

# Ellerston Australian Micro Cap Fund

Monthly Report as at 30 November 2024

APIR Code: ECL0984AU | ARSN 619 727 356



Portfolio of 30–60 smaller & micro cap 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.)	5 Years (p.a.)	Since Inception (p.a.) <sup>^^</sup>
Net <sup>^</sup>	1.49%	4.84%	37.40%	-0.53%	9.86%	14.40%
Benchmark*	1.32%	7.29%	19.88%	-0.08%	4.60%	6.83%
Alpha	0.17%	-2.45%	17.52%	-0.45%	5.26%	7.57%

<sup>^</sup> 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. <sup>^^</sup> Inception date is 28 April 2017.

## 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	56
Minimum Investment	Initial investment - \$10,000 Additional investment - \$5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.20%
Performance Fee <sup>1</sup>	20.00%
Buy/Sell Spread	0.25% / 0.25%

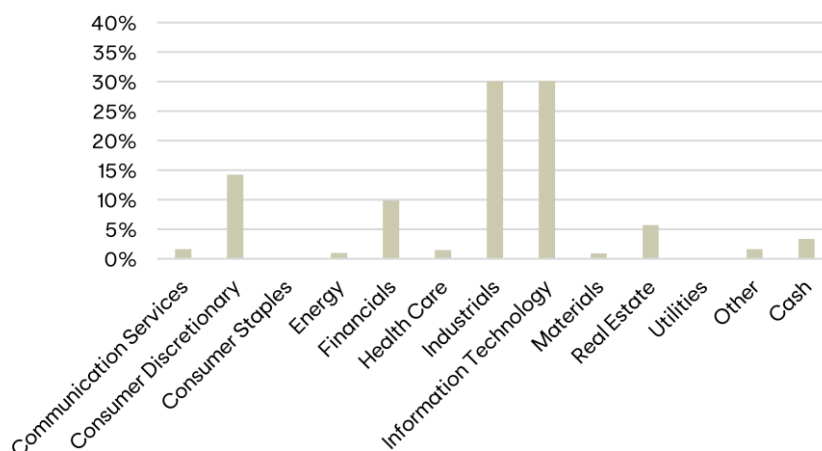
<sup>1</sup>Of the investment return above the benchmark, after recovering any underperformance in past periods.

## Top Holdings\*

Company	Sector
Austin Engineering	Industrials
Catapult Group International	Information Technology
Generation Development Group	Financials
Qoria	Information Technology
Servcorp	Real Estate

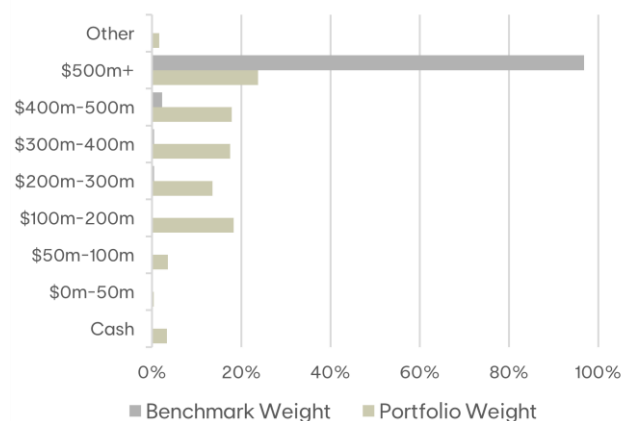
\*In alphabetical order.  
Source: Ellerston Capital.

## Sector Allocation



Source: Ellerston Capital.

## Market Capitalisation Exposure



Source: Ellerstun Capital.

## Key Portfolio Metrics

FY25e	Fund	Benchmark
Price/Earnings	17.94x	20.76x
Dividend Yield	2.43%	3.00%
Net Debt/EBITDA	-0.25x	1.29x

Source: Ellerstun Capital.

## COMMENTARY

The Ellerstun Australian Micro Cap Fund delivered 1.5% (net) in November, relative to the S&P/ASX Small Ordinaries Accumulation Index which returned 1.3%. November saw a reversal in fortunes for the Small Resources Index, falling 5.4% over the period after seeing a 6.1% rally for the month prior. Conversely, the 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, climbing to \$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.

NZX (NZX NZ) had a strong month, finishing up around 10% after a well received investor day and a healthy 3Q24 trading update. While the strategy was largely unchanged, we continue to believe the core markets division is well placed for a cyclical recovery, benefiting from interest rate cuts, an improving macro backdrop, and improving government dynamics. The company also reported a trading update which demonstrated strength in secondary market activity, which increased materially on last year, supported by recent large equity raises. The funds management business also continues generate strong inflows, underpinned by KiwiSaver, a strong portfolio of products and improving confidence in financial markets. The platform business is not yet at scale, but has a contracted pipeline of steady flows, and is nearing the end of its investment phase which will improve cashflows, a factor we think the market is underappreciating.

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## Contact Us

### Sydney

Level 11, 179 Elizabeth Street,  
Sydney, NSW 2000  
+612 90217701  
[info@ellerstoncapital.com](mailto: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](mailto:info@ellerstoncapital.com) or visit us at [ellerstoncapital.com](http://ellerstoncapital.com).

All holding 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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