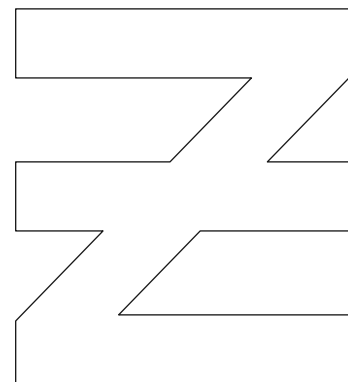


# Ellerston Global Equity Managers Fund (GEMS) Class C



## Monthly Newsletter, May 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	\$1.6599
NAV Price	\$1.6558
Redemption Price	\$1.6517
Current Total NAV	\$98,127,394
Gross Exposure	137%
Net Exposure	55%
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	13.4%	-7.0%	-13.5%	58.6%	11.4%	10.8%	10.4%
MSCI WI**	18.6%	18.2%	-11.1%	36.9%	13.3%	10.2%	10.8%
ASX200***	11.0%	14.8%	-6.5%	27.8%	7.8%	7.8%	7.9%

Performance*	1 Month	3 Months	1 Year
GEMS C	-0.1%	0.9%	15.0%
MSCI WI**	4.1%	4.1%	25.3%
ASX200***	0.9%	1.2%	12.9%

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

Most of the market losses from April were reversed in May as there was a slight softening of inflation numbers in the US, which led the US Federal Reserve to renew their calls that they will make interest rate cuts this year. At the same time economic data was mixed, with some readings indicating continued economic strength and some showing a weakening of the labour market. Nothing is conclusive, but the Federal Reserve has ruled out any further tightening in Monetary Policy, so the question remains when they will cut interest rates, rather than if. This is generally positive for the market unless we see a significant downturn in economic activity.

The Fund delivered a slightly positive return for the month, with returns dampened towards the end of the month by the reversal in commodity names that had rallied hard in April and in the first 3 weeks of May. We continue to run a relatively high level of net exposure in the 55%-65% range as we remain broadly positive on the market in the short term. We are always conscious of trying to preserve capital in downward markets and the higher level of cash and more downside option protection should help if market circumstances change.

### Australia

Positions in smaller mining companies were mixed with positive returns from Chalice Mining and Emerald Resources and falls from Strike Energy and IGO. A short in Block was a positive contributor and Siteminder fell for the month on no new news. The latter is a stock where we are building a larger position in the Fund as we hold a positive long-term view of the company.

## North America

Alcoa, Netflix and Cameco were the main positive contributors to performance. Netflix remains one of our larger positions in the region where they are the clear profitable leader in the Video on Demand space. AdvisorShares Pure, DigitalBridge and Alight Industries were the main detractors from performance. We have since exited the first two companies as we look to limit downside losses through stop losses.

## Asia

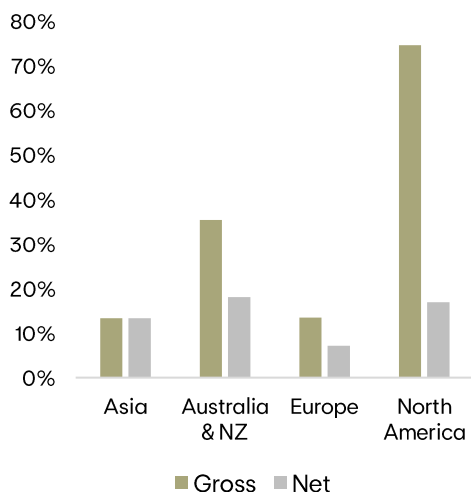
Vodafone Idea in India, SK Hynix and Alibaba contributed positive performance for the month. Didi Global, GT Capital and Samsung Electronics were negative contributors. Vodafone Idea was the largest positive contributor this month as the company continues to trade positive post the recapitalisation of the business several months ago and it is currently the second largest long position in the Fund.

## Europe

Greatland Gold was the largest positive contributor for the month, followed by UBS Group and tower operator Cellnex. Just Eat Takeaway was the main negative contributor for the month. Greatland Gold is an Australian based asset and we believe that there is a path to unlocking greater value in the share price through a listing in Australia subject to a potential corporate transaction locally.

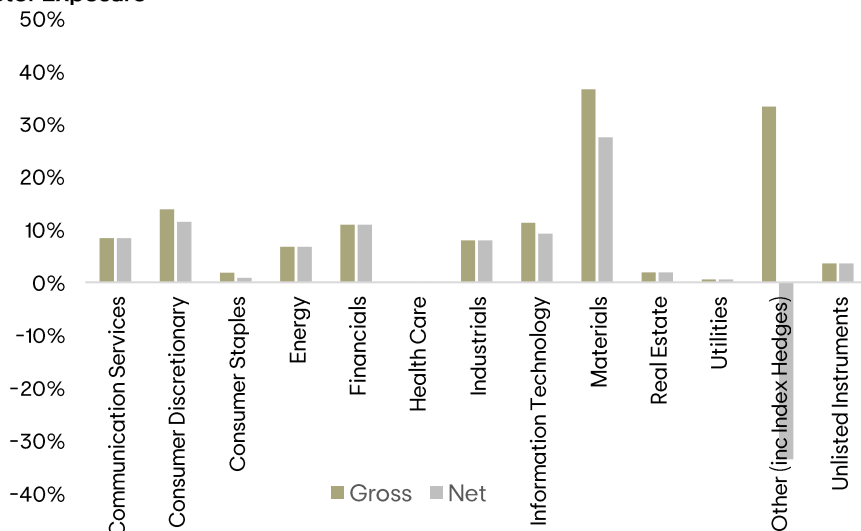
## PORTFOLIO CHARACTERISTICS

### Region Exposure



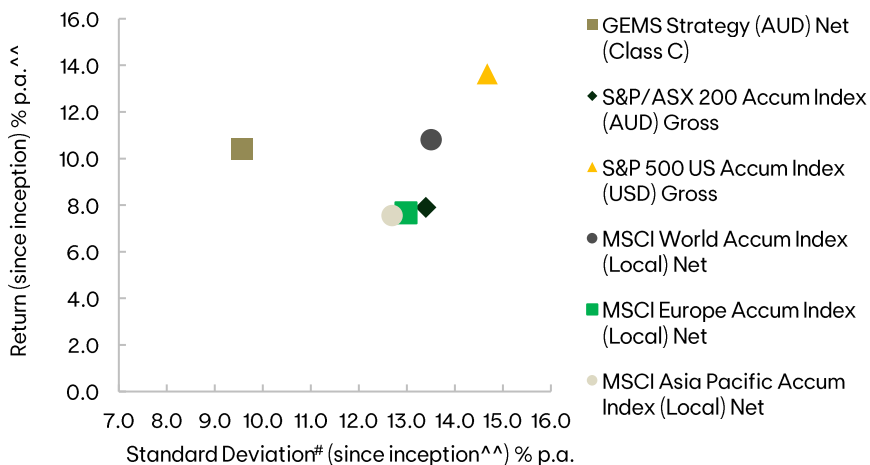
Source: Ellerston Capital.

### Sector Exposure



Source: Ellerston Capital.

## GEMS Strategy Performance & Volatility



Source: Ellerston Capital.  
Past performance is not a reliable indication of future performance.  
^^Inception Date 1December 2009.

## Top 10 Holdings (Alphabetical, Long Only)

- CRH PLC
- FRANCO-NEVADA CORP
- LIGHT AND WONDER INC
- META PLATFORMS INC
- MICROSOFT CORP
- NETFLIX INC
- SPROTT PHYSICAL PLATINUM AND PALLADIUM TRUST
- SPROTT PHYSICAL URANIUM TRUST
- TECK COMINCO LTD
- VODAFONE IDEA LTD

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 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 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.**

There have been no changes to the primary investment personnel responsible for managing the Fund.

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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 registry, 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.

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