

Ellerston Mid Cap Opportunities Fund

Monthly Report as at 31 March 2025

APIR Code: ECL6330AU | ARSN 683 124 263



Portfolio of 25-40 Mid 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	Since Inception ^{^^}
Net [^]	-6.46%	-7.25%
Benchmark [*]	-3.56%	-7.15%
Alpha	-2.91%	-0.10%

[^] The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.

^{*} 50% of the S&P/ASX Mid Cap 50 Total Return (TR) Index and 50% of the S&P/ASX Small Ordinaries Total Return (TR) Index. ^{^^} Inception date is 31 January 2025.

Key Information

Portfolio Manager(s)	David Keelan Alexandra Clarke Jack Briggs
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	50% of the S&P/ASX Mid Cap 50 TR Index & 50% of the S&P/ASX Small Ordinaries TR Index
Liquidity	Daily
Target Number of Holdings	25-40
Number of Holdings at Month End	38
Minimum Investment	Initial investment - \$10,000 Additional investment - \$5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.00% (p.a.)
Performance Fee ¹	20.00%
Buy/Sell Spread	0.25% / 0.25%

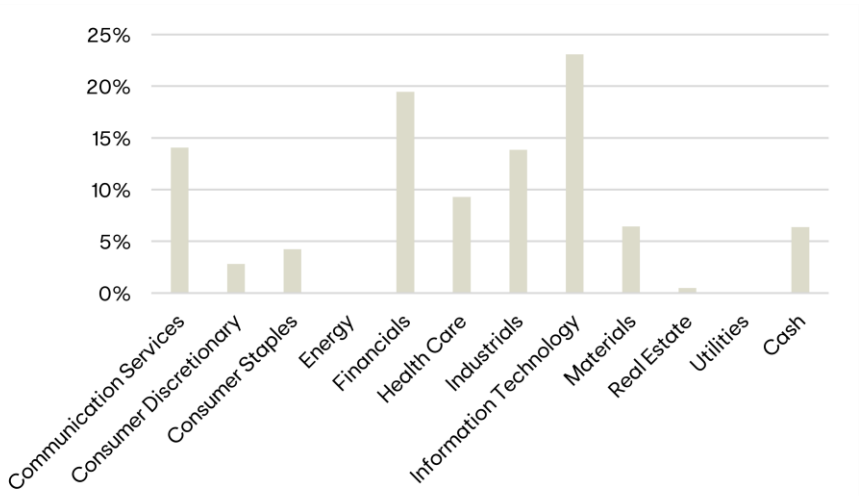
¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

Company	Sector
Generation Development Group	Financials
Index	Materials
Life360	Information Technology
MA Financial Group	Financials
Regis Healthcare	Health Care

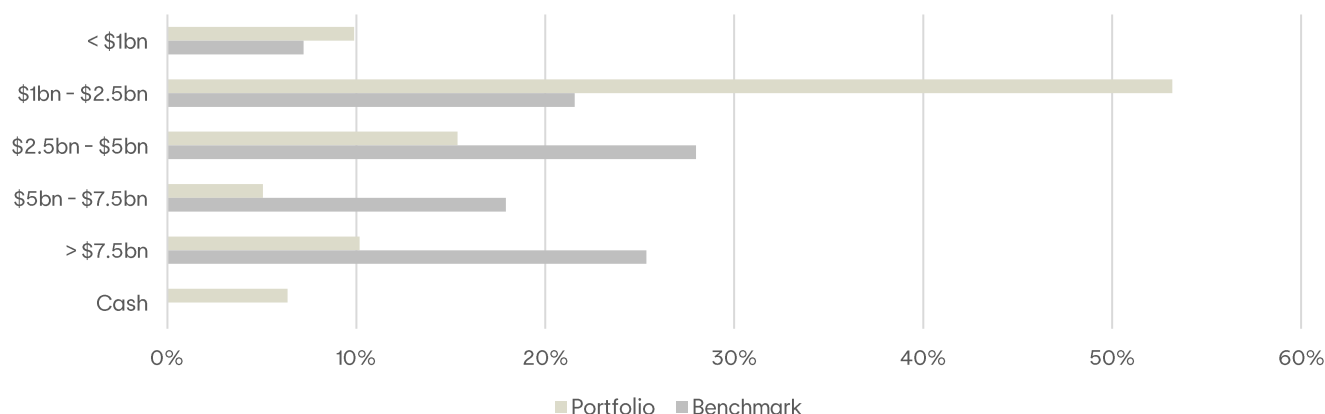
**In alphabetical order.
Source: Ellerston Capital.*

Sector Allocation



Source: Ellerston Capital.

Market Capitalisation Exposure



Source: Ellerston Capital.

COMMENTARY

The Ellerston Mid Cap Opportunities Fund delivered -6.46% (net) in March relative to its Benchmark, which returned -3.56%. It was a tough month for financial markets, with the February volatility continuing well into March on increasing uncertainty around US tariffs and the implications for global growth and inflation. Locally, CPI continues to moderate, increasing the likelihood of rate cuts throughout the year, while Anthony Albanese announced the federal election will be held on 3 May. The Treasurer also delivered the 2025-26 Federal budget with key initiatives being tax cuts, energy bill rebates, increased funding for Medicare bulk-billing services, and investments in affordable housing. It was also a busy period for corporate activity with Tyro lobbying a bid for SmartPay, Domain receiving an improved bid, while Insignia received two separate offers.

The volatility has picked up into April as Trump revealed his 'Liberation Day' tariffs, which included a 10% minimum on nearly all imports and higher rates on specific countries. This sent shockwaves through global equity markets, given concerns about potential trade wars and economic slowdowns. In volatile markets, we strictly adhere to our long and time-tested process. We like companies that are in control of their own destiny and have multiple levers to grow topline revenue and/or reduce costs to support EPS growth. We are very conscious of a company's ability to be self-funding (in tougher times) and have the appropriate balance sheet for the environment. When volatility presents itself, like it is now, we look to increase the quality of the book, given the dislocation of share prices verse fundamentals. We have navigated heightened market volatility before, and each time, it has created valuable opportunities to buy stocks that are back in our "target range" in respect to attractive valuations and high forecasted risk-reward ratios.

Turning to the portfolio, MA Financial (MAF AU) had a tough month, finishing down around 16% despite coming off a strong FY24 result print which exceeded market expectations. We think the stock has wrongfully been dragged down with higher beta listed fund managers, although the bulk of its FUM is allocated to unlisted investments, including private credit, real estate and alternatives. Additionally, private credit has attracted unwanted attention in the last couple of months, despite MAF continuing to deliver stellar flows and investment performance in the category. Notwithstanding, we think it's a solid business with multiple growth angles, a line of sight to its medium-term targets, and a well-aligned management team. However, with continued noise around private credit, we have lightened our exposure to this name.

Regis Healthcare (REG AU) defended well, finishing up slightly in what was a tough month for equity markets. The recent result was largely driven by strong occupancy, which currently sits at 96%, well above where the market thought was possible just a couple of short years ago. This was an even better achievement considering nursing care minutes are on track to achieve their 222-minute target, outperforming the market. RAD inflows were strong and are further underpinned by the ramp-up of Camberwell, along with increases in the maximum allowable RAD room price (going from \$550k to \$750k). This gradual RAD repricing and RAD retention will be a key earnings driver for the next few years. We think the company will continue expanding via brownfield, greenfield and M&A, supported by its pristine balance sheet, attractive funding environment, and favourable supply/demand dynamics.

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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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