

Ellerston 2050 Fund

Monthly Report as at 30 April 2025

APIR Code: ECL5651AU



Portfolio of companies which are directly or indirectly, demonstrating a pathway to aiding the abatement of carbon within Australia and the global economy.



Targets unlisted (pre-IPO and expansion capital) and listed (micro and small-cap) companies which have sound business franchises and attractive earnings profiles.



Aims to outperform the Benchmark over a rolling three-year period.

Performance Summary

Performance	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	Since Inception (p.a.) ^{^^}
Net [^]	1.66%	-3.01%	2.85%	11.77%	15.51%	7.66%
Benchmark [*]	1.89%	-7.25%	-3.51%	3.17%	6.73%	4.07%
Alpha	-0.23%	4.24%	6.36%	8.60%	8.78%	3.59%

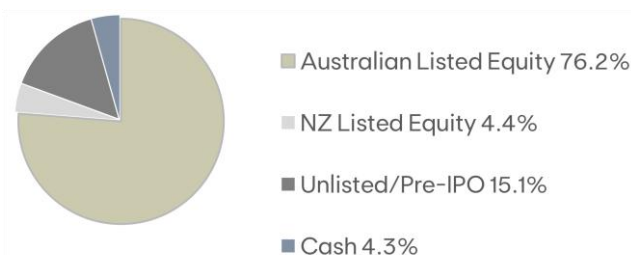
[^] The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.

^{*} S&P/ASX Small Industrials Accumulation Index. ^{^^} Inception date is 30 May 2022.

Key Information

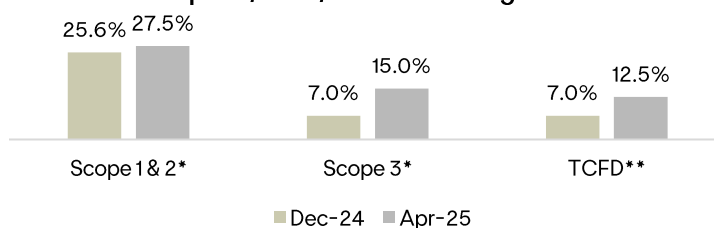
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	S&P/ASX Small Industrials Accumulation Index
Target Number of Holdings	Unlisted/Pre-IPO Investments – 10-30 & Listed Micro & Small Cap Investments – 25-40
Total Number of Holdings at Month End	40
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.50% p.a.
Performance Fee ¹	20.00%
Buy/Sell Spread	0.38% / 0.38%

Portfolio Breakdown

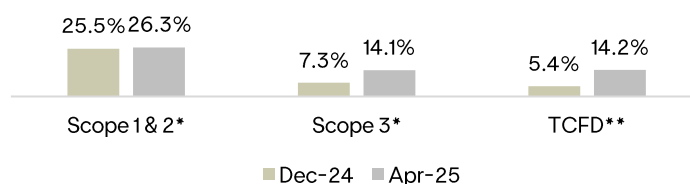


Source: Ellerston Capital

Number of Underlying Holdings Reporting on Scopes 1,2 & 3, and according to TCFD¹



Value of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD²



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

¹ Number of underlying holdings reporting on each measure, as a percentage of total portfolio holdings.

² Value of underlying holdings reporting on each measure, as a percentage of total portfolio value

^{*} Source: Company Data

^{**} Source: Task Force on Climate-Related Financial Disclosure

COMMENTARY

The Ellerston 2050 Fund delivered 1.66% (net) in April relative to the S&P/ASX Small Industrials Accumulation Index which returned 1.89%. To put it mildly, the volatility in April was significant, with the Index declining by approximately 8% intra-month. This marked one of the most substantial drawdowns in recent memory, driven by heightened geopolitical risk and macroeconomic uncertainty. Markets were ultra-focused on escalating tariff threats, as global trade tensions reached levels not seen in over a decade, particularly between the U.S. and China. These tensions, combined with rising recessionary fears in the US triggered a broad-based sell-off in small-cap equities and a flight to perceived safety assets such as gold.

Despite the challenging environment, this dislocation created a rare opportunity for us to selectively increase our exposure to high-quality businesses. We focused on companies that demonstrated resilience through either limited exposure to U.S. demand or those with strong pricing power and clear visibility over their revenue growth. These included companies with recurring revenue models, robust balance sheets, and defensible market positions. By staying disciplined and leveraging our research-driven process, we were able to take advantage of short-term market inefficiencies to strengthen the long-term quality of the portfolio.

A classic case in point was in the technology space where some of the more aggressive "risk off" moves were seen. This gave us the opportunity to selectively increase our holdings in high conviction existing positions at attractive discounts such as Catapult (CAT AU) and Megaport (MP1 AU). As the market returned to "risk on" in the second half of April these names closed the month as our strongest contributors.

Megaport (MP1 AU) provides telecommunications networks primarily for data centre adjacent requirements. Its differentiation is these networks are provided "as-a-service" and can be deployed and closed instantly and billed on a PAYG basis. MP1 has an enormous global market opportunity with strong structural tailwinds underpinning growth. The company's performance has been volatile over several years amidst management changes, but we believe the 1H25 result demonstrated green shoots on existing customer spend, new products and the sales strategy for new customers. MP1 is a technology enabler that allows customers to provision connections to data centres and the cloud in a more efficient way.

Fineos Corporation (FCL AU) was a strong performer within the 2050 portfolio, returning 10% for the month. FCL reported their March quarterly numbers with demonstrated strong cash receipts and positive free cash flow. With a healthy pipeline in North America, management expect a positive free cash flow result for the aggregate of FY25. In addition to this, several contracts in the pipeline were called out as potential wins in the near term. FCL maintain their commitment to establishing an infrastructure that supports carbon emission reduction. We hold FCL as a core position within the portfolio.

Find out more:

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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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