

Ellerston Australian Emerging Leaders Fund – Class A Units

Monthly Report as at 31 July 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 [^]	6.2%	17.8%	24.2%	16.0%	6.4%
Benchmark [*]	2.8%	9.7%	11.5%	7.1%	1.4%
Alpha	3.4%	8.1%	12.7%	8.9%	5.0%

[^] 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.

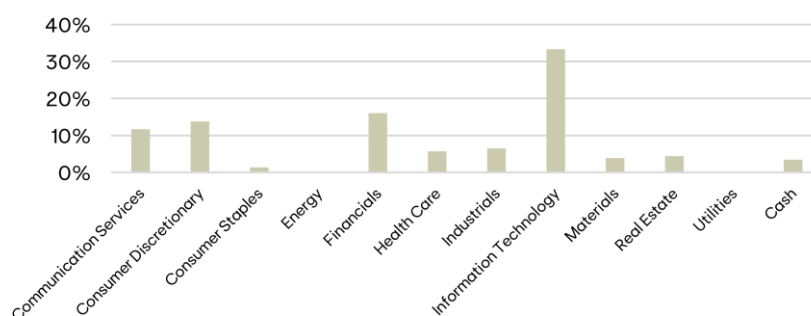
Top Holdings*

Company	Sector
Aussie Broadband	Communication Services
Catapult Group International	Information Technology
Life360	Information Technology
Goria	Information Technology
Regis Healthcare	Health Care

^{*} In alphabetical order.

Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Key Portfolio Metrics

FY25e	Fund	Benchmark
Price/Earnings	16.62x	18.45x
Dividend Yield	1.88%	3.20%
Net Debt/EBITDA	-0.18x	1.35x

Source: Ellerston Capital.

Commentary

The Ellerston Australian Emerging Leaders Fund – Class A Units delivered +6.2% (net) in July relative to the S&P/ASX Small Ordinaries Accumulation Index which returned +2.8%. A major surprise in July was the RBA's decision to maintain the cash rate at 3.85%, a cut had been fully priced in by the market. The RBA cited ongoing concerns about inflation and global uncertainties. As is usual July had plenty of company specific announcements from cleansing events to small acquisitions. On the downside we saw Flight Centre issue a profit warning; Viva Energy provided an earnings update which was below consensus expectations and Bapcor downgrade FY25 earnings. On the positive side, several defence-focused companies like DroneShield and Electro Optic Systems posted strong quarterlies, which resulted in a rally in their share prices.

Key Contributor

In July, Johns Lyng Group (JLG AU) received a takeover offer from Pacific Equity Partners (PEP) at A\$4.00 per share, representing a 57% premium to the last traded price prior to the confirmation of the indicative proposal. JLG has been a key holding in our portfolio since its IPO, with multiple strategic re-entries throughout its journey. Our most recent re-entry followed the extreme share price weakness after the February result, where we believed the market had overreacted to short-term challenges – specifically, unsustainably low weather events in Australia and continued underperformance of JLG's U.S. business relative to expectations. At those levels, the stock was trading near our bear case valuation, and we saw this as an attractive entry point, with the business trading at a meaningful discount to its long-term valuation and unlisted transactions. With the company now set to delist from the ASX following the execution of a Scheme Implementation Deed in July, we exited our

position on the back of the stock trading near the bid price.

Key Detractor

Gentrack (GTK AU) was a key detractor declining 15%. GTK is a provider of billing software to utilities. At present there is a global shift for utilities to re-platform their technology stacks including their billing software and we think GTK's software capability and partnership with Salesforce positions it well to win new customers. The market seems to be growing tired of waiting for new customer wins which have yet to materialise with long sales cycles dragging on. Additionally in July there were two pieces of negative newsflow, firstly GTK announced that it is likely to lose a customer representing 2-3% of revenue to a competitor, and secondly GTK's maiden go live of its new G2 cloud stack at Genesis Energy (which is key to referenceability of the product for future sales) was delayed as Genesis decided to retire its subsidiary "Frank" brand. We continue to believe in the structural opportunity for GTK but are waiting for contract wins to build conviction.

Outlook

As we move into the August reporting season, we are thoroughly reassessing our positions, with a focus on higher-quality companies that have pricing power, solid balance sheets, and the ability to grow outside of the broader economic trends. We are leveraging current market conditions to increase our exposure to mispriced stocks or to introduce new names that previously didn't meet our valuation criteria. We continue to stress-test each of our assumptions and are committed to enhancing the quality of our portfolio, actively seeking opportunities that offer a 3:1 risk-reward profile. We look forward to seeing the clarity reporting season brings, as it will allow us to identify emerging trends and better position the portfolio for FY26.

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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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