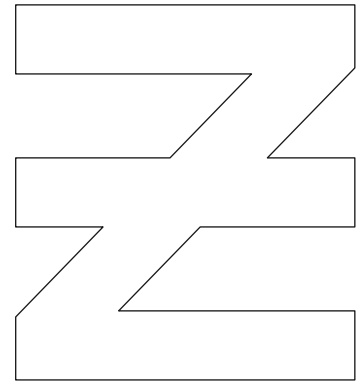


Ellerston Australian Absolute Return Fund



Monthly Newsletter, September 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	\$1.1402
NAV Price	\$1.1374
Redemption Price	\$1.1346
Current Total NAV	\$5,821,230
Liquidity	Daily
Gross Exposure	93.05%
Net Exposure	29.97%
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	1 Year	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	Since Inception** (p.a.)
Net[^]	2.84%	7.76%	11.85%	-4.00%	3.81%	3.53%	5.46%
Benchmark*	0.35%	1.08%	4.34%	2.80%	1.79%	1.74%	1.83%
Alpha	2.49%	6.68%	7.51%	-6.79%	2.02%	1.79%	3.62%

[^] Net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance.
* RBA Cash Rate

COMMENTARY

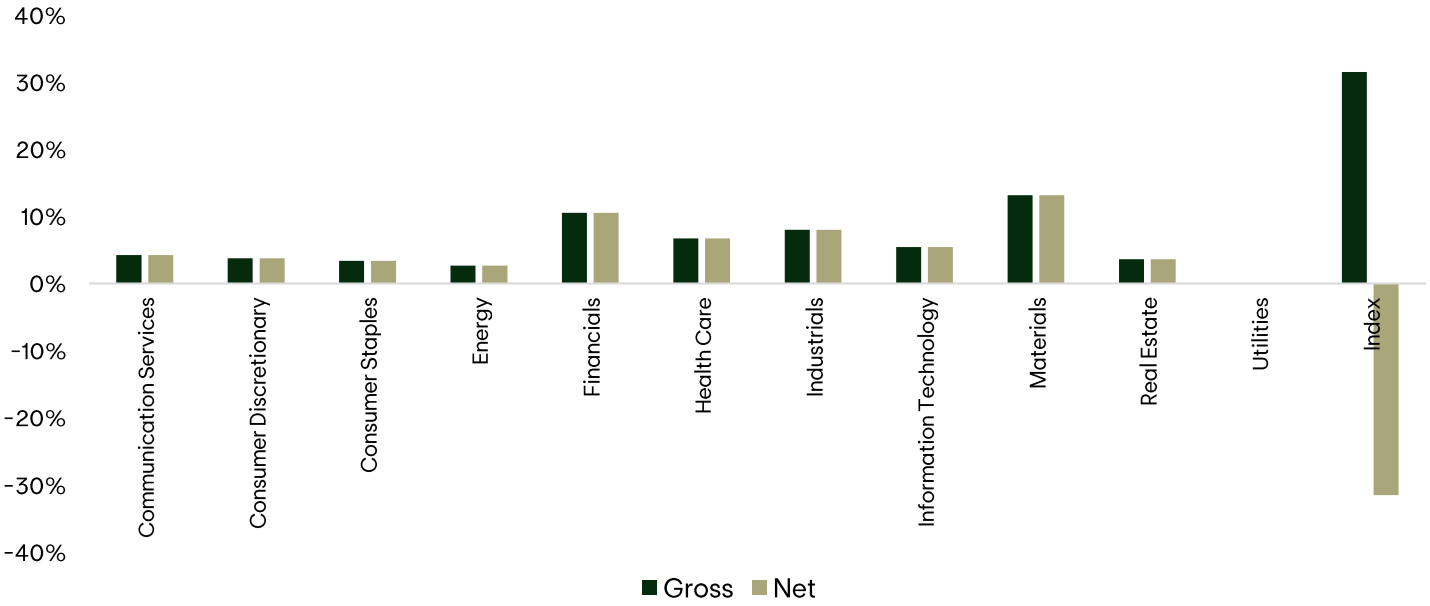
The Ellerston Absolute Return Fund rose 2.8% for the month and has now risen 11.7% for the calendar year. These numbers remain well ahead of the Funds benchmark of the RBA cash rate. These returns have come despite running an exposure to the market of typically between 20%-40% (versus the index at 100%) and is in-line with the Funds benchmark limitations of -10% to +40% exposure. The aim has been to reduce the volatility of the Fund this year and provide a more consistent return by spreading risk across a greater number of stocks and not taking significant single stock risk.

Positive contributors for the month were Siteminder (SDR), Australian Clinical Labs (ACL) and Humm Group (HUM). Siteminder was up 29% for the month, reversing the losses from last month and rose further on increased market confidence that the company's suite of new products can lift the revenue growth rate potential of the company. Early feedback from the company has been positive on client engagement and unlike last month, the market now is looking past the expected first half weakness for FY25 and into the growth prospects for FY26 and beyond. Australian Clinical Labs rose 26% after a clear overhang of stock was removed with the Private Equity backer (Crescent Capital) selling out of the stock. The business has been attractively priced for a while and the worse of the Pathology market downturn seems to have passed. The final requirement for a re-rating was the sell down by Crescent. Humm rose 23% and continued the good performance post their FY24 result. The continued decline in Australian Government bond yields has helped sentiment towards the stock as well as the outlook on Net Interest Margin and therefore profitability.

Negative contributions for the month came from our market options protection, which detracts from performance in a rising market, ALS Ltd (ALQ), HiPages (HPG) and Westgold (WGX). ALS fell 8% after a profit warning driven by a decline in their commodity business due to lower exploration activity by mining companies. This has occurred due to a lack of capital available to junior miners and generally lower commodity prices outside of gold. HiPages fell 12%, giving back a majority of the gains from last month after a strong FY24 result. This was mainly caused by a sell down of stock by the CEO which typically creates uncertainty from investors. Westgold fell 12% for the month despite the positive gold price environment. The fall occurred after the company issued FY25 production guidance which slightly disappointed the market, along with capex which was also higher than expectations.

PORTFOLIO CHARACTERISTICS

Sector Exposure



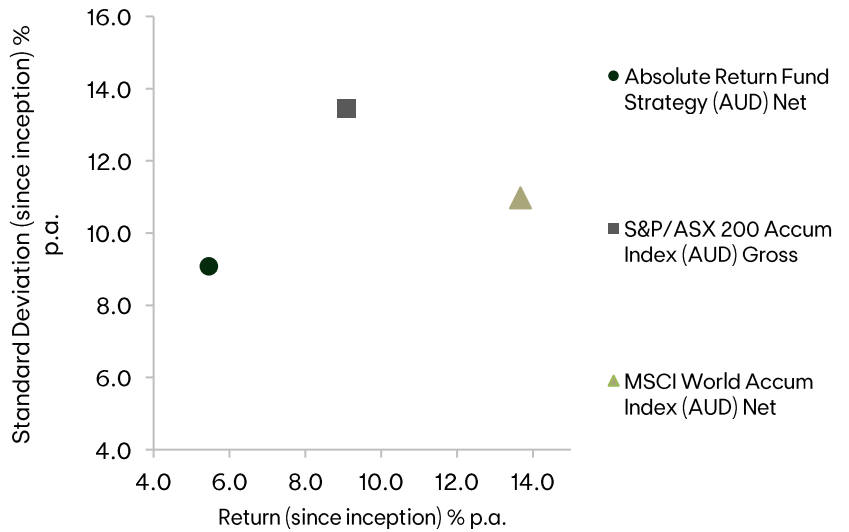
Source: Ellerston Capital.

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

- Aussie Broadband Ltd.
- Australian Clinical Labs Ltd
- Australian Finance Group Ltd.
- BHP Group Ltd
- Insignia Financial Ltd
- Kelsian Group Limited
- Orora Limited
- Propel Funeral Partners Ltd.
- Servcorp Limited
- SRG Global Limited

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.

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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