

Ellerston Australian Emerging Leaders Fund

Monthly Report as at 31 October 2024

APIR Code: ECL6748AU | ARSN 647 979 333



Portfolio of 30-60 smaller companies built through an active, research-driven investment approach.



Focus on companies which have a sound business franchise with an attractive earnings profile, which operate in growth industries and trade at a discount to valuation.



Aims to outperform the Benchmark over a rolling three-year period.

Performance Summary

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	Since Inception (p.a.) ^{^^}
Net [^]	2.71%	6.66%	48.87%	1.95%	2.96%
Benchmark*	0.80%	3.77%	26.65%	-0.61%	-0.45%
Alpha	1.91%	2.89%	22.22%	2.56%	3.41%

[^]The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.

* S&P/ASX Small Ordinaries Accumulation Index. ^{^^}Inception date is 13 August 2021.

Key Information

Portfolio Manager(s)	David Keelan & Alexandra Clarke
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Liquidity	Daily
Target Number of Holdings	30-60
Number of Holdings at Month End	45
Minimum Investment	Initial investment - \$10,000 Additional investment - \$5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.10% (p.a.)
Performance Fee ¹	20.00%
Buy/Sell Spread	0.25% / 0.25%

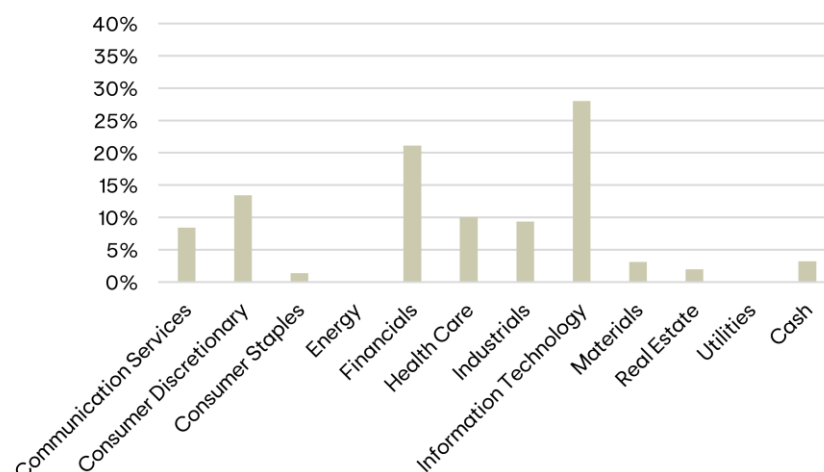
Top Holdings*

Company	Sector
Catapult Group	Information Technology
Generation Development Group	Financials
Life360, Inc.	Information Technology
Qoria Limited	Information Technology
Zip Co Ltd.	Financials

*In alphabetical order.

Source: Ellerston Capital.

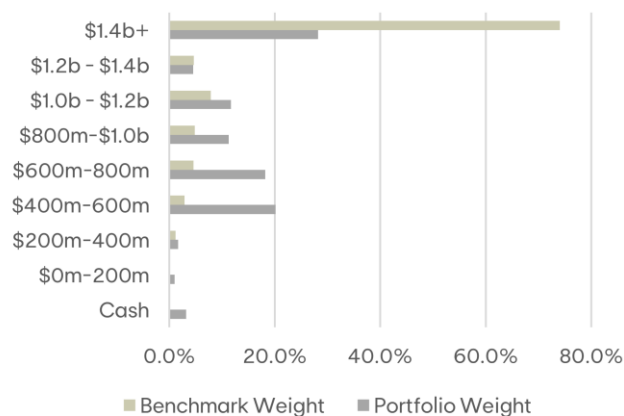
Sector Allocation



Source: Ellerston Capital.

¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

Market Capitalisation Exposure



Source: Ellerstion Capital.

Key Portfolio Metrics

FY25e	Fund	Benchmark
Price/Earnings	19.70x	20.63x
Dividend Yield	2.62%	3.10%
Net Debt/EBITDA	0.01x	1.36x

Source: Ellerstion Capital.

COMMENTARY

The Ellerstion Australian Emerging Leaders Fund delivered 2.71% (net) in October relative to the S&P/ASX Small Ordinaries Accumulation Index which returned 0.80%. The broader market was well supported by Small Resources which rallied 6.1% during the month, while Small Industrials fell 1.1%. Gold was the standout commodity, driven by geopolitical tensions and central bank demand. This dynamic has somewhat unwound in early November, following the US election outcome. October saw a plethora of company AGMs and quarterlies which made it feel like a mini-reporting season. Company updates were mixed during October. Travel names had a tough month with both WEB Travel Group (WEB AU) and Flight Centre (FLT AU) providing softer than expected updates. Conversely, retail names such as JB Hi Fi (JBH AU); Adairs (ADH AU) and Universal Store Holdings (UNI AU) all reported solid trading updates.

Two stocks to call out this month are Generation Development Group (GDG AU) and Imdex Limited (IMD AU).

GDG finished the month up over 20% after an exceptional quarterly result, with all core business lines firing simultaneously. The investment bond business accelerated during the period, generating \$209m in sales inflows, despite being a seasonally quieter period. Lonsec demonstrated strong product growth in research, supported by the ongoing expansion of higher margin private market offerings. We think Lonsec Investment Solutions is the jewel in the crown and FUM is nearing the \$12b mark, a reflection of both market performance and healthy inflows. In partnership with Blackrock and AMP, the company finalised a managed account proposition, offering tailored managed solutions at scale, which will accelerate flows in the rapidly growing sub-segment.

IMD saw its share price rally 10.2% during October. IMD released its 1Q25 trading update to the market which surprised on the upside with resilient revenue coming through, despite the significant decline in drilling activity in comparison to the previous corresponding period. IMD saw revenue fall 9% vs 1Q FY24 on a constant currency basis compared to the 25% decline in holes drilled within the global market, indicating strong outperformance due to market share gains. While the year-on-year decline looks bad in a vacuum, the market had feared the result would be worse. The month of October was very strong for Gold pricing, up 4.2% and reaching all time highs as well as copper prices continuing to trend in the right direction. We expect the juniors' exploration activity to pick up in 1H FY26, with IMD in a great market position to capitalise on the increased exploration budget. We continue to hold IMD as a core position within the fund.

Contact Us

Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 9021 7701
info@ellerstoncapital.com

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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