

Ellerston Australian Absolute Return Fund

– Class A Units

Monthly Newsletter, May 2025

Investment Objective

The Ellerston Australian Absolute Return Fund – Class A Units (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	\$1.1604
NAV Price	\$1.1575
Redemption Price	\$1.1546
Current Total NAV	\$4,875,958
Liquidity	Daily
Gross Exposure	60.13%
Net Exposure	37.95%
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^	0.49%	1.49%	6.97%	-0.28%	4.30%	3.40%	5.30%
Benchmark*	0.33%	1.01%	4.27%	3.72%	2.27%	1.86%	1.96%
Alpha	0.16%	0.48%	2.70%	-4.00%	2.03%	1.54%	3.34%

^ Net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance.
* RBA Cash Rate.

COMMENTARY

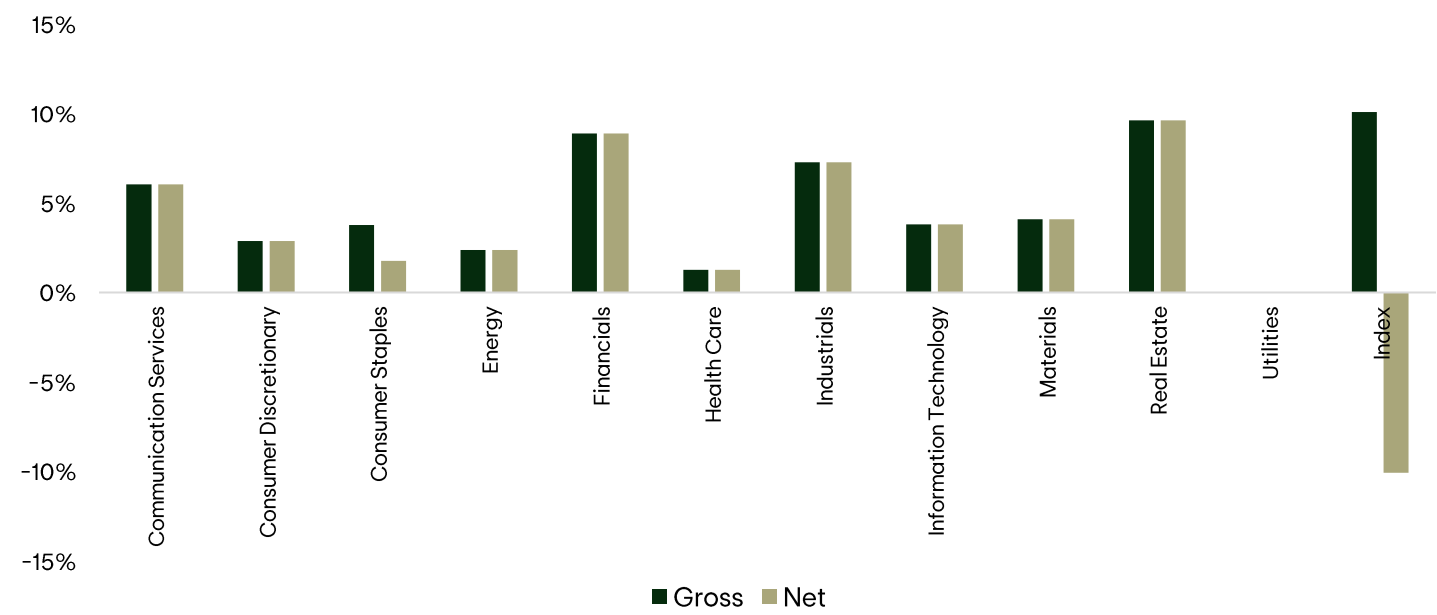
The Ellerston Australian Absolute Return Fund rose 0.49% (net) for the month in a positive month for the market, with the ASX200 up 4.20%. The market continued to recover the ground lost earlier in the year as tariff expectations were wound back by President Trump, and the equities market showed little concern with the sell-off in the US bond market during the month. The Fund significantly lagged the market returns as we continued to remain relatively defensively positioned post April.

Positive contributors for the month were delivered by Generation Development Group (GDG), Australian Financial Group (AFG) and Regis Healthcare (REG). Generational Development rallied 34% for the month, fully recouping the losses of the previous month and more. We used the rally to exit the position during the month. Australian Financial Group rose 21% on an improving earnings outlook. The cuts in domestic interest rates should improve housing affordability and therefore volumes through the AFG business. Regis Healthcare rose 20% on no new news, although they did paint a positive future earnings outlook at the Macquarie Conference during the month.

Negative contributions for the month came from OFX Group (OFX), Humm Financial (HUM) and HiPages Group (HPG). OFX fell 36% for the month after reporting a significant downgrade to FY26 earnings expectations. This was against the trend of overseas peers, pointing to a deteriorating micro-outlook for the company. We exited after the FY25 result. Humm Group fell 10% for the month after reporting the departure of the existing CEO and some one-off costs for FY25 related to several parts of the business. HiPages fell 10% on no new news, but maybe it is being affected by end of year tax loss selling on low volumes. Fundamentally nothing has changed with the business over the month and its cash flow generation continues to increase.

PORTFOLIO CHARACTERISTICS

Sector Exposure



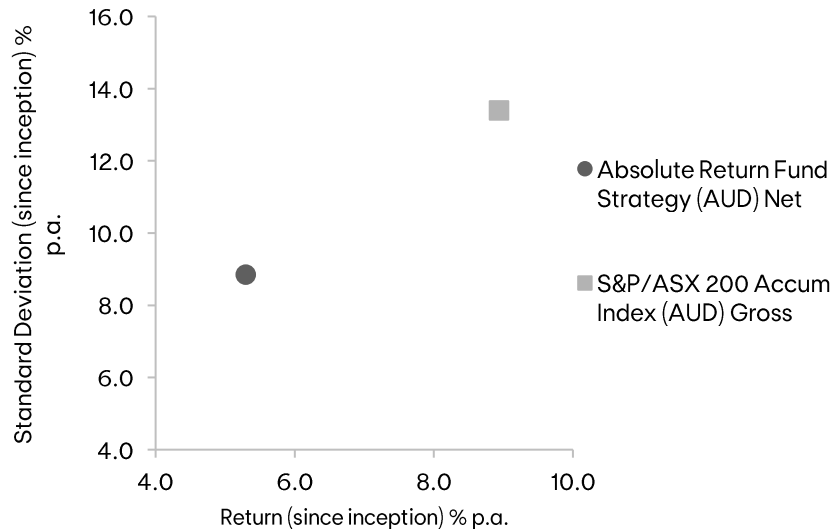
Source: Ellerston Capital.

Top 10 Holdings
(Alphabetical, Long Only)

Amplitude Energy Limited
Atlas Arteria
Aussie Broadband Ltd.
Bellevue Gold Limited
BETR Entertainment Limited
Charter Hall Retail REIT
hipages Group Holdings Ltd.
Humm Group Limited
Ricegrowers Ltd. Class B
Transurban Group Ltd.

Source: Ellerston Capital.

Strategy Performance & Volatility



Source: Ellerston Capital.

- **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.

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** 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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