

# Ellerston Australian Micro Cap Fund

Monthly Report as at 30 April 2025

APIR Code: ECL0984AU | ARSN 619 727 356



Portfolio of 30-60 smaller & micro 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	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)^^
Net^	1.41%	-0.59%	15.32%	4.37%	12.90%	13.68%
Benchmark*	1.84%	-4.58%	3.73%	0.29%	7.73%	6.02%
Alpha	-0.43%	3.99%	11.59%	4.08%	5.17%	7.66%

^ 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 Ordinaries Accumulation Index. ^^Inception date is 28 April 2017.

## 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 Ordinaries Accumulation Index
Liquidity	Daily
Target Number of Holdings	30-60
Number of Holdings at Month End	54
Minimum Investment	Initial investment - \$10,000 Additional investment - \$5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.20%
Performance Fee <sup>1</sup>	20.00%
Buy/Sell Spread	0.25% / 0.25%

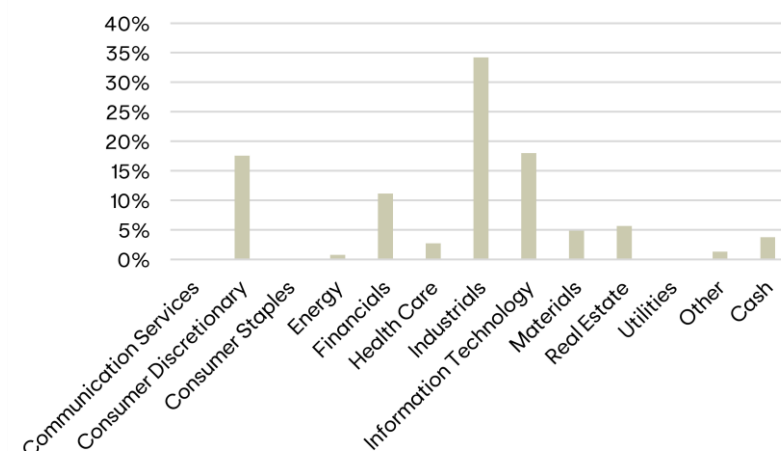
<sup>1</sup>Of the investment return above the benchmark, after recovering any underperformance in past periods.

## Top Holdings\*

Company	Sector
BETR Entertainment Limited	Consumer Discretionary
Catapult Group International Ltd.	Information Technology
Fleetwood Limited	Consumer Discretionary
GenusPlus Group Ltd.	Industrials
Servcorp Limited	Real Estate

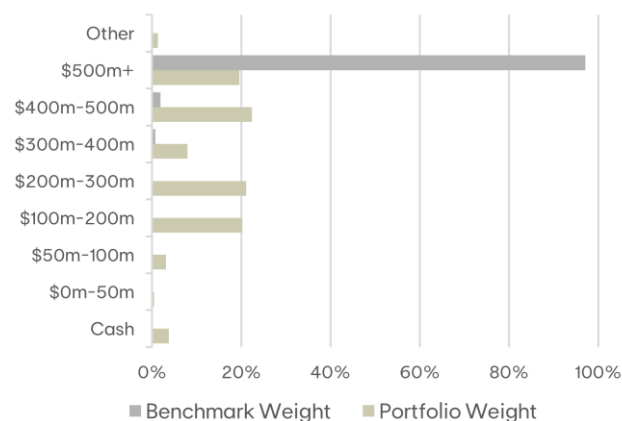
\*In alphabetical order.  
Source: Ellerston Capital.

## Sector Allocation



Source: Ellerston Capital.

## Market Capitalisation Exposure



Source: Ellerstion Capital.

## Key Portfolio Metrics

FY25e	Fund	Benchmark
Price/Earnings	14.51x	16.41x
Dividend Yield	2.75%	4.10%
Net Debt/EBITDA	-0.22x	1.20x

Source: Ellerstion Capital.

## COMMENTARY

The Ellerstion Australian Micro Cap Fund delivered 1.41% (net) in April relative to the S&P/ASX Small Ordinaries Accumulation Index which returned 1.84%. 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.

Two stocks with news flow in April were Australia Financial Group (AFG AU) and GenusPlus Group (GNP AU).

Australia Financial Group (AFG AU) rallied 14% after delivering a strong Q3 trading update. Total lodgements rose 18.5% year-on-year, with AFG Securities lodgements up 20%. These solid flows, alongside easing runoff, point to material loan book growth ahead. With the market now pricing in more rate cuts and competitors behaving rationally, net interest margins are set to improve. Broker acquisitions are also gaining momentum and should further support earnings. We see AFG as offering decent medium-term earnings growth at an undemanding valuation.

During April, GenusPlus Group (GNP AU) continued to execute on their acquisition strategy by acquiring 100% of MGC Group Holdings. GNP paid A\$10.25m of upfront consideration at 2.6x EBITDA, representing an immediately accretive deal that provides GNP a strategic entry into the rail sector. Completion of this acquisition represents the fourth this year, as GNP continues to add adjacent verticals to their current strong core of services, as well as build out their recurring revenue base. With their current orderbook sitting significantly above previous all-time highs at A\$1.5bn, we see GNP as a prime candidate to deliver a strong result and show momentum into FY26 onwards.

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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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