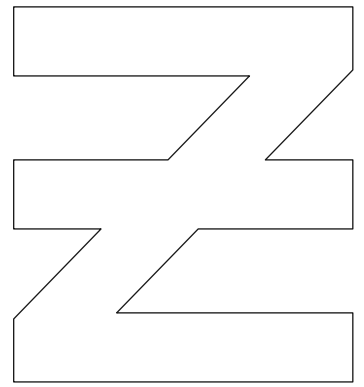


# Ellerston Global Equity Managers Fund (GEMS) Class C



## Monthly Newsletter, May 2025

### Investment Objective

To generate superior returns for unitholders with a focus on risk and capital preservation.

### Investment Strategy

The Fund provides investors with exposure to global markets through a long short equity strategy. The strategy overlays fundamental bottom-up stock selection with global macroeconomic and market outlook.

### Key Information

Inception Date ^^	1 December 2009
Portfolio Manager	Ashok Jacob
Application Price	\$1.7108
NAV Price	\$1.7065
Redemption Price	\$1.7022
Current Total NAV	\$92,811,274
Gross Exposure	150%
Net Exposure	112%
Unit Pricing	Monthly
Management Fee	1.50% (p.a.)
Performance Fee	16.50%
Buy/Sell Spread	0.25% on application 0.25% on redemption

### PERFORMANCE SUMMARY^

Performance*	FY25TD	FY24	FY23	FY22	FY21	5 Years (p.a.)	10 Years (p.a.)	Since Inception^^ (p.a.)
GEMS C	5.1%	11.1%	-7.0%	-13.5%	58.6%	8.5%	8.7%	9.9%
MSCI WI**	9.6%	21.3%	18.2%	-11.1%	36.9%	14.4%	10.1%	10.9%
ASX200***	12.2%	12.1%	14.8%	-6.5%	27.8%	12.1%	8.1%	8.3%

Performance*	1 Month	3 Months	1 Year
GEMS C	3.5%	3.3%	2.9%
MSCI WI**	5.9%	0.2%	12.1%
ASX200***	4.2%	4.3%	13.4%

Source: Ellerston Capital.

\* The net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance.

\*\*MSCI World Index – Net Return Unhedged in Local Currency

\*\*\* S&P/ASX 200 – Total Return

### PORTFOLIO COMMENTARY

The Fund rose 3.5% for the month as major markets around the world posted positive returns as the threat of high tariffs was walked back by the US administration and their attention turned more towards a new tax bill and the US bond market. The Fund's return was mainly driven by positive returns by positions in Europe and the US, whilst detractor came from index hedges and Australian positions.

After a significant rebound from the April lows, the markets remain interestingly poised. Valuations are on the higher side in many developed markets with earnings expectations facing a higher level of uncertainty due to on again, off again tariffs and the state of the bond markets in the US and Japan being causes for concern. The decisions by policy makers in both countries will be watched closely to see how they handle the situation. A crack in the US bond market would have implications for all asset classes and it seems likely that another round of money printing is likely to keep the 10-year bond yield below 5%. The weakness in the \$US reflects this likelihood which has been to the benefit of gold, crypto and many stock markets outside the US.

In Australia, the major positive contributors to performance were Generation Development Group (Financial), Regis Healthcare (Aged Care Operator) and Carnaby Resources (Copper). Generation Development rebounded from the fall the previous month and we exited the position during the month. Regis Healthcare is a new position in the Fund. The aged care sector has seen a significant number of regulatory changes which should result in more sustainable earnings growth than has been experienced in the past. Carnaby shared some good exploration hits at their new acquisition and the Harmony Gold bid for Mac Copper highlighted the appeal of the sector to cashed up gold miners. Performance detractor came from Dubber (Software), Humm Group (Financial) and HiPages (Software). Dubber lost a major contract with VirginMedia UK during the month, which will push back the profitability profile of the business. Humm reported that some one-off costs will limit profit

growth in the second half and the rate of growth in the second half slowed as investment decisions were deferred until after the Federal election. HiPages fell on no new news. The stock remains unloved despite an improvement in all metrics, in particular the steady increase in cash flow generation which will see the companies cash balance continue to increase.

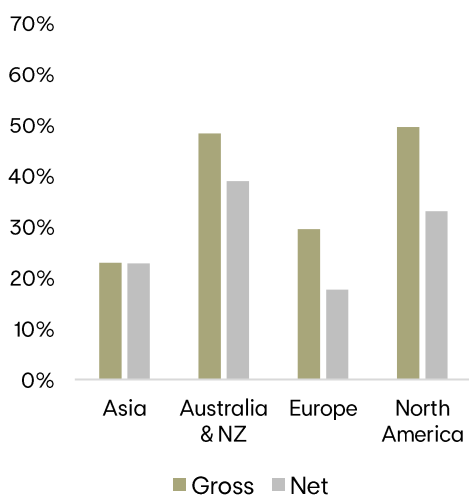
In North America, Microsoft (Software), Mosaic (Agriculture) and Amazon (Retail and Data Centres) were the main positive contributors. Microsoft announced results ahead of market expectations and implied they could have grown faster if not for capacity constraints in data centres. This led to a whole re-rating of the data centre space which had previously been de-rated after the launch of Deepseek. Amazon results were in line with expectations but re-rated on the comments by Microsoft about capacity. Mosaic rose after reporting results ahead of market expectations. The beat was driven by cost cutting, however the outlook for the crop nutrients sector has improved after several years in a downward trend. Performance detractor came from Corpay (Payments), KBR (Engineering and Services) and Coinbase (Cryptocurrency Platform). Corpay fell despite reporting earnings in line with market expectations. The company also announced an investment by Mastercard, which signalled a higher "look through" valuation for the cross-border payments business than reflected in market valuations. KBR reported earnings ahead of expectations and several new contract wins, however there was also the potential for a revenue reduction in the NASA side of the business due to budget cuts. Coinbase is a new position for the Fund which is leveraged to demand for cryptocurrency. The likely continued depreciation of the \$US and the potential introduction of some capital controls in the US, should lead the greater demand for the asset class.

Within Asia, positive performance came from Titagargh Rail Systems (Indian Rolling Stock), Sumitomo Mitsui (Japanese Financial) and Resona Holdings (Japanese Financial). Titagargh rallied along with the Indian market in May after seeing a significant drawdown for the share price over the previous 10 months. The Japanese financial stocks rallied as the bond market yield curve steepened, and expectations grew of another interest rate increase by the Bank of Japan. Performance detractor came from Alibaba Group (E-commerce), Hanwha Aerospace (Korean Defence) and Hyundai Rotem (Korean Defence). Hanwha is a new position that fell in the last few days of the month. We did have an investment in Rotem but switched into Hanwha as it has several growth drivers, whereas Rotem is predominantly focussed on tanks. Alibaba fell after reporting quarterly earnings that fell short of market expectations.

In Europe, positive performance came from Siemens Energy (German Energy Solutions), Rheinmetall (German Defence Manufacturer) and Leonardo Spa (Italian Defence Manufacturer). Siemens continues to re-rate after reporting a quarterly result that saw a significant increase in order book and free cash flow generation both ahead of market expectations. It continues to trade at a discount to closest peer GE Vervona (US Based). Both companies are benefitting from the need to add to electrical grid infrastructure and the demand for gas turbines to help to provide grid stability as coal fired generation is gradually wound down. European defence stocks were some of the better performers in May as more European countries talked about increasing their level of defence spending as a percentage of GDP. The upcoming NATO summit this month should see further commitments to higher levels of defence spending. Performance detractor came from Hensoldt (German Defence Manufacturer) and Euronext (European Stock Exchanges). Although Hensoldt rose during the month, it was a detractor as we exited earlier in the month and used the money to increase our holding in several other European defence names. We have a larger position in Leonardo which will benefit from its 23% shareholding in the company. Euronext fell marginally for the month after reporting a quarterly result where equity revenue was below market expectations on lower levels of equity volatility. That should have reversed in April, where volatility was significantly higher. We like the business as a steady play on asset allocation out of US markets back into Europe and other markets.

## PORTFOLIO CHARACTERISTICS

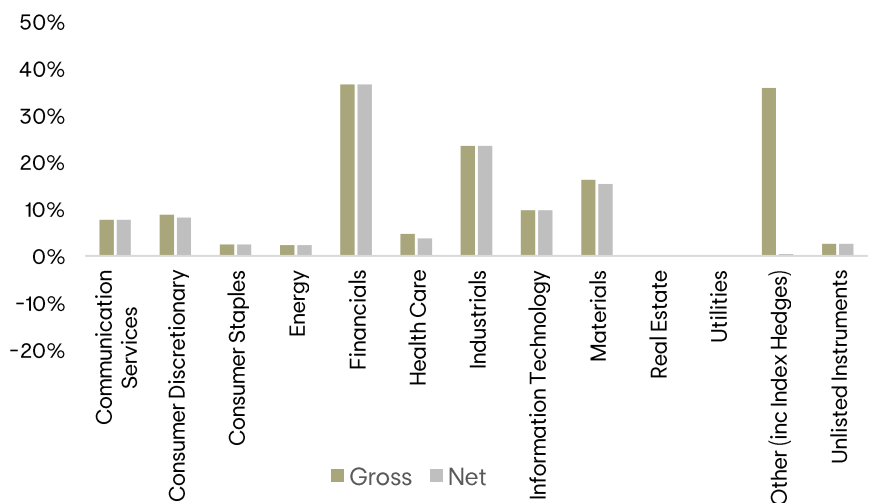
Region Exposure



Source: Ellerston Capital.

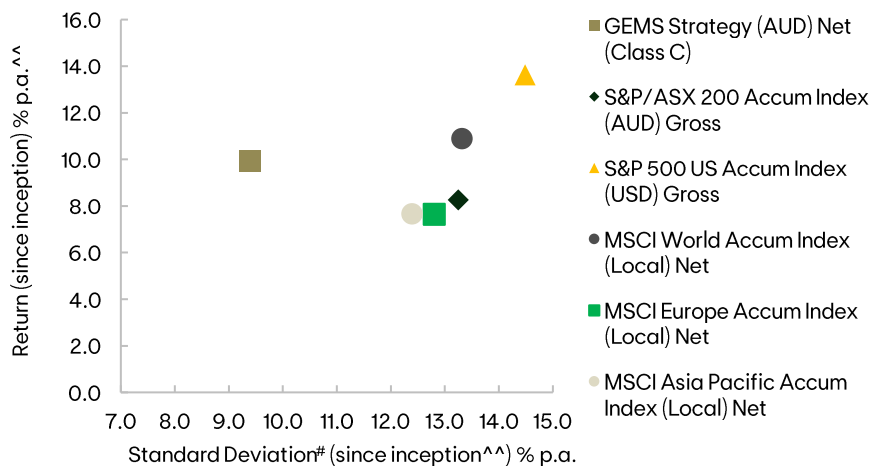
### GEMS Strategy Performance & Volatility

Sector Exposure



Source: Ellerston Capital.

### Top 10 Holdings (Alphabetical, Long Only, Listed)



Source: Ellerston Capital.  
Past performance is not a reliable indication of future performance.  
^^Inception Date 1 December 2009.

- AMAZON.COM INC
- AMPLITUDE ENERGY LTD
- CME Group Inc.
- GREATLAND RESOURCES LTD
- LEONARDO SPA
- META PLATFORMS INC
- MICROSOFT CORP
- MOSAIC CO-THE
- RHEINMETALL AG
- SIEMENS ENERGY AG

Source: Ellerston Capital.

## Regulatory Guide (RG240) Fund Disclosure Benchmark – Periodic Reporting (monthly)

- **Net Asset Value of the Fund and Redemption Price of Units**

Please refer to 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 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.**

There have been no changes to the primary investment personnel responsible for managing the Fund.

### Contact Us

Sydney  
Level 11, 179 Elizabeth Street,  
Sydney, NSW 2000  
+612 90217701  
[info@ellerstoncapital.com](mailto:info@ellerstoncapital.com)

### 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 holdings enquiries should be directed to our registry, Automic Group on 1300 101 595 or **[ellerstonfunds@automicgroup.com.au](mailto:ellerstonfunds@automicgroup.com.au)**.

^ Actual performance for your account may vary from that set out in this newsletter and will vary for investments made in different classes, or at different times throughout the year. Some performance data is estimated and preliminary and subject to change.

# The standard deviation is often used by investors to measure the risk of an asset. The standard deviation is a measure of volatility: the more an asset's returns vary from the average return, the more volatile the asset. A higher standard deviation means a greater potential for deviation of return from the average return of the asset. The returns and risk of the Fund and the relevant Indices are net of taxes, fees and expenses and assuming distributions are reinvested. The performance figures presented are for the Ellerston Global Equity Managers Fund GEMS C Units. The one month return figure may be an estimate and not the final return. This estimate also impacts other performance information provided. Estimated performance figures are preliminary and subject to change. Returns for other classes may differ slightly. Past performance is not indicative of future performance.

This report has been prepared by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, as the responsible entity of the Ellerston Global Equity Managers Fund ARSN118 887 095 without taking account the objectives, financial situation or needs of individuals. Before making an investment decision about the Fund persons should read the Fund's Product Disclosure Statement and Target Market Determination (TMD) which can be obtained from the Manager's website [www.ellerstoncapital.com](http://www.ellerstoncapital.com) or by contacting [info@ellerstoncapital.com](mailto:info@ellerstoncapital.com) and obtain advice from an appropriate financial adviser. Units in the Fund are issued by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000. This information is current as at the date on the first page.

This material has been prepared based on information believed to be accurate at the time of publication. Assumptions and estimates may have been made which may prove not to be accurate. Ellerston Capital undertakes no responsibility to correct any such inaccuracy. Subsequent changes in circumstances may occur at any time and may impact the accuracy of the information. To the full extent permitted by law, none of Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, or any member of the Ellerston Capital Limited Group of companies makes any warranty as to the accuracy or completeness of the information in this newsletter and disclaims all liability that may arise due to any information contained in this newsletter being inaccurate, unreliable or incomplete. Past performance is not a reliable indicator of future performance.