

Ellerston Fixed Income Target Return Fund (EFIT)

Targeting a return equal to the RBA 6M TD Index + 2.5% (net); with low or negligible correlation to traditional credit, high-yield and equities exposures.



Key Features

All-Weather Fixed Income

Targeting consistent income and accrual-based returns, equal to the RBA 6M TD + 2.5%, across market cycles.

Robust Credit Profile

Base Portfolio of highly liquid and high-quality Australian government bonds and investment grade corporate bonds (issued by the big 4 banks & Macquarie).

Low Correlation to Traditional Asset Classes

Structured to have minimal correlation with other risk markets, such as traditional credit funds and equities.

Highly Liquid

Capacity unconstrained with daily liquidity.

Experienced Investment Team

Previously managed ~\$22bn of FUM at Pandal Group across numerous market cycles.

During this time, the EFIT strategy was developed and implemented for a large Sovereign Wealth client.

Traditional Fixed Income, complemented with Alternative Risk Premia.

The portfolio consists of 3 sleeves:



Base Portfolio – Traditional Fixed income instruments

- 10-25 AUD denominated bonds, issued by governments and the major banks (big 4 plus Macquarie).
- Targeting only highly liquid and high-quality exposures.



Alternative Risk Premia (ARP) Portfolio

- ARP strategies provide EFIT with an additional source of uncorrelated and accrual-based returns.
- These returns complement the stable and regular income received from the Base Portfolio.



Hedging & Alpha Positioning

- Positions aimed at hedging any residual and unwanted risks from the Base and ARP Portfolios.

What are Alternative Risk Premia Strategies?

- ARP strategies target factors or trends prevalent in bond markets.
- E.g. identifying Developed Markets bonds will outperform Emerging Market bonds.
- Provide an additional source of uncorrelated returns, complementing traditional sources of bond returns (such as coupon payments).
- ARP strategies are often readily available "off-the-shelf" from large investment banks and are highly-liquid.

A liquid complement to global credit and private debt

- Through exposure to ARP strategies, EFIT offers an uncorrelated and highly-liquid complement to global credit and private debt exposures.

Why Ellerston Capital

For more information on the Ellerston Fixed Income Target Return Fund, please contact our Investor Relations Team:

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Ellerston Capital is a specialist investment manager providing a range of innovative and bespoke Australian and International public/private investment strategies since 2002.

www.ellerstoncapital.com

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Sydney NSW 2000



Fund Facts

APIR Code / ARSN	ECL4489AU / 681 431 452
Fund Inception	30 August 2024
Investment Objective	To generate a 2.5% (net) return over the Benchmark
Benchmark	RBA 6m Term Deposit Index
Suggested Timeframe	5 Years or more
Minimum Initial Investment	\$10,000
Management Fee	0.45% p.a. of the Net Asset Value of the Fund
Liquidity	Daily
Distributions	Aims to distribute quarterly
Risk Level ¹	The Fund is medium risk in nature, with a Standard Risk Measure of 4 (Medium Risk)
Fund Structure	Open ended trust – registered managed investment scheme
Targeted Portfolio Allocation (of the Portfolio risk exposure) ²	Base Portfolio: 50–100% allocation Alternative Risk Premia: 0 – 50% allocation Hedging & Alpha Positioning: 0–30% allocation
Other Portfolio Guidelines	No single issuer in the Base Portfolio will exceed 30% of the Net Asset Value (NAV) of the Fund. No single ARP strategy will account for more than 20% of the NAV of the Fund.

¹The Fund may fall outside of these allocation ranges from time to time (for example due to market movements, applications and redemptions), but the Manager will rebalance the portfolio within these allocations within a reasonable amount of time. The above thresholds incorporate the Delta Exposure obtained through Derivatives. ²The risk level is not a complete assessment of all forms of investment risks, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than the return an investor may require to meet their objectives.

Investment Team



Vimal Gor
Head of Fixed Income
& Multi-Asset

31 years of industry
experience.



Thomas Ciszewski
Portfolio Manager

29 years of industry
experience.



Ainslie Yuen
Data Scientist

19 years of industry
experience.

**Industry experience as at 28 February 2025*

There is no shortage of Intellectual Capital across Ellerston. The team is supported by Ellerston's broader investment team, each of whom have significant skill and experience in different geographies, industries and sectors.

How To Invest

Whether you're a first-time investor or an investment professional, you can access Ellerston's investment expertise in the way that best suits your individual needs:

Direct Investment

You can invest directly with Ellerston as an investor or adviser. Ellerston accepts direct investments with a minimum of \$10,000. You can [apply online](#) or use our [paper application](#).

Invest via Platform

You can invest in Ellerston via a platform, which is generally offered through a financial planner. The Fund is available on HUB24 and Netwealth.

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