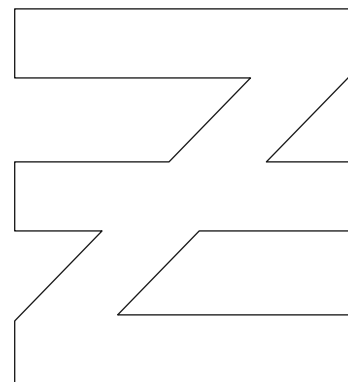


# Ellerston Australian Absolute Return Fund



Monthly Newsletter, April 2024

## 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	\$1.0900
NAV Price	\$1.0873
Redemption Price	\$1.0846
<b>Current Total NAV</b>	<b>\$7,284,132</b>
Liquidity	Daily
Gross Exposure	90.56%
Net Exposure	25.78%
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.)
<b>Net<sup>^</sup></b>	0.55%	3.99%	9.44%	2.44%	-2.83%	5.38%	5.24%
<b>Benchmark*</b>	0.35%	1.06%	2.14%	4.20%	2.20%	1.53%	1.74%
<b>Alpha</b>	0.19%	2.93%	7.30%	-1.76%	-5.03%	3.86%	3.50%

<sup>^</sup> 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 0.55% (net) in April 2024.

## COMMENTARY

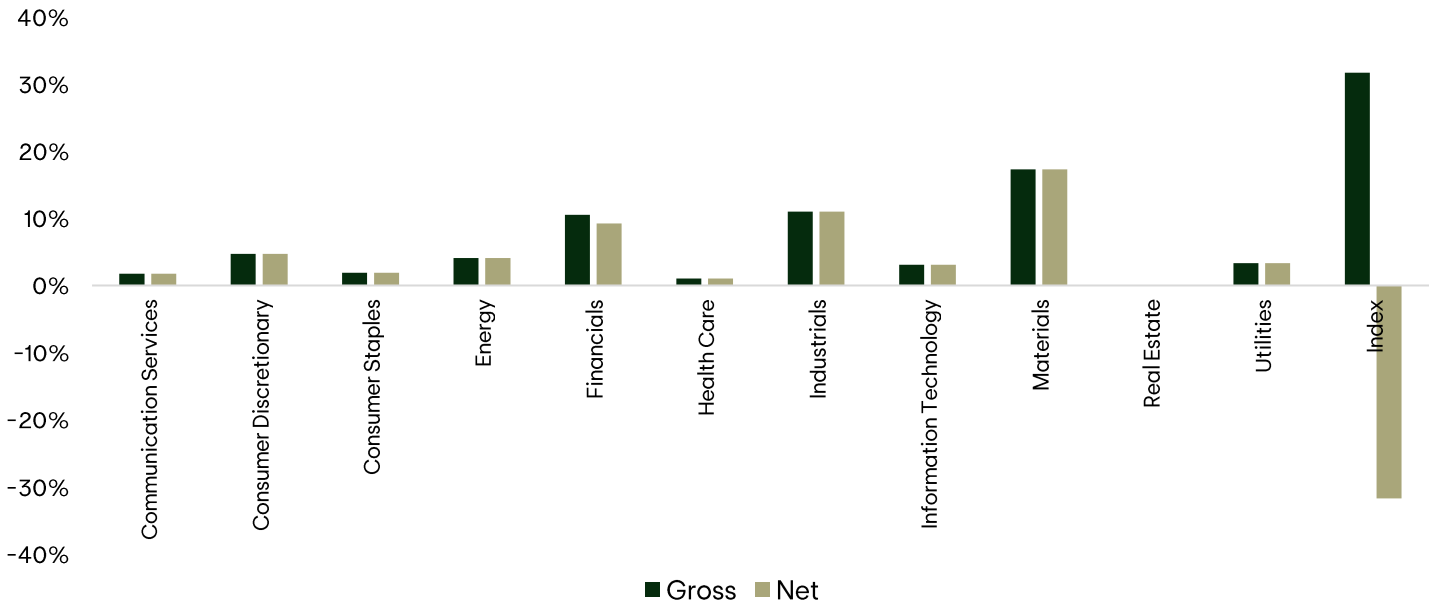
The Ellerston Absolute Return Fund rose 0.65% (gross), as global stock markets sold off about 3-4% on concerns around the direction of inflation and interest rates. Generally, the Fund benefited from its smaller resource holdings which offset the weakness in industrials and index hedging also helped protect the downside for the month.

Positive contributors for the month were Genex Power (GNX), Aurelia Metals (AMI) and Firefly Metals (FFM). Genex rose 10% for the month as J-Power went to unconditional on their takeover bid after completing due diligence. Therefore, the risk of the takeover not proceeding has reduced significantly, hence the discount to the bid price closed during the month. Aurelia Metals rose 29% for the month after reporting positive quarterly results, while improved gold and base metal prices provided a positive back drop for future earnings potential. Firefly Metals rose 16% for the month after reporting positive drilling results from their copper project in Canada, although the 14% rally in the Copper price was probably the main driver of the share price.

Negative contributions for the month came from Neometals (NMT), Strike Energy (STX) and Smartpay (SMP). Neometals fell 23% for the month on no new news. The company is leveraged to a rising Lithium price through its battery recycling process, and they are currently building a plant (through the Primobius JV) in Germany for Mercedes Benz. The Lithium price has seen a substantial fall over the last 2 years and is currently working through the oversupply in the industry. Strike fell 15% for the month, giving back the gains of March. The quarterly report was in line with expectations and the stock remains undervalued based on previous takeover activity in the WA gas market. Smartpay fell 9% for the month on no new news.

## PORTFOLIO CHARACTERISTICS

### Sector Exposure

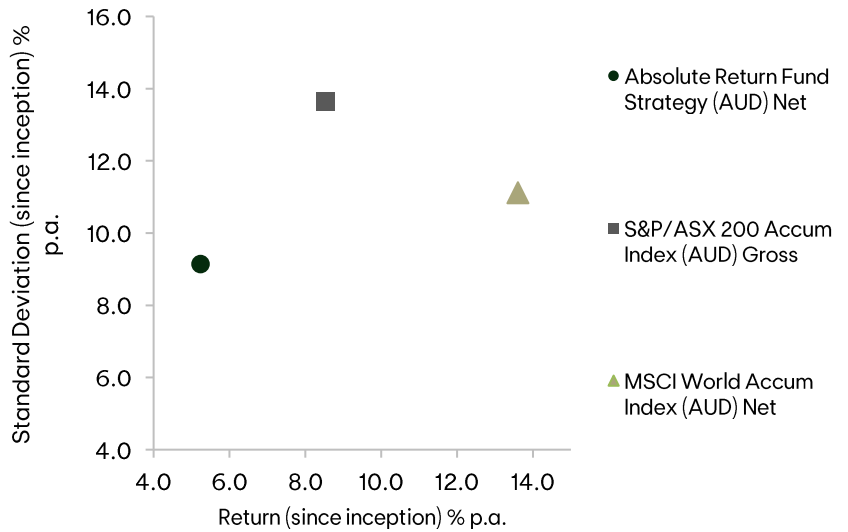


Source: Ellerston Capital.

### Top 10 Holdings (Alphabetical, Long Only)



### Strategy Performance & Volatility



Source: Ellerston 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

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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** 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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