

Ellerston 2050 Fund

Monthly Report as at 30 June 2025

APIR Code: ECL5651AU



Portfolio of companies which are directly or indirectly, demonstrating a pathway to aiding the abatement of carbon within Australia and the global economy.



Targets unlisted (pre-IPO and expansion capital) and listed (micro and small-cap) companies which have sound business franchises and attractive earnings profiles.



Aims to outperform the Benchmark over a rolling three-year period.

Performance Summary

Performance	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	Since Inception (p.a.) ^{^^}
Net [^]	5.7%	10.3%	7.4%	19.1%	18.2%	10.0%
Benchmark*	2.3%	8.4%	1.9%	9.2%	10.8%	5.9%
Alpha	3.4%	1.9%	5.5%	9.9%	7.4%	4.1%

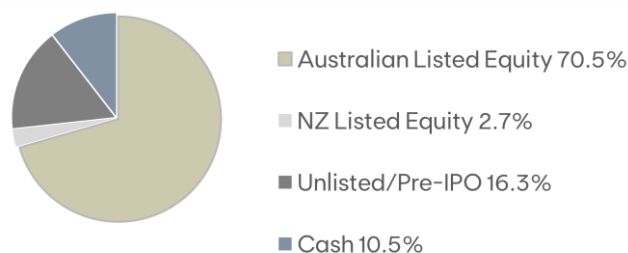
[^] The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.

* S&P/ASX Small Industrials Accumulation Index. ^{^^} Inception date is 30 May 2022.

Key Information

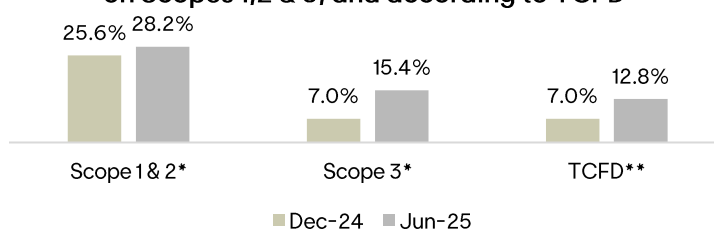
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	S&P/ASX Small Industrials Accumulation Index
Target Number of Holdings	Unlisted/Pre-IPO Investments – 10-30 & Listed Micro & Small Cap Investments – 25-40
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.50% p.a.
Performance Fee ¹	20.00%
Buy/Sell Spread	0.38% / 0.38%

Portfolio Breakdown

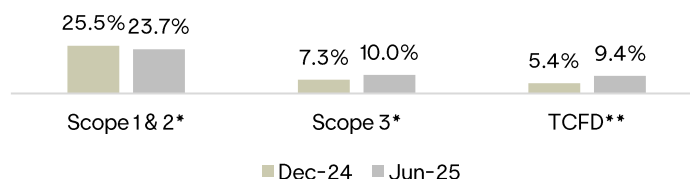


Source: Ellerston Capital

Number of Underlying Holdings Reporting on Scopes 1,2 & 3, and according to TCFD¹



Value of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD²



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

²Number of underlying holdings reporting on each measure, as a percentage of total portfolio holdings.

² Value of underlying holdings reporting on each measure, as a percentage of total portfolio value

*Source: Company Data

**Source: Task Force on Climate-Related Financial Disclosure

COMMENTARY

The Ellerston 2050 Fund delivered 5.7% (net) in June relative to the S&P/ASX Small Industrials Accumulation Index (Benchmark) which returned 2.3%. For the quarter the Fund achieved 10.3%, ahead of the Benchmark's +8.4%. 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 return of +19.1%, outperforming the Benchmark which delivered 9.2%. 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

Superloop (SLC AU) was a standout performer putting on over 43% during the quarter. While the company upgraded its FY25 guidance late in the period, the stock performed strongly, which we think reflects strong trading

across the core consumer brand, along with the Origin energy partnership. The company has also increased its pricing, which should flow through to margins in the new financial year. We also think the share price performance reflects the market's growing appreciation of the Smart Communities opportunities, which is still in its infancy but builds a high quality recurring revenue stream over the medium term. The stock remains a high conviction position.

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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