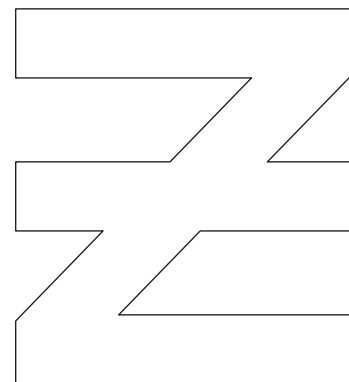


Ellerston Australian Absolute Return Fund



Monthly Newsletter, January 2025

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	\$1.1525
NAV Price	\$1.1496
Redemption Price	\$1.1467
Current Total NAV	\$5,426,163
Liquidity	Daily
Gross Exposure	61.15%
Net Exposure	42.06%
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[^]	1.40%	1.83%	9.95%	-2.13%	2.45%	3.69%	5.39%
Benchmark*	0.36%	1.08%	4.36%	3.28%	2.03%	1.80%	1.91%
Alpha	1.04%	0.75%	5.59%	-5.41%	0.42%	1.89%	3.48%

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

COMMENTARY

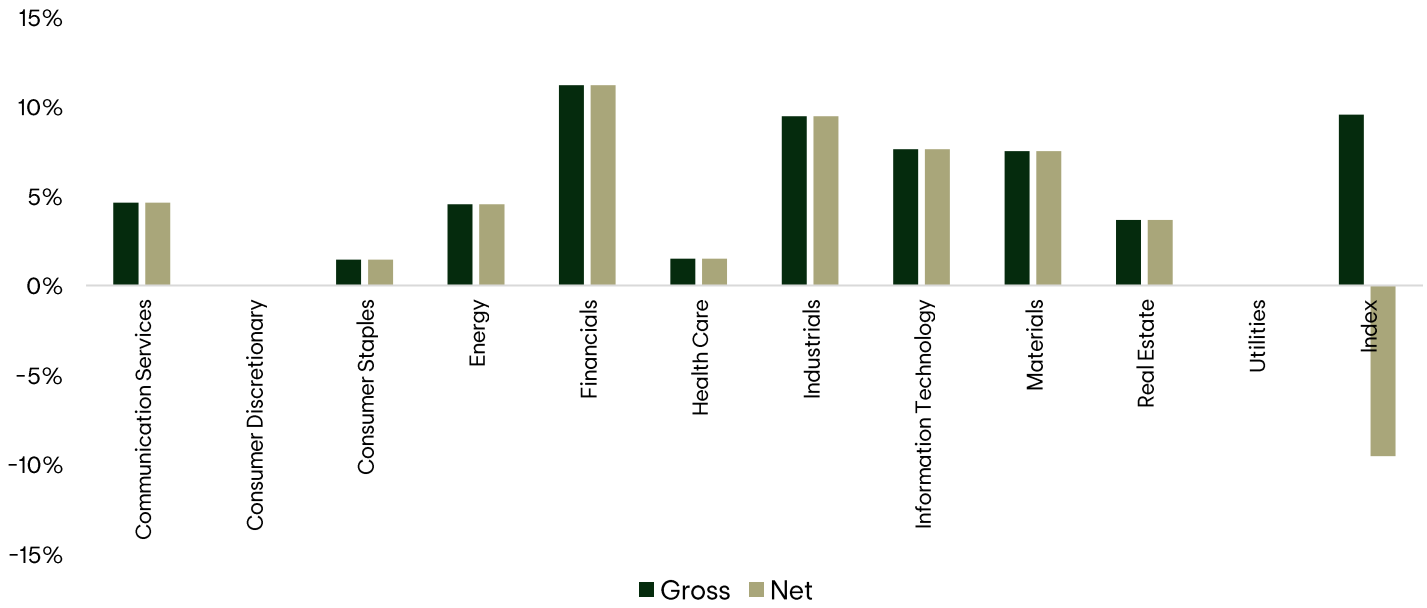
The Ellerston Absolute Return Fund rose 1.4% (net) for the month in a broadly rising Australian equity market. The Funds positive net long returns were offset slightly by negative returns from index hedging.

Positive contributors for the month were delivered by Insignia Financial (IFL), Boss Energy (BOE) and Dropsuite Ltd (DSE). As we speculated last month, the bidding war for Insignia continued into January with increased bids from both Bain and CC Capital resulting in the shares rising another 25%. This looks to have resulted in a price level that may be acceptable to the board and shareholders as both parties were granted limited due diligence. We would expect to see a resolution of this process over the next month and wouldn't rule out a slightly higher bid to finalise the process. Boss Energy rallied 36% for the month after giving guidance for the full year results that pointed to operating costs being slightly below the markets expectations, although completion capex was also slightly higher. With the stock being heavily shorted on concerns that they may need to raise capital, these concerns were partially trimmed after the quarterly update. Dropsuite rose 23% after attracting a bid from Ninjaone. The bid was accepted by the board with an implementation agreement put in place.

Negative contributions for the month came from Humm Group (HUM), Zip Co (ZIP) and Orora Ltd (ORA). Humm fell 15% for the month, probably due to the increase in 10yr interest rates in Australia. The share price does have a loose correlation with 10yr yields over the past few years. We expect the RBA to cut interest rates several times this year which should be beneficial to Humm. Zip fell 18% for the month on a quarterly result which showed a marginal easing in US growth. After the founder selling of December that was enough to cause a large share price correction, and we exited this position. Orora fell 4% on no new news.

PORTFOLIO CHARACTERISTICS

Sector Exposure



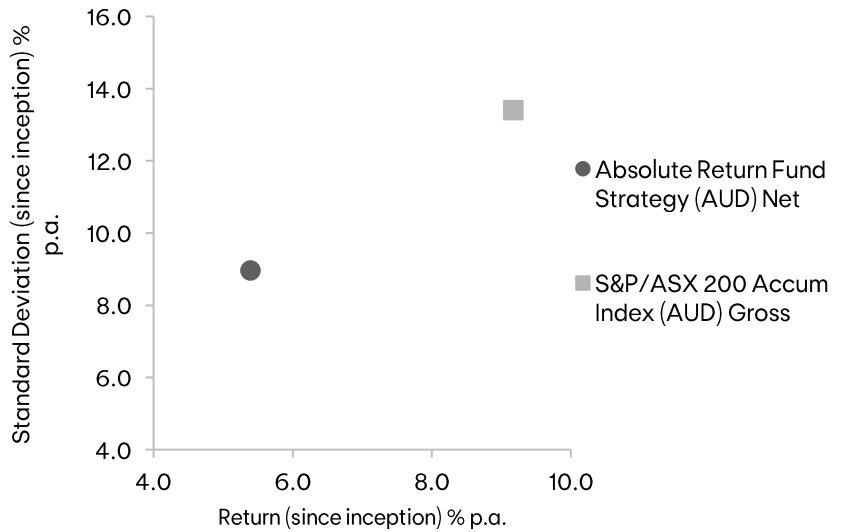
Source: Ellerston Capital.

Top 10 Holdings (Alphabetical, Long Only)

- Amplitude Energy Limited
- Aussie Broadband Ltd.
- Boss Energy Limited
- hipages Group Holdings Ltd.
- Insignia Financial Ltd
- Kelsian Group Limited
- Qoria Limited
- Servcorp Limited
- SRG Global Limited
- Superloop Ltd.

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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