

Ellerston Australian Emerging Leaders Fund – Class A Units

Monthly Report as at 30 June 2025

APIR Code: ECL6748AU | ARSN 647 979 333



Portfolio of 30–60 smaller 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.)	Since Inception (p.a.) ^{^^}
Net [^]	1.2%	11.7%	20.8%	17.5%	4.9%
Benchmark [*]	0.8%	8.6%	12.3%	10.0%	0.8%
Alpha	0.4%	3.1%	8.5%	7.5%	4.1%

[^] 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 13 August 2021.

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
Minimum Investment	Initial investment – \$10,000 Additional investment – \$5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.10% (p.a.)
Performance Fee ¹	20.00%
Buy/Sell Spread	0.25% / 0.25%

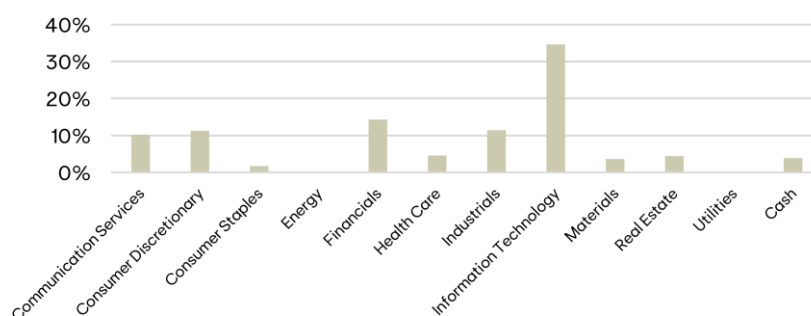
¹ Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

Company	Sector
Australian Finance Group	Financials
Catapult Group International	Information Technology
Life360	Information Technology
Goria	Information Technology
Superloop	Communication Services

*In alphabetical order.
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Key Portfolio Metrics

FY25e	Fund	Benchmark
Price/Earnings	16.20x	16.41x
Dividend Yield	2.07%	4.10%
Net Debt/EBITDA	-0.42x	1.20x

Source: Ellerston Capital.

Commentary

The Ellerston Australian Emerging Leaders Fund – Class A Units delivered +1.2% (net) in June relative to the S&P/ASX Small Ordinaries Accumulation Index which returned +0.8%. For the quarter the fund achieved +11.7%, ahead of the benchmark's +8.6%. The quarter was highly volatile, with equity markets selling off in April due to geopolitical tensions and renewed tariff threats from the Trump campaign, before staging a sharp rebound from late April through to June. The recovery was supported by improving geopolitical sentiment, as President Trump signalled a willingness to negotiate with key trading partners, leading to a de-escalation in tariff threats and easing concerns around global trade tensions. This was further underpinned by growing signs that inflation was easing, with the RBA delivering a 25bp rate cut in May with several more expected before the year end, reflecting increased confidence that inflationary pressures were being brought under control. During 'confession season' we observed some softness in discretionary retail, with Accent Group, Cettire, and Adairs all issuing earnings downgrades amid weaker consumer spending and margin pressure. However, this was more than offset by strength across housing-related and interest rate-sensitive sectors.

For the financial year, the Fund delivered a strong gross return of +23.5%, outperforming the benchmark which delivered +12.3%. We are extremely pleased with this outcome and would like to sincerely thank you for your continued support and trust throughout what has been a rollercoaster year for markets. Your confidence enables us to remain focused on identifying high-quality opportunities, regardless of macroeconomic backdrop.

Key Contributor

Cedar Woods (CWP AU) rose 37% during the quarter, following a strong third-quarter trading update that included an upgrade to FY25 NPAT guidance, now expected to grow 15% versus the prior year. The company reported presales exceeding \$700m,

providing strong revenue visibility into FY26, with major projects across VIC, WA, SA, and QLD contributing to the pipeline. A favourable housing supply-demand dynamic and easing interest rate outlook also supported sentiment. CWP continues to benefit from price growth across key geographies and has executed on a more assertive land acquisition strategy, including a recent \$50m site purchase in Fairfield, VIC. The stock remains a core holding, with a robust balance sheet, visible earnings growth, and structural tailwinds in the residential development market.

Key Detractor

Imdex (IMD AU) was a key detractor through the quarter, giving up around 8%. IMD provides technology and consumables to resource drilling companies and is the leader in market share and technology in its niches. The market has been excited by the rapidly rising gold price and the potential for this to translate into increased gold exploration drilling, which accounts for approximately 50% of IMD's revenue. Whilst early signs have been positive for increased drilling with gold junior equity raisings increasing materially there is a time lag to the money going "into the ground". IMD published a 3Q revenue number in early May which was 3% below market expectations and also tempered expectations on a rapid cyclical upswing in 4Q. We continue to hold IMD and believe it will take market share through the cycle and that the cyclical upswing in drilling volumes is coming.

Outlook

Looking ahead, we are actively preparing for the upcoming August reporting season, stress-testing our assumptions and refining forecasts for each of our portfolio positions. We've recently engaged with many of our holdings through company meetings and updates, broker conferences and continue to screen for new investment opportunities that meet our stringent 3:1 risk-reward profile, with a focus on asymmetric return potential with downside protection.

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All holding enquiries should be directed to our registry, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

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