which exceeded market expectations. Celsius was the standout result as they reported a CY23 result which wasn't far off broker expectations for CY24 resulting in large upgrades to earnings expectations. Our holdings in the Uranium sector were the main negative impact on performance as the spot Uranium price fell across the month. This was not unexpected after the large upward move and we had previously reduced some of our position sizes in December and January.

Asia

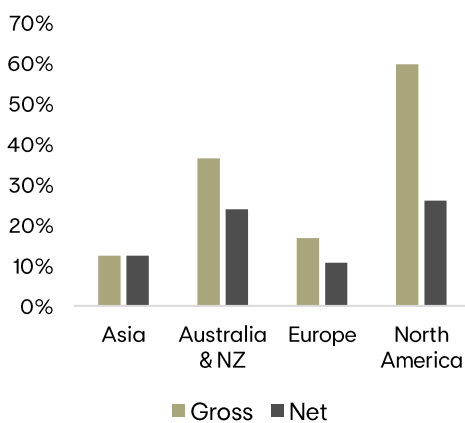
Our Asian investments that are expected to benefit the most from the AI thematic are SK Hynix and TSMC, and both delivered positive returns for the month after NVIDIA delivered a result that exceeded market expectations. NVIDIA comments about demand exceeding supply bodes well for the profit margins of both SK Hynix and TSMC as key suppliers in the industry. Sony Entertainment fell for the month and was the key drag on Asian performance.

Europe

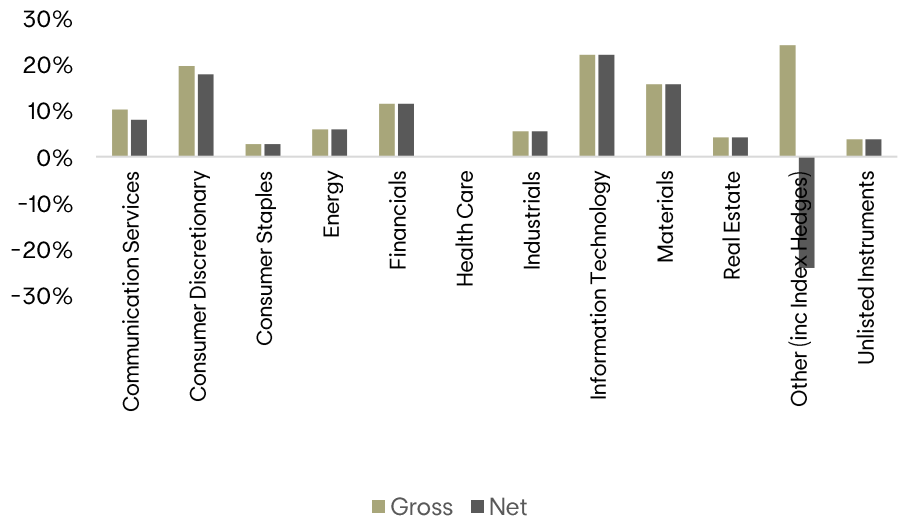
Flutter Entertainment continued to deliver performance after their positive results in January. A new investment, Just Eat Takeaway also contributed to returns whilst Cellnex Telecom had a negative impact as the market switched from defensives into more growth driven investments.

PORTFOLIO CHARACTERISTICS

Region Exposure



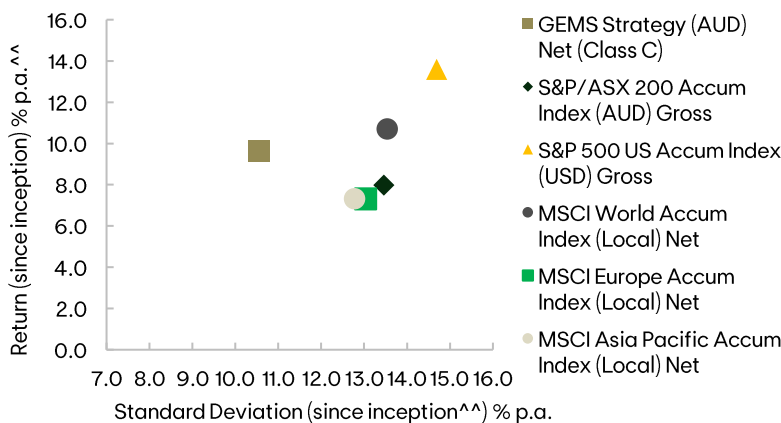
Sector Exposure



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
- CRH PLC
- FLUTTER ENTERTAINMENT PLC
- LIGHT AND WONDER INC
- LINK ADMINISTRATION HOLDINGS L
- MICROSOFT CORP
- NETFLIX INC
- PTC INC
- SK HYNIX INC
- SPROTT PHYSICAL URANIUM TRUST

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.

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