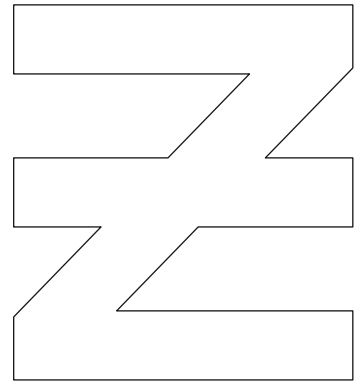


# Ellerston Global Equity Managers Fund (GEMS) Class C



## Monthly Newsletter, July 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	\$1.7907
NAV Price	\$1.7862
Redemption Price	\$1.7817
Current Total NAV	\$89,956,686
Gross Exposure	182%
Net Exposure	129%
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*	FY25	FY24	FY23	FY22	FY21	5 Years (p.a.)	10 Years (p.a.)	Since Inception^^ (p.a.)
GEMS C	8.9%	11.1%	-7.0%	-13.5%	58.6%	7.9%	8.9%	10.1%
MSCI WI**	13.7%	21.3%	18.2%	-11.1%	36.9%	14.4%	10.8%	11.2%
ASX200***	13.8%	12.1%	14.8%	-6.5%	27.8%	12.3%	8.6%	8.4%

Performance*	1 Month	3 Months	1 Year
GEMS C	1.0%	8.3%	9.3%
MSCI WI**	2.0%	12.2%	14.6%
ASX200***	2.4%	8.2%	11.8%

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 1.0% for the month of July as markets around the world continued to post positive returns. The market is remarkably quiet, in terms of lack of volatility at the index level although moves at the stock level continue to be large, barely flinching from news on tariffs, attacks on the US Federal Reserve, slowing growth momentum in Europe, lack of signs of a pick-up in Chinese growth and restraint in interest rate cuts in Australia. The positive thesis continues to be built around a US and China trade deal being relatively benign, the Federal Reserve will commence a rate cutting cycle, the US Treasury will be able to control the bond market and a weaker \$US. All of these may happen which means we could see a continuation of the current bull market into its fourth financial year. Counters to these include historically high PE's and CAPE ratios, slowing global economies, growing indebtedness of the US and a reversal of the globalisation trend through increases in free trade barriers. Based on these assessments we remain reasonably fully invested but are adding more protection for larger negative moves, if the positive thesis is broken, rather than shorter volatility.

In Australia, the major positive contributors to performance for the month were Amplitude Energy (East coast gas), Iluka Resources (Mineral sands/Rare earths) and Lynas Rare Earths (Rare earths). Amplitude reported solid production and selling prices from the Orbost project for the quarter, which is welcome after years of underperformance from the previous management team. The big potential positive, or negative, will be the upcoming drilling campaign in the Otway Basin which commences at the end of this year to bring online new gas reserves. Iluka and Lynas both benefited from the US government announcing an offtake deal with US miner MP Materials for NdPr (a rare earth) at a fixed price of US\$110. This is the first offtake announced by a western government to try and break their reliance on China who control 90% of the rare earths market. Although not directly impacting Iluka and Lynas, there was a positive sentiment impact on their share prices. Performance detractor came from Greatland Resources (Gold), Bellevue Gold (Gold) and Hansen Technologies

(Software). Greatland issued a shock downgrade to FY26 production after only having IPO'd in Australia five weeks previously. The issue was grade, due to lack of control drilling by the previous owner. However, this is hardly a good excuse, and the market treated the announcement with a large negative move. In fact, there have been significant share price moves in the gold space in Australia over the last 3 months and we have completed exiting Greatland for some more attractively priced alternatives. Bellevue gold fell on the negative Gold sector sentiment for the month. The gold price was only down 0.4% for the month but stock moves were significantly larger. Hansen rallied 20% for the month after a profit upgrade. We thought that they were at risk of a FY26 downgrade, that may still occur and had held a short position which impacted performance negatively.

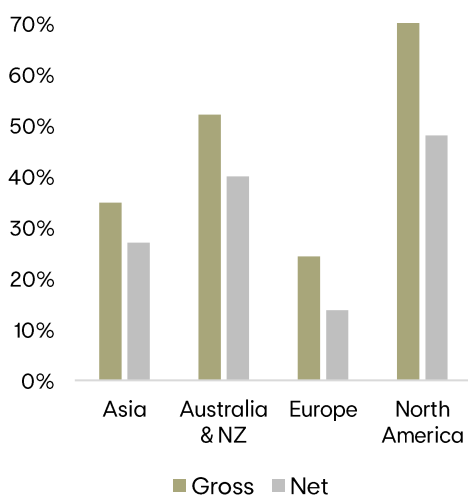
In North America, Galaxy Digital (Cryptocurrency), Microsoft (Software/Cloud services) and Amazon (Cloud services/Retail) were the main positive contributors to performance. With the passing of US legislation on crypto currencies the listed space has seen an increase in activity during the month. This sentiment benefited Galaxy as a digital exchange provider. Microsoft reported profits towards the end of the month that exceeded expectation for the second quarter in a row. Cloud demand and a lower \$US have both been positive drivers of earnings growth. Amazon rallied with most of the tech names on expectations of a positive profit result but missed expectations when they announced results after month end. Performance detractor for the month came from Core Scientific (Data centres), Netflix (Streaming services) and Aercap Holdings (Aircraft leasing). Core Scientific fell for the month as the price of its bidder, Coreweave, also fell. With an all-scrip deal, as discussed last month, Core will trade in line with sentiment for Coreweave. Netflix reported results ahead of market expectations, but the lack of a larger surprise was enough to cause the share price to correct during the month. Aercap fell for the month as defensive stocks were generally sold off in favour of cyclicals. At the end of the month the company reported earnings that generally beat expectations at the operating level, pre the profit on sale of aircraft.

Within Asia, positive performance for the month came from Capitaland India (Indian REIT), China Ruyi Holdings (Streaming services) and Hanwha Aerospace (Defence equipment). Capitaland has been rallying with improved investor sentiment on India and a rally in the Singapore 10-year yield to which it is closely correlated. The latest result saw an uptick in the distribution that will be paid for the half year. China Ruyi rallied on the back of the recent business restructuring and capital raising which has allowed them to commence making acquisitions. After the large share price re-rating we exited the stock during the month. Hanwha announced results above market expectation for the quarter driven by strong sales in land-based defence equipment. Performance detractor came from Laopu Gold (Gold jewellery retailer), DPC Dash (Dominoes China) and Adani Energy Solutions (Energy utility). Laopu fell after the quarterly results were below high market expectations. We exited the stock as we formed the view that it could fall further post the miss. DPC Dash, we re-entered during the month after exiting earlier in the year as it had previously met our price expectations. The stock has since fallen post another sell-down by parent Dominoes USA who now hold about 3% of the issued capital. We still view positively the long-term growth expectations in the Chinese mainland market. Adani Energy fell marginally for the month as the Indian market had a pull back later in the month.

In Europe, positive performance came from Banca Monte dei Paschi (Italian banking), Siemens Energy (German Energy Solutions) and Airbus (Aircraft manufacturer). Banca Monte dei Paschi rose for the month along with other European financials due to their relative defensiveness as the more cyclical parts of the market experience downgrades. Siemens rose after peer GE Vervona (US) reported an above expectations profit and outlook. Also, the German government lifted a restriction on their ability to pay dividends towards the end of the month. Airbus rose on no news and reported results in line with expectations on the last day of the month. Performance detractor for the month came from Babcock International (Naval shipbuilder), Johnson Matthey (Catalytic convertor manufacturer and recycler) and BAE Systems (Defence contractor). Babcock had a pullback after a significant run up over the previous 5 months. The company reported results in line with market expectations and launched a share buyback but is unlikely to see significant new orders in the short term. Johnson Matthey fell towards the end of the month as Platinum Group Metals (PGM's) took a breather after a significant rally in the last few months. JM benefits from an increase in prices as they keep 10% of any recycled material as their payment. The share price can therefore move around with PGM prices. BAE reported results in line with the market and raised FY guidance. The lack of a larger upgrade was taken as a negative and the shares fell slightly over the month.

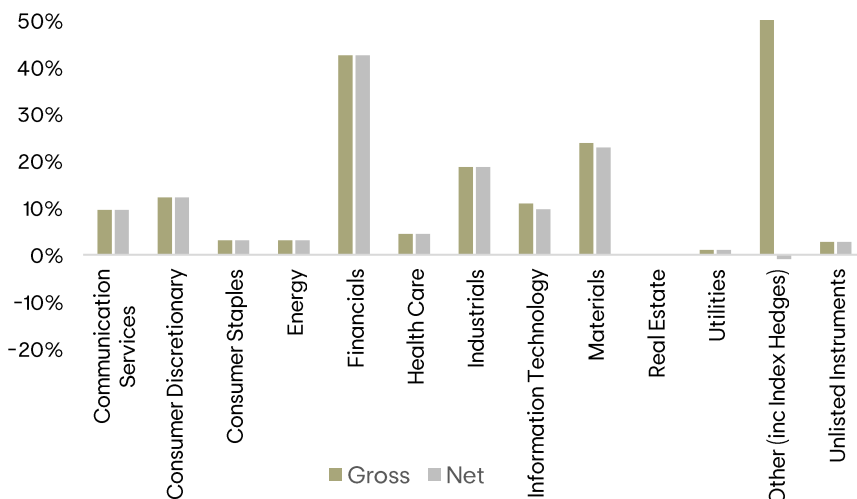
## PORTFOLIO CHARACTERISTICS

### Region Exposure



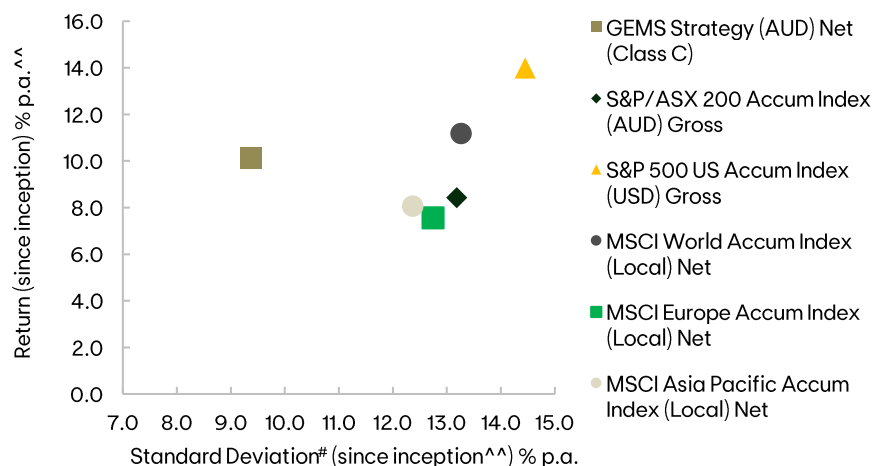
Source: Ellerston Capital.

### Sector Exposure



Source: Ellerston Capital.

## GEMS Strategy Performance & Volatility



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

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

- AMAZON.COM INC
- AMPLITUDE ENERGY LTD
- CAPITALAND INDIA TRUST
- CME Group Inc.
- GALAXY DIGITAL INC
- META PLATFORMS INC
- MICROSOFT CORP
- MOSAIC CO-THE
- REGIS HEALTHCARE LTD
- SPROTT PHYSICAL PLATINUM AND PALLADIUM TRUST

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.

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### 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.

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