

Ellerston Australian Micro Cap Fund

Monthly Report as at 30 June 2025

APIR Code: ECL0984AU | ARSN 619 727 356



Portfolio of 30-60 smaller & micro 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	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)^^
Net^	0.77%	10.67%	21.00%	16.15%	11.63%	14.60%
Benchmark*	0.85%	8.62%	12.26%	10.00%	7.37%	6.74%
Alpha	-0.08%	2.05%	8.74%	6.15%	4.26%	7.86%

^ 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 28 April 2017.

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	1.20%
Performance Fee ¹	20.00%
Buy/Sell Spread	0.25% / 0.25%

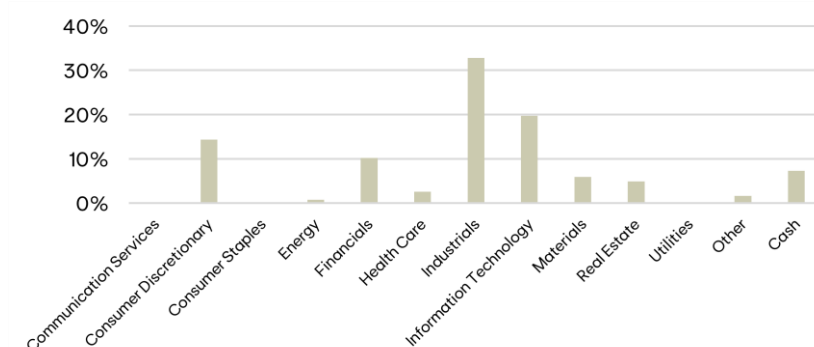
¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

Company	Sector
Australian Finance Group	Financials
EROAD	Information Technology
Fleetwood	Consumer Discretionary
GenusPlus Group	Industrials
Servcorp	Real Estate

*In alphabetical order.
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Key Portfolio Metrics

FY26(e)	Fund	Benchmark
Price/Earnings	14.70x	16.50x
Dividend Yield	2.74%	3.20%
Net Debt/EBITDA	-0.44x	1.30x

Source: Ellerston Capital.

PORTFOLIO COMMENTARY

The Ellerston Australian Micro Cap Fund delivered +0.77% (net) in June slightly trailing the S&P/ASX Small Ordinaries Accumulation Index at +0.85%, but delivered a strong +10.67% for the June quarter, outperforming the Benchmark's +8.62%. 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's 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 +24.70%, outperforming the benchmark's 12.26%. 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 QUARTERLY CONTRIBUTOR

Shape (SHA AU) was a standout performer during the quarter, delivering a return of 37% following a well-received trading update. The company upgraded its FY25 guidance, forecasting revenue of \$950–960m, EBITDA of \$32–33m and NPAT of \$20.5–21.5m. This guidance represents strong

double-digit growth across all key metrics, each of which were well ahead of market expectations. Performance was supported by disciplined project selection, expansion in its modular division, and increasing exposure to non-office sectors such as health, defense, and education. SHA also reported a forward pipeline of ~\$4.0bn and a backlog of \$460m, providing clear earnings visibility and reinforcing confidence in its medium-term outlook. The stock remains a core position in the portfolio, supported by strong execution and a robust growth outlook.

KEY QUARTERLY DETRACTOR

Duratec (DUR AU) fell 15% during the quarter following a downgrade to its FY25 guidance, with revenue and EBITDA expectations reduced by approximately 7% and 5% respectively at the midpoint. The revision was primarily driven by project award delays, particularly in the Defence and Mining segments, as well as unseasonal weather disruptions across key operating regions. While the short-term impact weighed on sentiment, activity levels improved meaningfully in May and June, and several core divisions, including Energy, Defence, and Building & Facade, continue to operate at or near-record run-rates. The company's order book remains healthy, and management reaffirmed their confidence in a strong second half. The stock remains a core position in the portfolio, underpinned by long-term structural tailwinds in Defence spending, Marine Infrastructure Investment, and Asset Remediation.

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.

Find out more:

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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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