

Ellerston Australian Emerging Leaders Fund

Monthly Report as at 30 November 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 [^]	5.64%	12.95%	47.46%	5.31%	4.59%
Benchmark*	1.32%	7.29%	19.88%	-0.08%	-0.05%
Alpha	4.32%	5.66%	27.58%	5.39%	4.64%

[^]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	42
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%

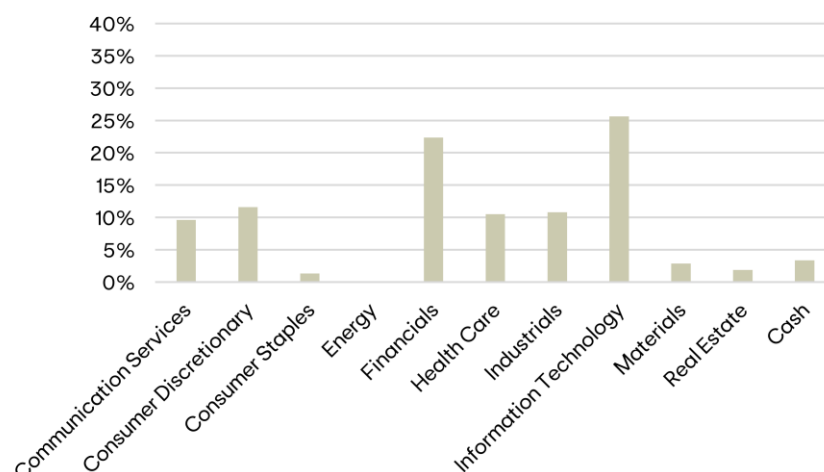
¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

Company	Sector
Catapult Group	Information Technology
Generation Development Group	Financials
Pinnacle Investment	Financials
Qoria Limited	Information Technology
Zip Co Ltd.	Financials

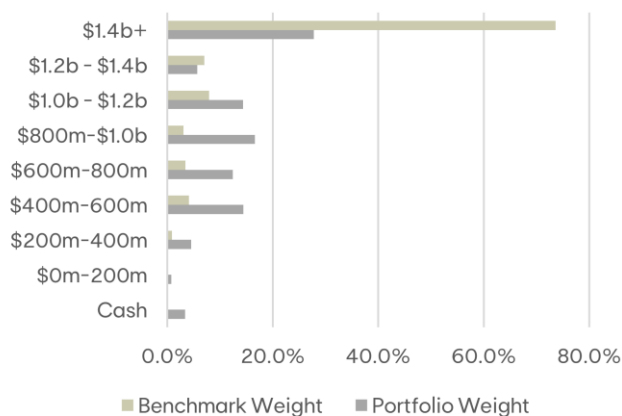
*In alphabetical order.
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Capitalisation Exposure



Source: Ellerstion Capital.

Key Portfolio Metrics

FY25e	Fund	Benchmark
Price/Earnings	18.14x	20.76x
Dividend Yield	2.30%	3.00%
Net Debt/EBITDA	0.26x	1.29x

Source: Ellerstion Capital.

COMMENTARY

The Ellerstion Australian Emerging Leaders Fund delivered 5.64% (net) in November relative to the S&P/ASX Small Ordinaries Accumulation Index which returned 1.32%. This month saw a reversal in fortunes for the ASX Small Resources Index, falling 5.4% over the period after seeing a 6.1% rally for the month prior. Conversely, the ASX Small Industrials Index gained 3.9% after falling 1.1% during October. It was a month of meaningful news flow with Donald Trump winning the 2024 US election, securing his second term in office. This is having flow-on effects globally, with several proposed policies likely to have implications for US inflation and global growth.

November saw Catapult Group (CAT AU) reach a multi-year high as it reached \$3.68 per share intra-month, closing the period up 40.5%. During the month, CAT announced their 1H FY25 results with a beat across all metrics key to the group. Annualised Contract Value (ACV) was up 20% YoY to US\$96.8m, with growth being driven by new video products as well as wearables. In addition to the great topline result, the company was able to deliver strong incremental profit, with 75% of the incremental revenue falling through to profit. We continue to hold CAT as a high conviction name in the portfolio.

November also saw a new decade-high share price for SRG Global (SRG AU) as it reached \$1.35 during the month, posting a gain of 18% in November. SRG has recently expanded into the water sector through the acquisition of Diona a few months ago. This is already bearing fruit, with SRG announcing \$700m of new contract wins with a significant amount of the work coming through the new Diona business. The package of wins was very broad based, spanning across the Water, Dairy, Resources, Transport and Health sectors. Many of these contracts are quite long dated or recurring maintenance style work, with SRG continuing to build the quality of their revenue. This new batch of contract wins now brings the total wins for FY25 to \$925m in just 5 months, compared to the \$776m of wins announced in the entirety of FY24. SRG has guidance of \$125m EBITDA in the market. We think this looks conservative if the current contract win momentum continues.

Superloop (SLC AU) increased 18% in November after reporting a positive trading update and flagging the Origin broadband migration was completed on time. The company added over 19,000 new consumer subscribers in the first four months of FY25, which is tracking well towards our full year expectations. SLC also noted strong traction within its Smart Communities business, adding 6,000 lots with an extensive pipeline with Resimac, AVJennings and Mirvac. We expect ongoing momentum in the Consumer business and strong momentum in Origin, coupled with SLC's low-cost structure, to drive meaningful earnings growth over coming years.

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All holding enquiries should be directed to our registry, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

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