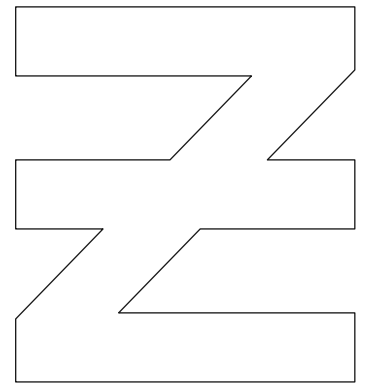


# Ellerston Global Equity Managers Fund (GEMS) Class C



## Monthly Newsletter, July 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	\$1.6364
NAV Price	\$1.6323
Redemption Price	\$1.6282
Current Total NAV	97,519,052
Gross Exposure	109%
Net Exposure	72%
Unit Pricing	Monthly
Management Fee	1.50% (p.a.)
Performance Fee	16.50%
Buy/Sell Spread	0.25% on application 0.25% on redemption

### PERFORMANCE SUMMARY^

Performance*	FY24	FY23	FY22	FY21	5 Years (p.a.)	10 Years (p.a.)	Since Inception^^ (p.a.)
GEMS C	11.1%	-7.0%	-13.5%	58.6%	10.6%	10.1%	10.2%
MSCI WI**	21.3%	18.2%	-11.1%	36.9%	12.5%	10.6%	11.0%
ASX200***	12.1%	14.8%	-6.5%	27.8%	7.5%	8.0%	8.2%

Performance*	1 Month	3 Months	1 Year
GEMS C	0.6%	-1.6%	9.7%
MSCI WI**	1.2%	7.8%	19.4%
ASX200***	4.2%	6.2%	13.5%

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 generally positive tone of June continued into July before general market weakness increased towards the end of the month. At the time of writing, this has turned into a more aggressive fall in global equity markets, followed by a recovery. We had been expecting some increase in volatility but the unwind of the Japanese Yen carry trade was rapid and aggressive. Time will tell if this is a short-term correction in a longer-term bull market or a serious shift in market dynamics that will precede further falls in the index during the rest of the year. There are a lot of macro currents at play around carry trades, interest rate policy, economic conditions and AI. With current market valuations, there is a susceptibility to bad news and hence we prefer to remain relatively cautious in the short term through the active use of hedging to protect the portfolio. This is countered to some extent by the potential for market upside as the Federal Reserve commences cutting rates later in the year. The Fund posted a small positive return for the month.

### Australia

Positive contributors for the month were Insignia Financial (Platform business) who issued a small positive profit upgrade and benefited from positive market sentiment locally. Siteminder (Hotel and travel software) also issued a positive revenue outlook for FY25 and FY26 based on new product launches. On the downside, Strike Energy reversed the gains of June and it's share trading profile remains highly volatile. Calix Limited (Carbon Reduction Technology) fell on no major new news.

## North America

QXO Inc (Building Materials) was the largest positive contributor, the result of a recapitalisation of an existing listed company. The new management team has a long-term track record of consolidating industries and improving returns and we expect them to be successful in the building materials distribution industry. Building Materials company CRH also was a positive contributor to performance. Meta (Social Media) and Netflix were the main detractors as weakness in the tech sector was experienced during the month on concerns around valuations in the broader sector and some de-risking prior to quarterly reports.

## Europe

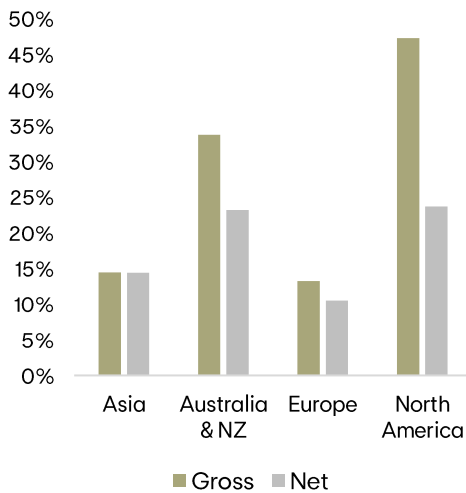
Travis Perkins (UK Building Products) rallied after the victory of the Labour Party in UK elections which is expected to see an improvement in consumer and business confidence. Cellnex Telecom (Tower operator) made a positive contribution with the easing in bond yields across developed markets. Just Eat Takeaway was a negative contributor, and we exited the position during the month as it hit our downside risk target. Remy Cointreau fell after reporting a larger decline than expected in China sales.

## Asia

Welspun and Indian pipe manufacturer and DPC Dash (Domino's China) were the main positive contributors with no major news releases from either company. Negative contributions came from Didi Global (Ride share) on concerns around the roll out of driverless taxi programs in China and SK Hynix in South Korea on weaker Nasdaq sentiment, in particular around Nvidia.

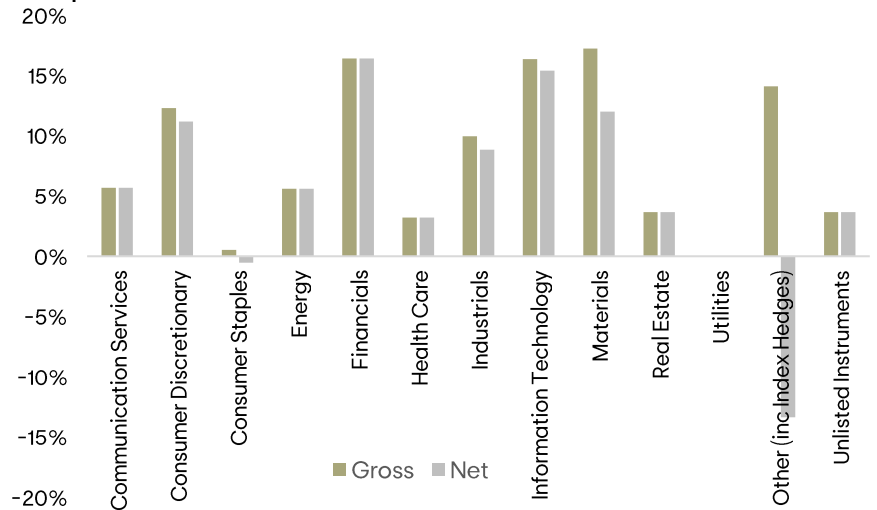
## PORTFOLIO CHARACTERISTICS

### Region Exposure



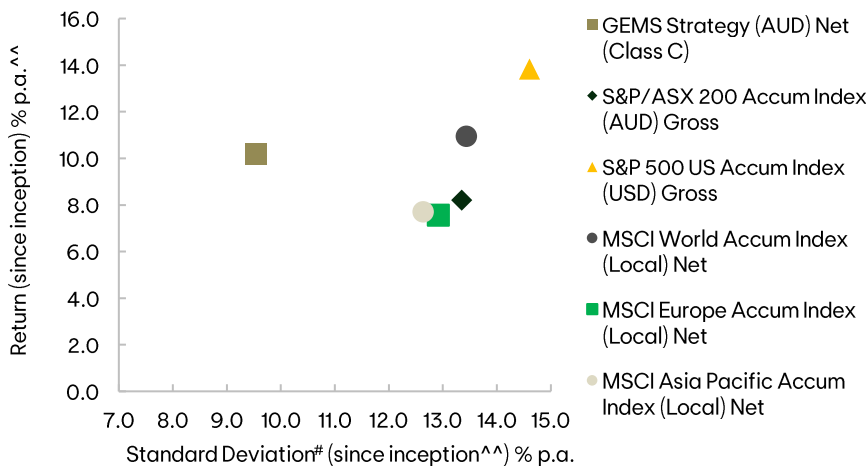
Source: Ellerston Capital.

### Sector Exposure



Source: Ellerston Capital.

## GEMS Strategy Performance & Volatility



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

## Top 10 Holdings (Alphabetical, Long Only)

- AMAZON.COM INC
- CRH PLC
- GENERATION DEVELOPMENT GROUP LIMITED
- INSIGNIA FINANCIAL LTD
- LIGHT AND WONDER INC
- MICROSOFT CORP
- NETFLIX INC
- SITEMINDER LTD
- SPROTT PHYSICAL PLATINUM AND PALLADIUM TRUST
- 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.

<sup>#</sup> 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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