

Ellerston Mid Cap Opportunities Fund

Monthly Report as at 31 May 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	3 Months	Since Inception^^
Net^	9.47%	5.13%	4.25%
Benchmark*	5.86%	4.75%	0.86%
Alpha	3.61%	0.38%	3.39%

^ 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
Minimum Investment	Initial - \$10,000 Additional - \$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%

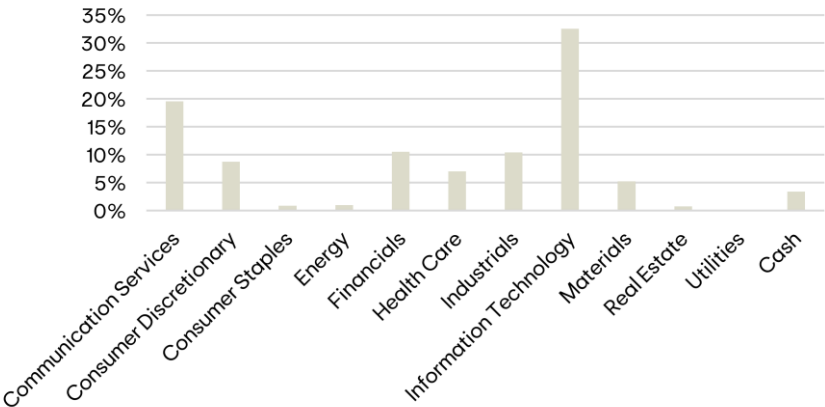
¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

Company	Sector
Catapult Group International	Information Technology
Life360	Information Technology
Megaport	Information Technology
Seek	Communication Services
Superloop	Communication Services

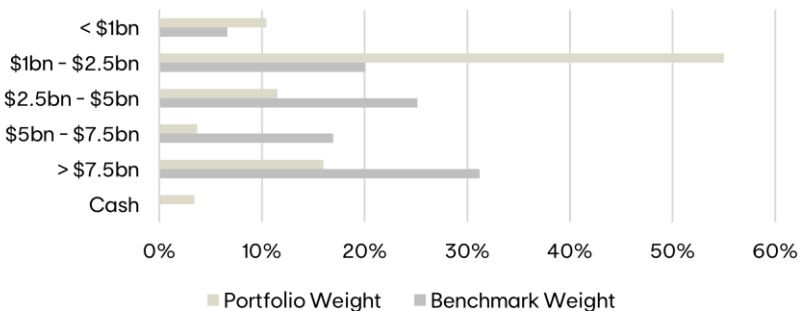
*In alphabetical order.
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Capitalisation Exposure



Source: Ellerston Capital.

COMMENTARY

The Ellerston Mid Cap Opportunities Fund delivered 9.47% (net) in May, relative to its Benchmark which returned 5.86%. After a volatile April, the Fund rebounded solidly during May, shaking off "Liberation Day" as tariff deadlines were extended. Closer to home, we saw a Labor victory in the Federal Election and certainty around policies buoy equity markets coupled with a 25bps rate cut by the RBA. Around the grounds, we saw uranium stocks take off, pushing the Benchmark's Energy sector up 10% for the month. On the industrial side of the Benchmark, Information Technology rallied 21%, with Catapult (CAT AU) rallying 43% on the back of it reporting its FY25 result. We have discussed CAT numerous times in the past and it remains one of our High Conviction picks. We continue to see the announcement of new product initiatives to flow through as well as stronger operating leverage, which bodes well for FY26 and beyond.

Turning to the portfolio, two stocks which had some news flow in May were Life360 (360 AU) and Regis Healthcare (REG AU) which both reported results.

Life360 reported its 1Q25 results which were ahead of market expectations across the board with better subscriber growth, higher revenue, stronger gross margin and lower operating expenses. 360 continues to execute strongly across its core US subscription business, moving both conversion and price higher in 1Q25 whilst also adding multiple further layers to growth with continued development of its international subscription business, advertising business and the upcoming release of its wearable pet tracker. We remain positive on 360 given we see its 84 million user base as significantly under monetised. For reference 360 is the 13th largest app by daily active users in the US Apple App Store but in 2024 generated US\$372m of revenue whereas no other top 20 app generated less than US\$3 billion in revenue.

Regis Healthcare (REG) gave a 3Q trading update and a conference presentation. The business is continuing to perform as expected and management were able to clearly articulate its view of the strong industry dynamics in Aged Care. Namely, the Australian sector has built on average 1500 beds for the last 4 years, which compares to the government's forecasts that 10,000 beds are required to be built annually for the next 20 years. We expect this to support strong occupancy, and the government will need to improve profitability and returns in the tightly regulated sector to incentivise new builds. This means REG's existing portfolio profitability should improve, and also that REG will have opportunities to further increase growth by deploying its strong net cash balance sheet into acquisitions and greenfield developments.

Find out more:

Contact Us

Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 9021 7701
info@ellerstoncapital.com

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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