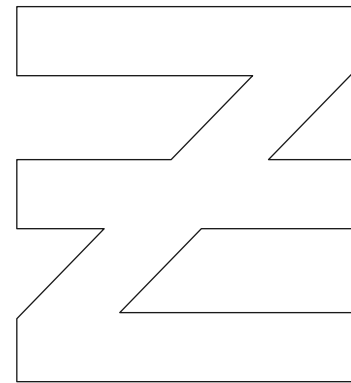


# Ellerston Pre-IPO Fund



## Performance Report, December 2024

### Investment Objective

The investment objective of the Fund is to generate a positive return above a Hurdle Return of 6% p.a. net of fees.

### Investment Strategy

The Manager uses a fundamental, research driven investment strategy to provide returns above the Hurdle Return that are not correlated to listed equity markets. The Manager undertakes fundamental research to selectively identify and invest in quality companies focus on investments in Pre-IPO, IPO, Unlisted Expansion Capital and Listed Microcap Companies, predominantly in Australia but also covering OECD and developed countries.

### Key Information

Inception Date*	31 March 2020
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Application Price	\$0.7755
Net Asset Value	\$0.7755
Redemption Price	\$0.7755
No Stocks	19
Hurdle Return	6% p.a. net of fees
Management Fee	1.50%
Performance Fee	20% of the investment return above the Hurdle Return for each financial year, calculated and accrued quarterly
Distributions	Annually

### Market Commentary

The December quarter saw the S&P/ASX Small Ordinaries Accumulation Index (XSO) fall -1.01%. To start the quarter, October saw a clear divide within the index as Small Resources rallied 6.1%, but Small Industrials fell 1.1%. Gold was the standout commodity, as geopolitical tensions and central bank demand drove it higher. Much of this unwound in November, however, as Small Resources fell 5.4% and Small Industrials gained 3.9%. The main driver of much of the market movements was the news that Donald Trump had won the 2024 US election, securing his second term in office. This result had global flow on effects, with several proposed policies such as import tariffs having implications for US inflation and global growth. The market fell in the quieter month of December, with the Small Ordinaries down over 3% - a notable lack of a Christmas rally.

### Fund News

During the December quarter, the Fund returned 3.94%. This performance was driven primarily by the upward revision in holding value of Mason Stevens, Acusensus (ACE ASX) and Noja Power. This was partially offset by a reduction in our holding valuation in Marketplacer. At the end of the quarter, ~12% of the book was listed and exposed to market movements. The total cash returned to investors is 0.4228 cents per unit since inception of the fund on 31 March 2020.

### December Update

There were several items of news flow during the quarter. Acusensus (ACE AU) share price increased 33% for the quarter. This was following the announcement of the successful tender for New Zealand's mobile speed camera program, as well as the contract expansion of their Queensland contract for Mobile Phone and Seatbelt Technology Contract Expansion.

Other positive newsflow during the quarter was Mason Stevens announcing a Scheme Implementation deed with Adamentum Capital to acquire 100% of the group at a premium to our holding valuation. This is expected to settle in coming months.

Our investment in Noja Power, a manufacture of medium voltage electrical equipment has been performing above our expectations. Following a strong FY24, Noja has budgeted for EBITDA in FY25 to be 15% above previous assumptions. We have also seen a number of comparable transactions in specialist international electrical equipment manufacturers which has provided further clarity on valuation. As such our holding valuation has been written up by 30% based on roll forward of earnings and the outperformance against our initial investment case

### Outlook

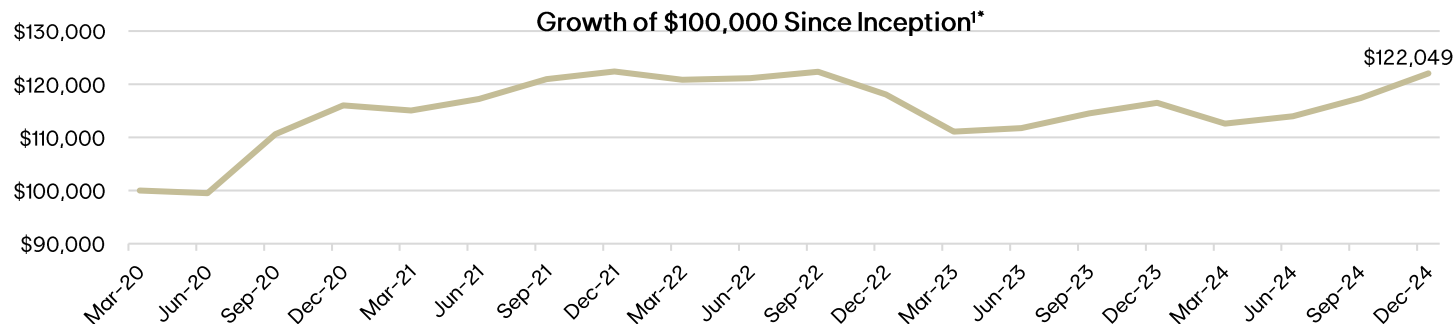
Positive market sentiment, especially at the smaller end of the market, leaves us positive around the outlook for the Fund. While it has been a challenging period for small caps more recently, we have begun to see corporate activity pick up in a more meaningful way. Additionally, capital raises to fund organic and inorganic growth plans have been well supported. With companies (both targets and acquirers) being able to now price debt, we expect M&A activity to continue. The above factors are expected to benefit the fund over coming periods.

## Performance Summary

Performance	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)*
Ellerston Pre-IPO Fund <sup>^</sup>	3.94%	7.08%	4.75%	1.66%	-0.10%	4.21%

<sup>^</sup>The net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance.

\*Inception date of the strategy 31 March 2020



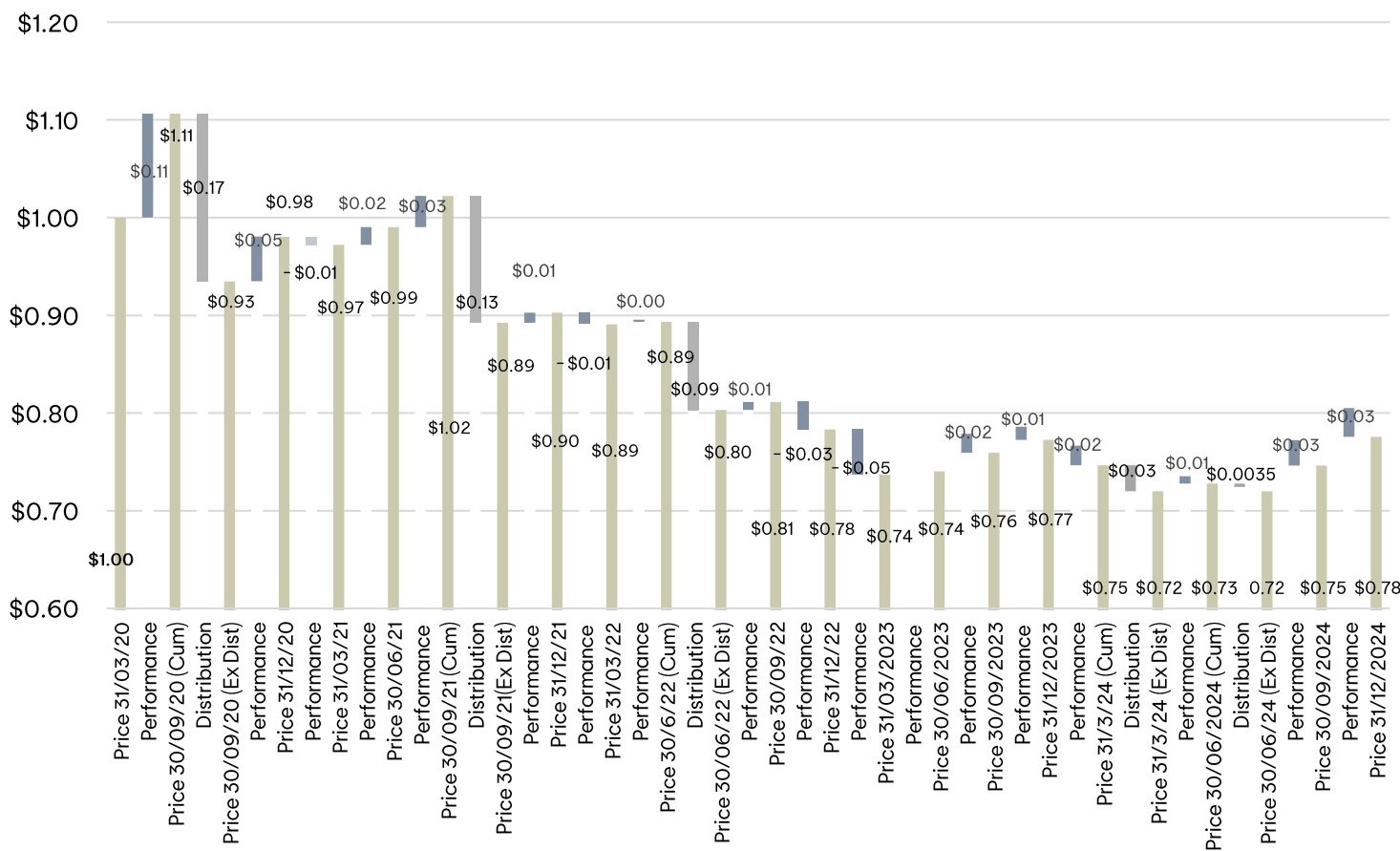
<sup>^</sup>Based on net return figures. Past performance is not a reliable indication of future performance.

\*Inception date of the strategy 31 March 2020

## Our approach to holding valuations...

We think it is important to reiterate how assets are held and valued within the portfolio. We know that market conditions have resulted in a slow-down in primary and secondary equity markets. While this may have a potential impact on the timing of some of our liquidity events, the majority of our investments are held at cost or lower. This reflects our conservative approach and means the Fund is well placed when our expected liquidity events occur. The Fund also has a process of reviewing the holding valuations of its investments, which is overseen from an external valuation committee including a quarterly review of all positions held within the fund.

## Unit Prices Since Inception\*



Source: Ellerston Capital. \*Inception date of the strategy 31 March 2020.

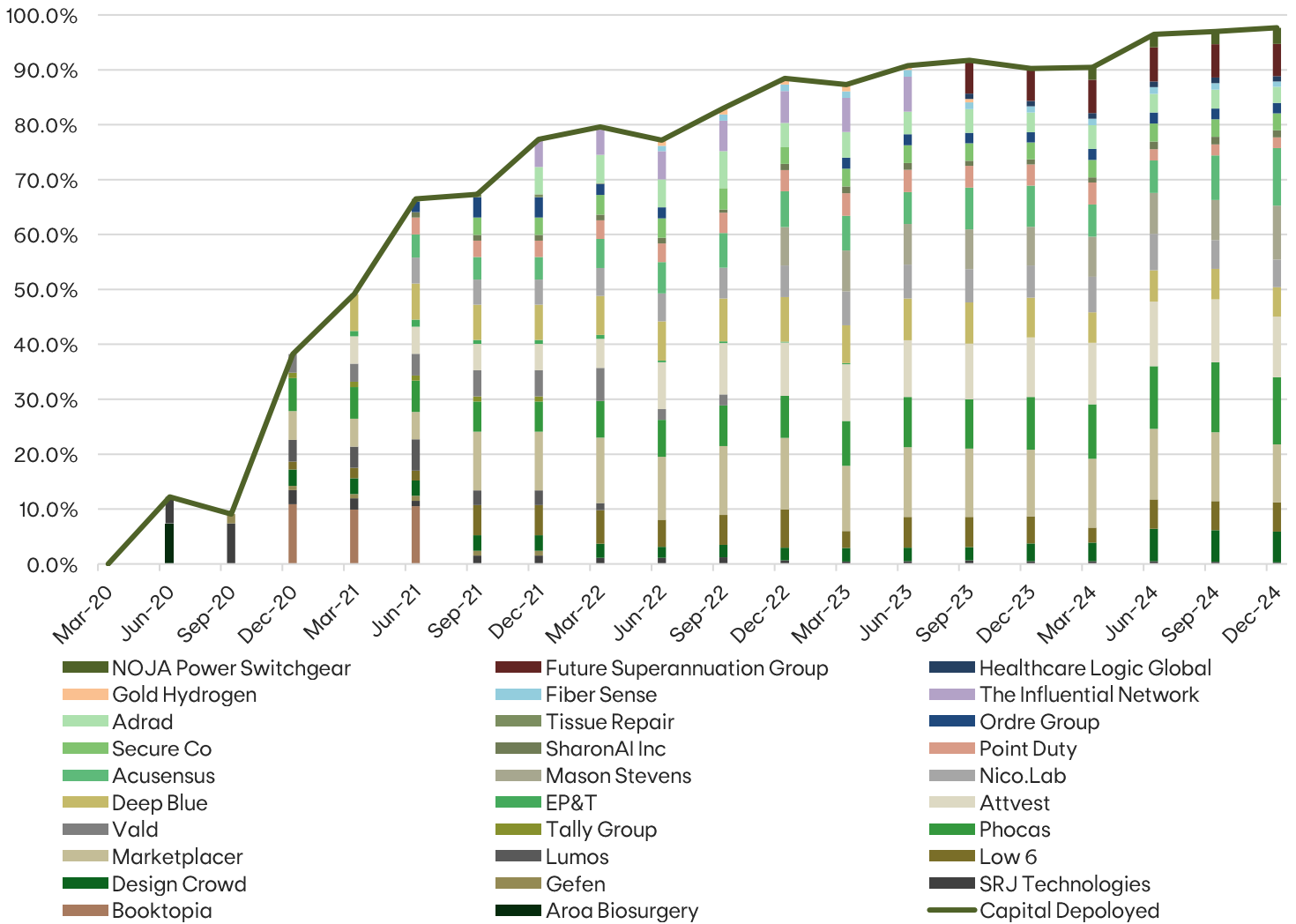
## Holdings Summary

SECURITY	PORTFOLIO WEIGHT <sup>^</sup>
PHOCAS GROUP PTY LTD	12.26%
CAPEVEST INVESTMENT FUND	11.02%
MARKETPLACER HOLDINGS	10.54%
ACUSENSUS LTD	10.47%
MASON STEVENS GROUP PTY LTD	9.84%
OTHER CAPITAL DEPLOYED*	43.54%
CASH	2.33%
<b>TOTAL</b>	<b>100.00%</b>

Source: Ellerston Capital.

\*Other capital deployed includes additional 14 holdings. ^Portfolio weights are calculated excluding the impact of distribution.

## Capital Deployed



Source: Ellerston Capital.

Our philosophy around pre IPOs is very simple. We are looking for high quality businesses that have clear pathways to IPO, offering opportunities to achieve superior returns with minimal correlation to the market. We are looking to achieve a 20% IRR and given the current state of the market we believe we are well placed to deliver on this target.

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## 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](mailto:info@ellerstoncapital.com)** or visit us at **[ellerstoncapital.com](http://ellerstoncapital.com)**

All holding enquiries should be directed to our register, Automic Group on **1300 101 595** or **[ellerstonfunds@automicgroup.com.au](mailto:ellerstonfunds@automicgroup.com.au)**

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