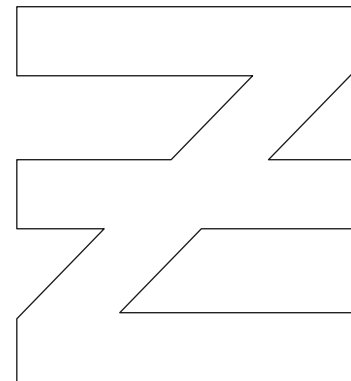


Ellerston Pre-IPO Fund



Performance Report, March 2024

Investment Objective

The investment objective of the Fund is to generate a positive return above a Hurdle Return of 6% p.a. net of fees.

Investment Strategy

The Manager uses a fundamental, research driven investment strategy to provide returns above the Hurdle Return that are not correlated to listed equity markets. The Manager undertakes fundamental research to selectively identify and invest in quality companies focus on investments in Pre-IPO, IPO, Unlisted Expansion Capital and Listed Microcap Companies, predominantly in Australia but also covering OECD and developed countries.

Key Information

Inception Date*	31 March 2020
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Application Price	\$0.7465
Net Asset Value	\$0.7465
Redemption Price	\$0.7465
No Stocks	19
Hurdle Return	6% p.a. net of fees
Management Fee	1.50%
Performance Fee	20% of the investment return above the Hurdle Return for each financial year, calculated and accrued quarterly
Distributions	Annually

Market Commentary

The March quarter saw the S&P/ASX Small Ordinaries Accumulation Index (XSO) rally 7.5% for the period. Early January saw the market stay relatively flat before a late month rally dragged the index higher. Usually, a quiet month as the market slowly returns after the Christmas break, this January was unseasonably busy with trading updates. During February, the market was heavily focused on commentary around the timing of interest rate cuts. The XSO added a modest 1.7% over the month as rate cut cadence was pulled back to a more realistic target, offsetting the strong global rally amongst AI-exposed stocks. March saw the XSO rise by 4.8% on the back of the huge surge in gold prices that saw the commodity set new all-time highs.

March quarterly performance and commentary

During the March quarter, the Ellerston Pre-IPO Fund returned -3.4% after writing down an investment in the Deep Blue, a property tech company. The last quarter saw a continued improvement in market sentiment towards primary/secondary deals, with a reasonable amount of capital raisings occurring over 1Q24.

The Fund will be making a cash distribution for the period ending 31 March 2024 with anticipated payment in May 2024. The distribution amount is estimated to be ~2.8 cents per unit. In conjunction with prior Fund distributions of 39.2 cents (i.e. 17.2 cents in September 2020, 13.0 cents in September 2021 and 9.0 cents in June 2022), this represents a total cash return to investors of ~42.0 cents per unit (or 42% of invested capital) since inception of the Fund on 31 March 2020.

Fund news

During the quarter, the fund made an investment in NOJA Power. NOJA was founded in 2002 and is a leading manufacturer in medium voltage pole mounted switchgear. NOJA has substantial revenues and a significant track record of high organic growth, free cashflow generation and a reliable dividend stream. We rate the long serving management team and believe the Company's product leadership and distribution strategy underpins our belief that NOJA Power is poised to be a major beneficiary of clean energy grid investment.

The Pre-IPO fund... four years in

Given this is the fourth-year anniversary of the Fund's inception, we thought it would be a good opportunity to provide a more holistic update which is overleaf. Since the inception of the Fund in March 2020, we have invested in 29 businesses. To-date, we have realised investments in 10 of these, while holding positions in another three companies that have IPO'ed. We have a number of larger positions that are approaching IPO or trade sale events and look forward to providing investors with news around these realisations in coming quarters.

Outlook

At this stage, inflation is seemingly normalising and interest rates are stabilising. This should lead to increased IPO and M&A activity which is expected to benefit our returns and exit opportunities for existing – and potential new – investments.

Ellerston Pre-IPO Fund – Four years in...

Given this is the fourth-year anniversary of the Fund's inception, we thought it would be a good opportunity to provide a more holistic update on the Fund's performance and progress.

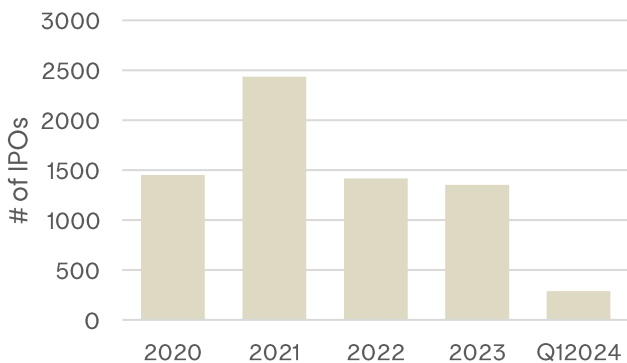
The current state of unlisted/Pre-IPO market

During 2020 and 2021, both listed and unlisted activity and valuations experienced a significant increase, driven by greater liquidity as investors pursued returns in a low interest rate environment. Since late 2021, rising interest rates saw a meaningful slowdown in terms of activity, valuations and liquidity for assets, both listed and unlisted. As a result, M&A, listed ECM, IPOs and unlisted fundraising has been impacted. Companies were seeking valuations which were too expensive as investors were wary of how inflation and a slowing economy could impact business prospects. Consequently, more companies chose to stay private while investors focused on capitalizing on existing positions, rather than seeking new opportunities. The Ellerston Pre-IPO Fund has not been immune to these factors. However, we were proactive in terms of being more selective from a deal structure, required returns and investment size for the majority of 2021.

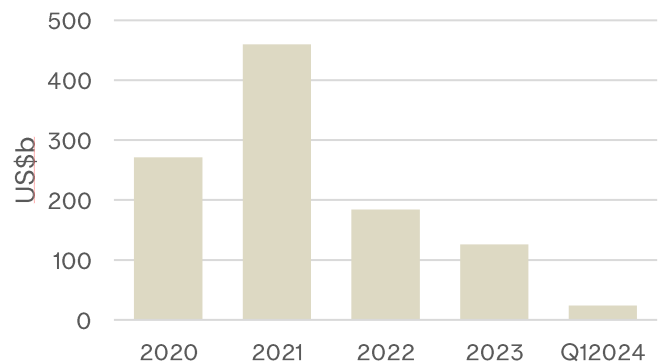
With central banks having made significant progress in controlling inflation, the market now expects that rates have likely peaked. The expectation is that companies will begin seeking funding and investors will be more supportive should economic conditions continue improving. Should these factors play out, the IPO market should find support. has been evidenced so far this calendar year by heightened secondary transactions.

Recent trends suggest improving liquidity in the smaller-end of the listed market, with increasing investor appetite for new primary and secondary ECM deals as long as valuations remain reasonable. Furthermore, M&A activity is showing signs of resurgence as investors are better able to price debt accordingly. Globally, the small-cap sector has notably improved compared to the first quarter of 2023.

Global IPO activity by number of IPOs

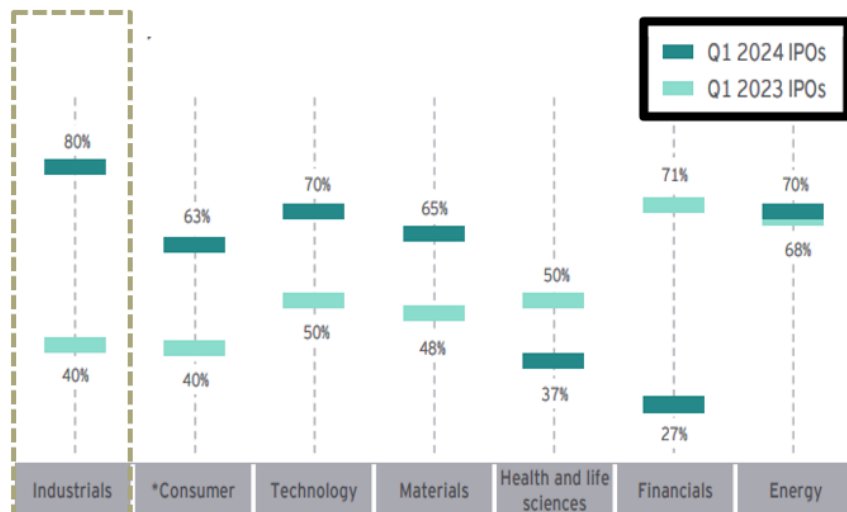


Global IPO activity by IPO proceeds (US\$b)



Source: Ernst & Young 2024

% Of Companies with Share Prices Exceeding IPO Prices



*Consumer includes the combination of "Consumer staples" and "Consumer products and services" sectors.

Q1 2024 covers completed IPOs from 1 January to 18 March 2024. Q1 2023 covers completed IPOs from 1 January to 31 March 2023.

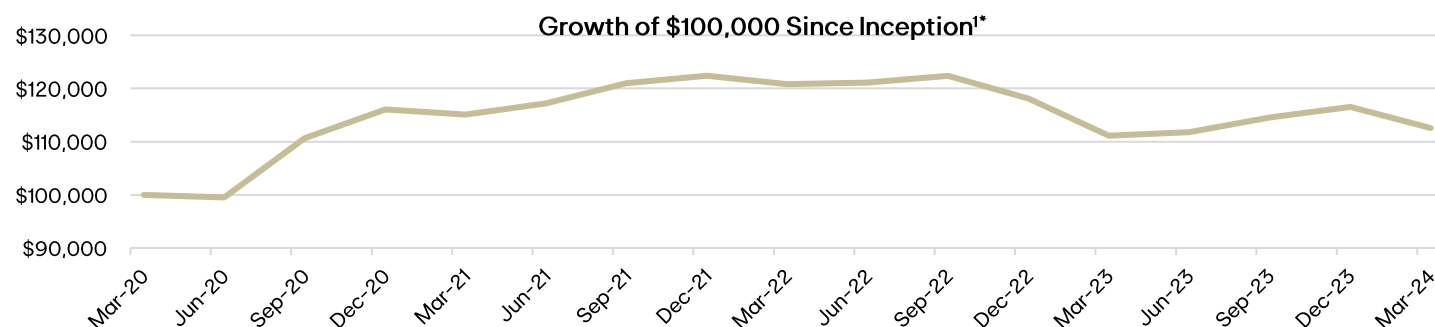
Source: EY analysis, Dealogic.

Performance Summary

Performance	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)*
Ellerston Pre-IPO Fund [^]	-3.38%	-1.70%	1.33%	-3.46%	-0.72%	2.95%

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

*Inception date of the strategy 31 March 2020



¹Based on net return figures. Past performance is not a reliable indication of future performance.

*Inception date of the strategy 31 March 2020

Our approach to holding valuations...

We think it is important to reiterate how assets are held and valued within the portfolio. We know that market conditions have resulted in a slow-down in primary and secondary equity markets. While this may have a potential impact on the timing of some of our liquidity events, the majority of our investments are held at cost or lower. This reflects our conservative approach and means the Fund is well placed when our expected liquidity events occur. The Fund also has a process of reviewing the holding valuations of its investments, which is overseen from an external valuation committee including a quarterly review of all positions held within the fund.

An overview of the current holdings...

Since inception in March 2020, the fund has invested in 29 companies. We summarise the current position of the fund below:

Realised investments

- We have realised 10 of our investments, seven via IPO and three via a trade sale process.
- Across these investments, the fund has a gross realised return of 48%.
- The majority of the proceeds have been distributed back to shareholders, with approximately 42% of initial proceeds distributed back to unitholders.

Cash/listed investments

- We have had an additional 3 companies list on the ASX that we still hold. We are yet to realise these investments and note that we are not under escrow arrangements for these positions. This is in addition to cash sitting in the fund from realised positions and dividends.
- This represents ~18% of FUM as at 31 March 2024.

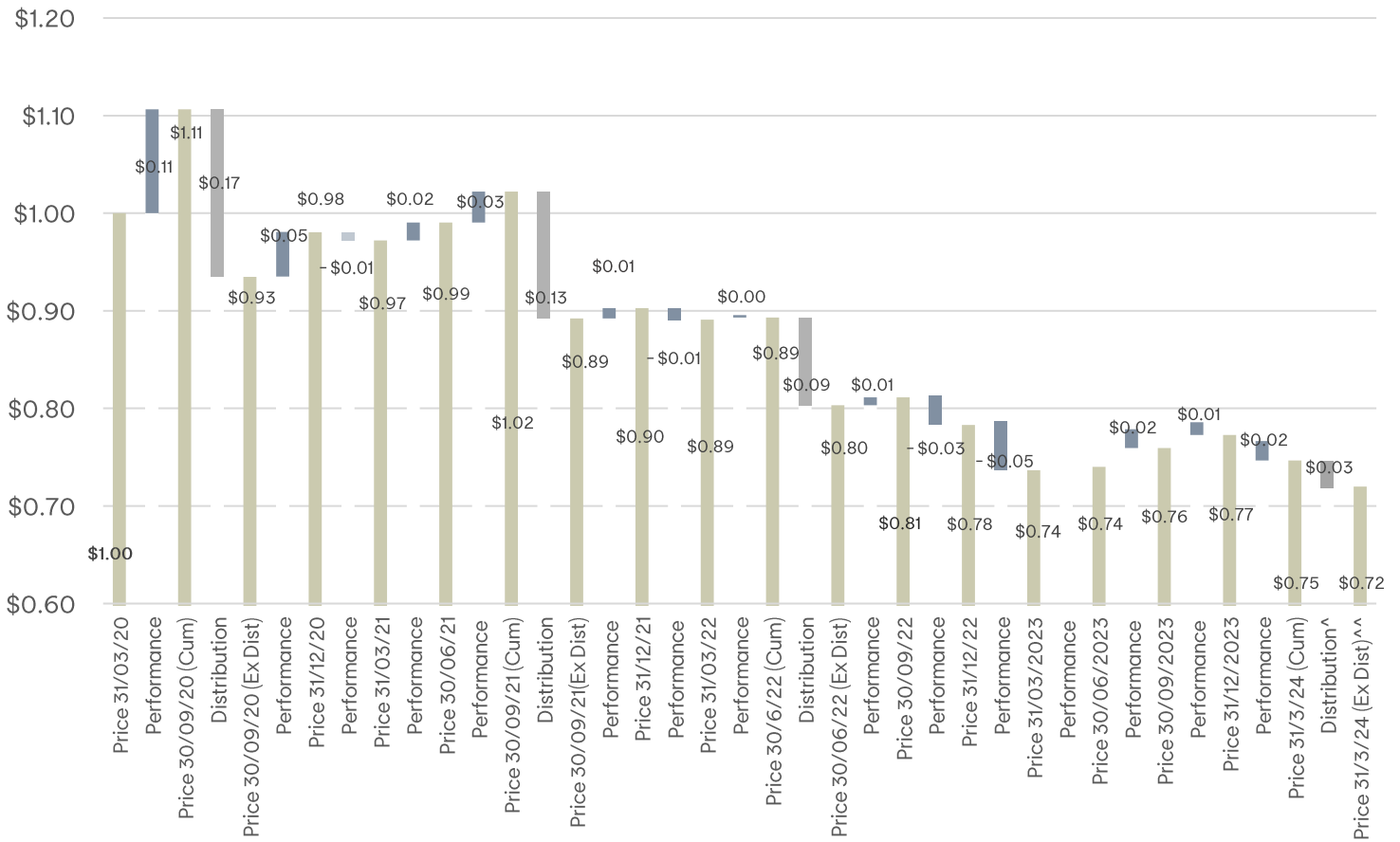
Likely trade sale/IPO investments

- We have 9 companies representing ~60% of the current FUM that are expected to, or have the capability to list or trade sale in the near term.
- We believe there is meaningful upside to current holding values should these play out as we expect. We expect a number of these will be realised between now and March 2025.

Tracking okay/working through funding

- We have 7 companies representing ~22% of current FUM that are further away from a realisation event, primarily because they require additional capital or need more time to scale.
- We remain supportive and committed to assisting these companies work through short-term funding or operational issues to optimise returns for our unitholders. We note that recent stability in interest rates provides a more buoyant funding environment for companies requiring additional capital, which is an improvement compared with the last two years.
- The majority of these 7 companies have been written down as per our aforementioned valuation process.

Unit Prices Since Inception*



Source: Ellerston Capital. *Inception date of the strategy 31 March 2020.

^The Fund will be making a cash distribution for the period ending 31 March 2024 with anticipated payment in May 2024. The distribution amount is estimated to be ~2.8 cents per unit.

^^Assuming cash distribution for the period ending 31 March 2024 is ~2.8 cents.

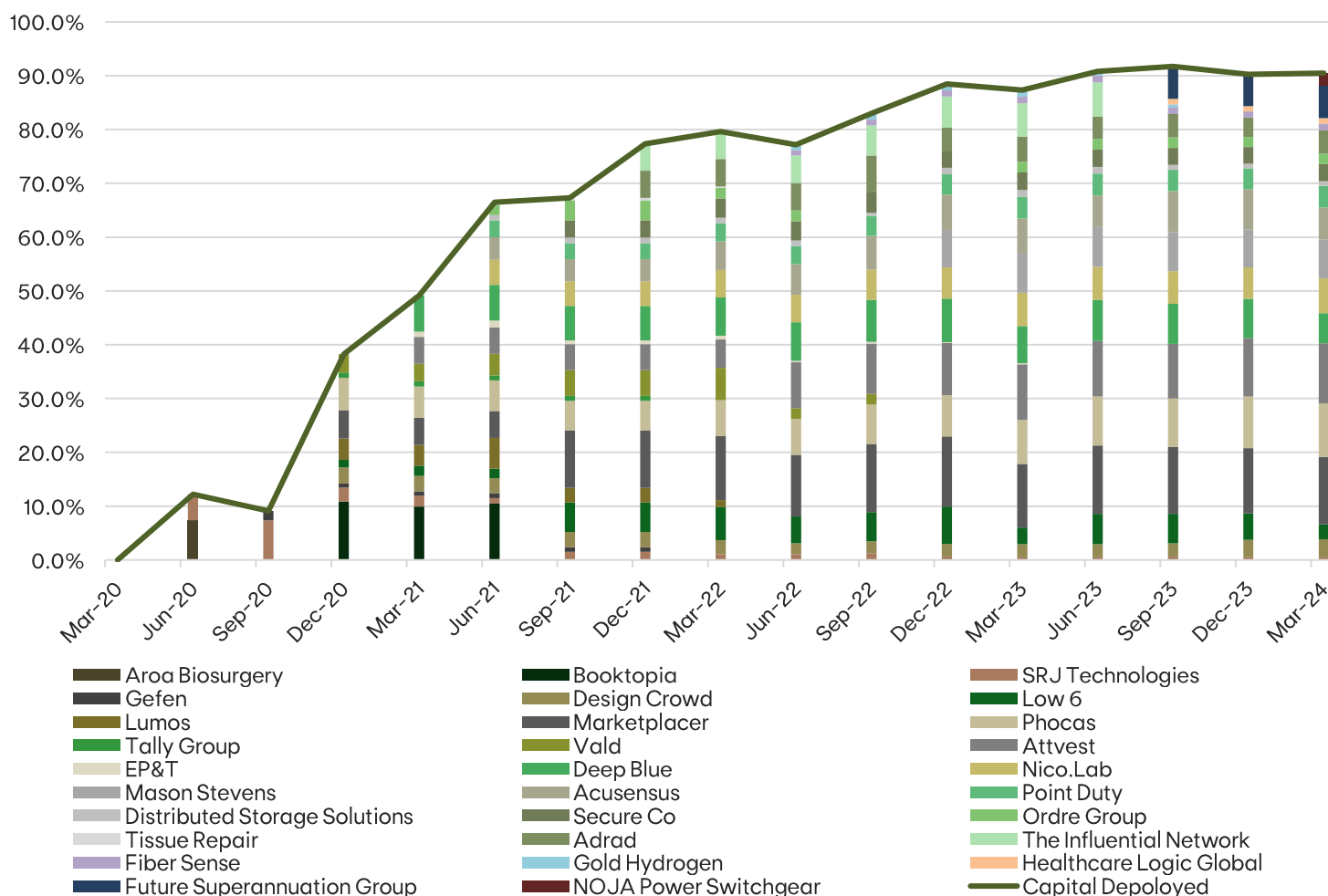
Holdings Summary

SECURITY	PORTFOLIO WEIGHT^
MARKETPLACER	12.54%
ATTVEST	11.20%
PHOCAS	9.95%
MASON STEVENS	7.30%
NICO LAB INTERNATIONAL	6.46%
OTHER CAPITAL DEPLOYED*	43.02%
CASH	9.53%
TOTAL	100.00%

Source: Ellerston Capital.

*Other capital deployed includes additional 14 holdings. ^Portfolio weights are calculated excluding the impact of distribution.

Capital Deployed



Source: Ellerston Capital.

Our philosophy around pre IPOs is very simple. We are looking for high quality businesses that have clear pathways to IPO, offering opportunities to achieve superior returns with minimal correlation to the market. We are looking to achieve a 20% IRR and given the current state of the market we believe we are well placed to deliver on this target.

Contact Us

Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 90217701
info@ellerstoncapital.com

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

This report has been prepared by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, as trustee of the Ellerston Pre-IPO Fund without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision about the Fund persons should read the Fund's Information Memorandum which can be obtained by contacting 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 of 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.