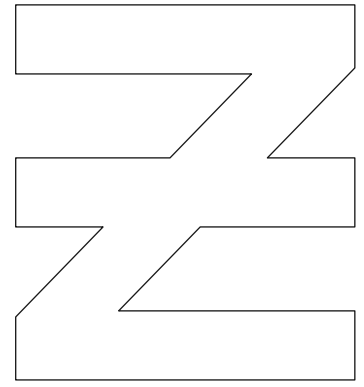


Ellerston Australian Absolute Return Fund



Monthly Newsletter, October 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 | \$1.1317 |
| NAV Price | \$1.1289 |
| Redemption Price | \$1.1261 |
| Current Total NAV | \$5,720,393 |
| Liquidity | Daily |
| Gross Exposure | 105.35% |
| Net Exposure | 11.40% |
| 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[^] | -0.75% | 5.00% | 13.63% | -4.37% | 2.99% | 3.54% | 5.35% |
| Benchmark* | 0.36% | 1.08% | 4.36% | 2.92% | 1.85% | 1.75% | 1.85% |
| Alpha | -1.11% | 3.93% | 9.27% | -7.29% | 1.14% | 1.79% | 3.49% |

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

COMMENTARY

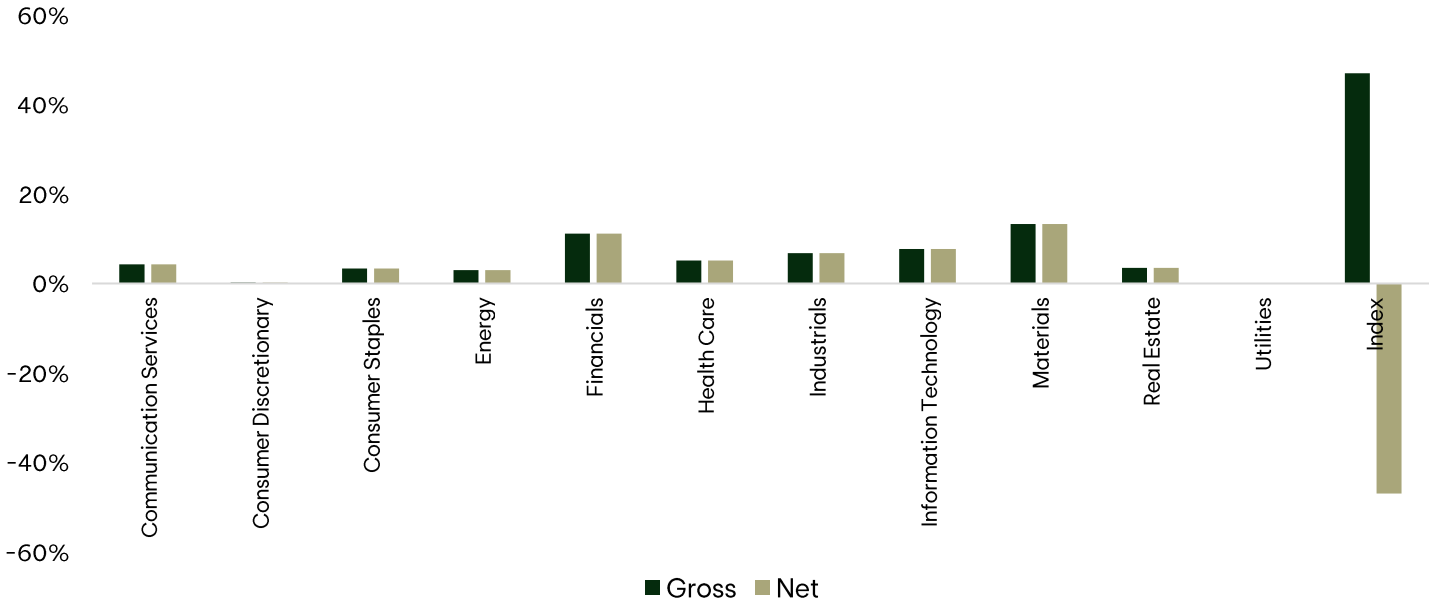
The Ellerston Absolute Return Fund fell 0.75% for the month and has now risen 10.85% for the calendar year. The Fund gave up some gains of the previous month as several key stock positions pulled back from the previous month highs. The broader Australian stock market was positive for most of the month before giving up all gains and finishing lower for the month.

Positive contributors for the month were Insignia Financial (IFL), Evolution Mining (EVN) and De Grey Mining (DEG). Insignia rose 26% for the month on signs of improved fund flows to platforms across the Australian industry. The company trades at a significant discount to Netwealth and Hub, but significant efforts to improve the business and address legacy issues should see the businesses earnings profile improve over the next couple of years. Evolution reported quarterly production numbers which met the market expectations and led to a 13% rally in the share price for the month. We continue to hold a positive view on the gold price and therefore hold several gold companies in the Fund including De Grey that also rose 10% for the month as the Gold price continued to rise.

Negative contributions for the month came from Medadvisor (MDR), Humm Group (HUM) and Orora Ltd (ORA). Medadvisor fell 45% for the month after posting a quarterly report that showed only single digit revenue growth versus the companies far higher longer revenue growth expectations. We will continue to hold the business as the longer growth profile remains attractive. Humm fell 15% after significantly rallying the month before. There was no latest news, and the outlook remains positive with NIM expansion this year and the prospect of a higher return on Equity going forward which should see a further re-rating of the business. Orora fell 12% for the month on profit taking after the rally over the previous 2 months.

PORTFOLIO CHARACTERISTICS

Sector Exposure



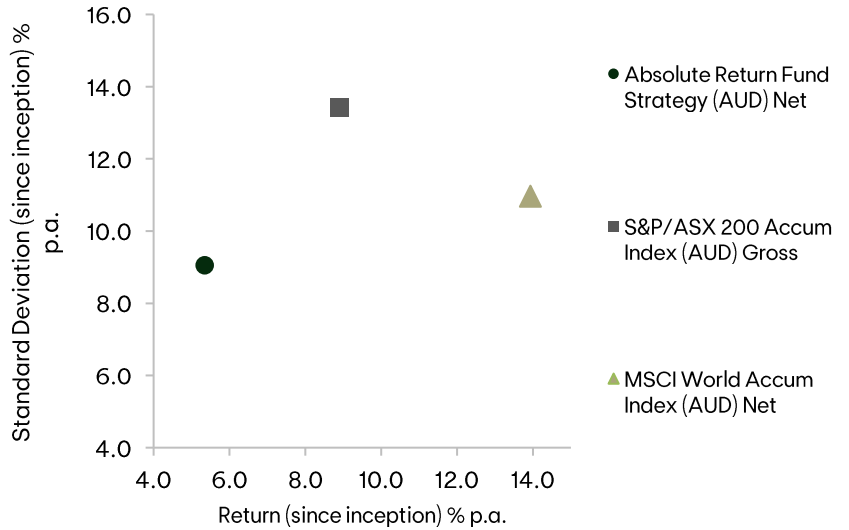
Source: Ellerston Capital.

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

- Aussie Broadband Ltd.
- Australian Finance Group Ltd.
- BHP Group Ltd
- De Grey Mining Ltd
- Evolution Mining Limited
- hipages Group Holdings Ltd.
- Insignia Financial Ltd
- Kelsian Group Limited
- 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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