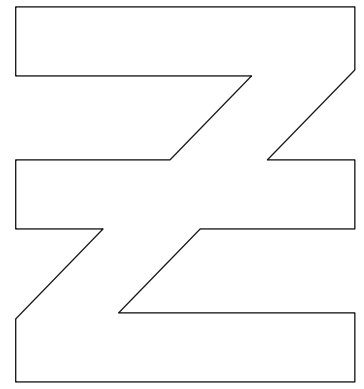


# Ellerston Australian Absolute Return Fund



Monthly Newsletter, February 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	\$1.1434
NAV Price	\$1.1405
Redemption Price	\$1.1376
Current Total NAV	\$5,058,750
Liquidity	Daily
Gross Exposure	76.54%
Net Exposure	26.56%
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 <sup>^</sup>	-0.79%	1.34%	8.74%	-2.47%	3.43%	3.49%	5.28%
Benchmark*	0.32%	1.05%	4.34%	3.39%	2.08%	1.82%	1.92%
Alpha	-1.11%	0.29%	4.40%	-5.85%	1.35%	1.67%	3.36%

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

\* RBA Cash Rate

## COMMENTARY

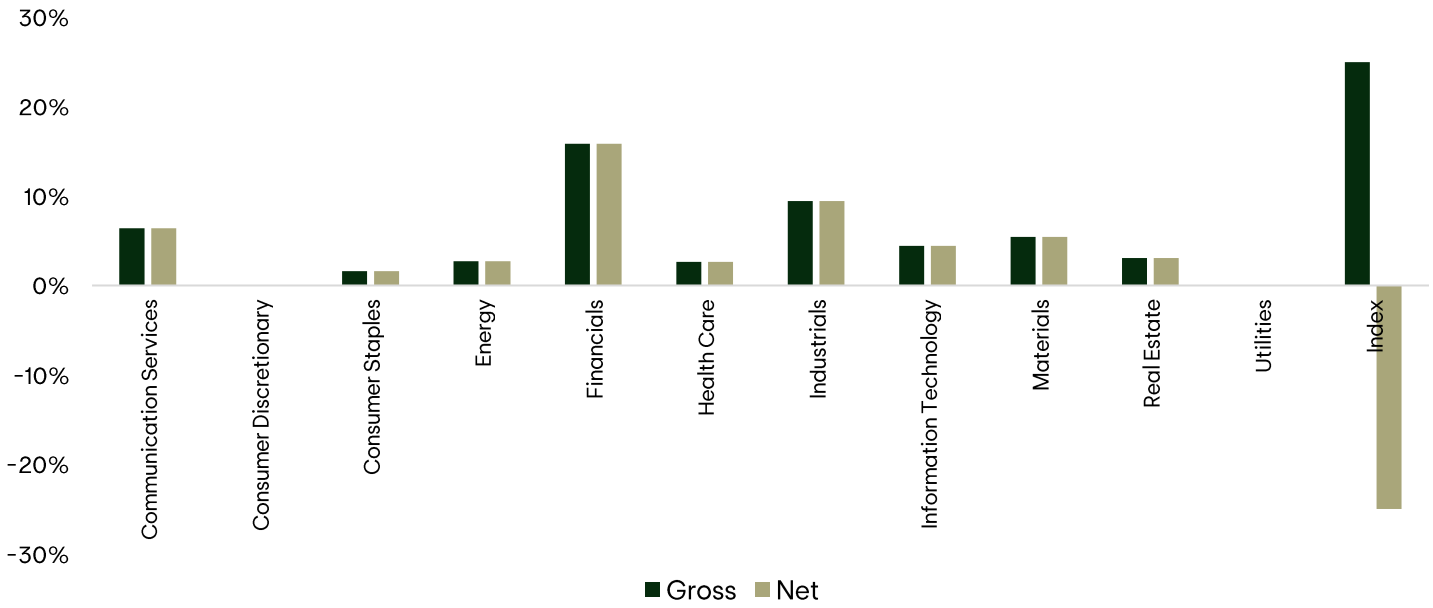
The Ellerston Absolute Return Fund fell 0.8% (net) for the month in a negative month for the market, with the ASX200 down 3.8%. February saw some significant volatility and individual stock moves during the local reporting season and the Fund was unable to deliver a positive return as despite index hedging providing a solid return, stock decliners offset positive moves.

Positive contributors for the month were delivered by Ooh Media (OML), Generation Development (GDG) and Fletcher Building (FBU). Ooh Media rose 29% after reporting a result and outlook that was better than market expectations and rallied strongly after experiencing a significant de-rate over the last couple of years. Generation Development undertook a share placement to acquire Evidentia during the month, which saw the share price rise 15%. The acquisition is seen as highly complementary and supplements the growth of the insurance bond business. Fletcher Building rose 16% for the month. Although half year results were average, the market is looking for a turnaround in the NZ economy after significant interest rate cuts, with more expected, which should drive an uptick in building activity.

Negative contributions for the month came from HiPages (HPG), Boss Energy (BOE) and Kelsian Group (KLS). HiPages fell 26% for the month after reporting results and an outlook for FY25 that was in line with market expectations. There were no clear reasons for the stock price fall, although the share price can move significantly on low market volumes. Boss Energy fell 25% for the month on concerns around the demand requirements for data centre build in the future. This led to a fall in power companies and fuel suppliers on little new information. Kelsian fell 19% after reporting a half year result which was below market expectations, although the company did reiterate full year guidance and stated the H1:H2 skew of earnings was within their expectations.

## PORTFOLIO CHARACTERISTICS

### Sector Exposure



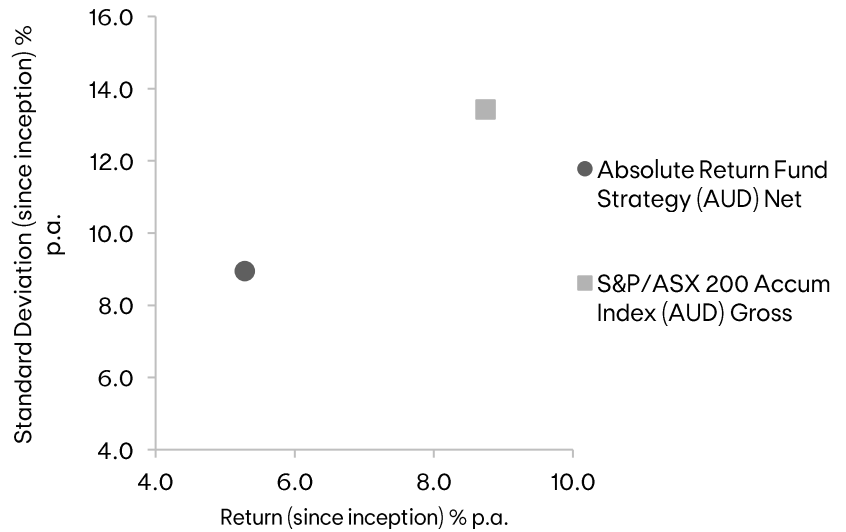
Source: Ellerston Capital.

### Top 10 Holdings (Alphabetical, Long Only)



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.

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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 registry, Automic Group on **1300 101 595** or **[ellerstonfunds@automicgroup.com.au](mailto:ellerstonfunds@automicgroup.com.au)**

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