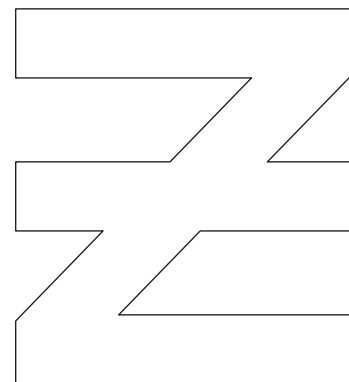


# Ellerston Australian Absolute Return Fund



Monthly Newsletter, July 2024

## Investment Objective

The Ellerston Australian Absolute Return Fund (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	\$1.0778
NAV Price	\$1.0751
Redemption Price	\$1.0724
<b>Current Total NAV</b>	<b>\$6,714,408.10</b>
Liquidity	Daily
Gross Exposure	79.93%
Net Exposure	35.22%
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>	1.86%	-1.12%	2.82%	4.81%	-3.74%	3.70%	5.01%
<b>Benchmark*</b>	0.36%	1.08%	2.15%	4.29%	2.56%	1.68%	1.80%
<b>Alpha</b>	1.49%	-2.20%	0.68%	0.51%	-6.30%	2.02%	3.21%

<sup>^</sup> Net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance.  
\* RBA Cash Rate

## COMMENTARY

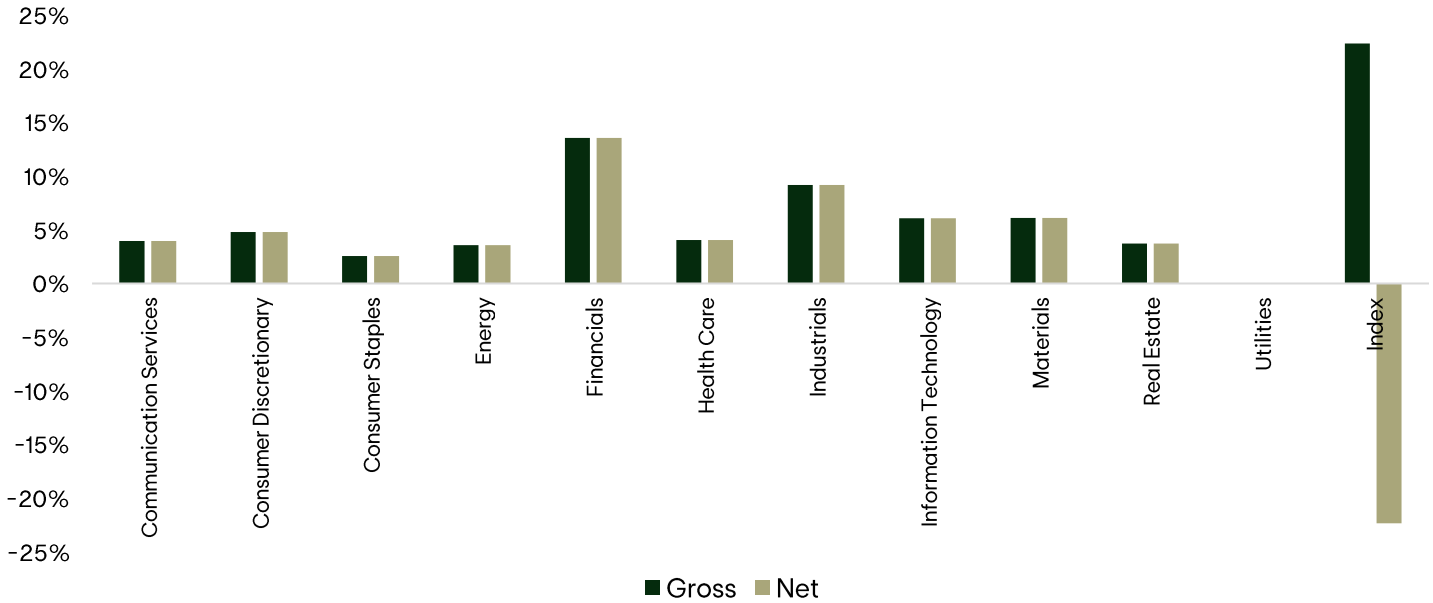
The Ellerston Australian Absolute Return Fund rose +1.9% for the month which was helped by the +4.2% rise in the S&P/ASX 200 Accumulation Index during July.

Positive contributors for the month were Atomos Ltd (AMS), Zip Co (ZIP) and Insignia Financial (IFL). Atomos rose 90% for the month after completing a long-expected recapitalisation of the business. We participated in the recapitalisation and have thereafter reduced the position size in the Fund post the re-rate of the securities. Zip Co rose 31% for the month as the company continues to show strong momentum in their US business. The Australian business is stable and cash generative which provides the funding for the expansion of the US opportunity. Insignia rose 21% for the month after announcing a slight upgrade to earnings at their quarterly update. The business has de-rated significantly over the last 5 years and with legacy issues gradually being resolved the valuation of the business remains highly attractive.

Negative contributions for the month came through Strike Energy (STX), Chalice Mining (CHN) and Aussie Broadband (ABB). Strike fell 29% for the month giving up all the gains of June. The share price continues to experience an exceptional level of volatility, however, the demand for gas is clear and prices have risen, and the company is producing with reasonable plans to expand production over the coming years. Chalice fell 19% for the month after the market was unimpressed with the Memorandum of Understanding (MOU) signed with Mitsubishi. Expectations were that a more detailed agreement could be put in place after a year of partnering discussions. Aussie Broadband fell 8% for the month, continuing its drift lower after the loss of Origin to Superloop.

## PORTFOLIO CHARACTERISTICS

### Sector Exposure



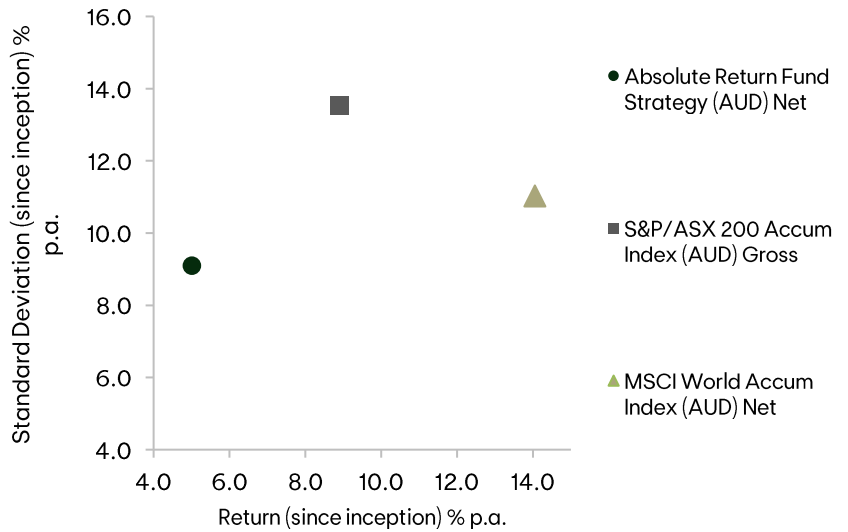
Source: Ellerston Capital.

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



Source: Ellerston Capital.

### 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 registry, Automic Group on **1300 101 595** or **ellerstonfunds@automicgroup.com.au**

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