

Ellerston Global Mid Small Cap Fund

Monthly Report as at 31 August 2025

APIR Code: ECL8388AU, ECL3306AU | ARSN 609 725 868



Concentrated portfolio of global mid small cap securities, built through a contrarian, high conviction, and benchmark independent approach.



Targets companies which the Portfolio Manager feels are in a period of "price discovery" and which offer an attractive risk/reward dynamic.



Aims to outperform the benchmark with a focus on risk management and capital growth.

Performance Summary - Class A

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.) ^{^^}
Net [^]	2.6%	9.5%	16.6%	12.6%	9.9%	11.2%
Benchmark*	1.1%	5.8%	18.3%	15.3%	12.9%	11.1%
Alpha	1.5%	3.7%	-1.7%	-2.7%	-3.0%	0.1%

Performance Summary - Class B

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.) ^{^^}
Net [^]	2.6%	9.5%	16.6%	12.5%	10.3%	9.8%
Benchmark*	1.1%	5.8%	18.3%	15.3%	12.9%	12.3%
Alpha	1.5%	3.7%	-1.7%	-2.8%	-2.6%	-2.5%

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

* MSCI World Mid Cap Index NR (AUD).

^{^^} Class A inception is 28 February 2017. Class B inception is 18 August 2020.

Key Information

Portfolio Manager(s)	Nick Markiewicz
Investment Objective	To outperform the benchmark by 3% over a 5-year rolling period.
Benchmark	MSCI World Mid Cap Index NR (AUD)
Liquidity	Daily
Target Number of Holdings	20-40
Minimum Investment	Initial - \$25,000 Additional - \$10,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	0.75% p.a.
Performance Fee ¹	10.00%
Buy/Sell Spread	0.25% / 0.25%
Class A Unit Prices & Fund Size	Application - 1.6701 Net Asset Value - 1.6665 Redemption - 1.6623 Fund Size - \$27,663,979
Class B Unit Prices & Fund Size	Net Asset Value - 1.4087 Redemption - 1.4052 Fund Size - \$36,800,605

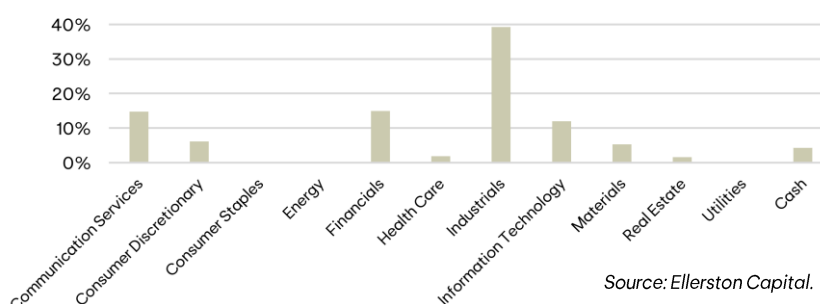
¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

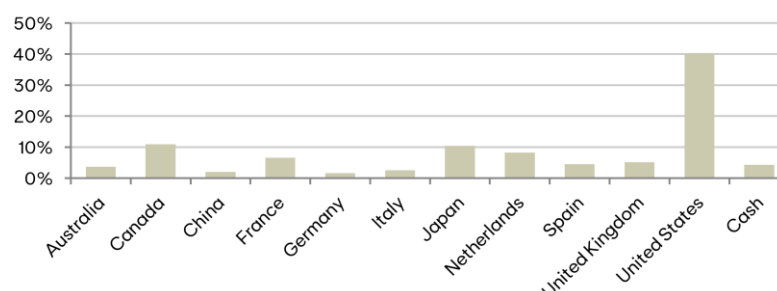
Company	Sector
AerCap Holdings NV	Industrials
Cellnex Telecom S.A.	Communication Services
Corpay, Inc.	Financials
GFL Environmental Inc	Industrials
TKO Group Holdings	Communication Services

Source: Ellerston Capital. *In alphabetical order.

Sector Allocation



Regional Exposure



PORTFOLIO COMMENTARY

The Ellerston Global Mid Small Cap Fund increased 2.6% in August relative to the MSCI World Mid Cap index increasing 1.1%.

August marked another month of uniformly positive returns, with both the S&P500 and Nasdaq setting new all-time highs. Unlike previous months, however, the rally was concentrated in smaller companies, with the Russell MicroCap Index up over 9% vs the Nasdaq 100 up less than 1%, and the S&P500 equal weight index outperforming the S&P500 itself. The broadening of performance into smaller and less profitable companies was led by expectations of larger and quicker interest rate cuts in the US. This followed weak US payrolls, pressure on the US Federal Reserve by US President Trump to cut rates, and a dovish tone (read capitulation) by Jerome Powell in his Jackson Hole speech.

The other feature of August was a strong yet volatile 2Q25 earnings season. Per FactSet, over 80% of S&P500 companies beat EPS and Revenue estimates – the highest since 2021. EPS growth was also strong, growing double digits for the third straight quarter. Despite these strong numbers, stock price reactions were mixed – earnings misses were excessively punished (falling more than double the historic average) and beats were not rewarded (increasing less than half the historic average). We believe this is likely due to already lofty expectations embedded in prices (S&P500 PE >24x), as well as concerns around the impact of Artificial Intelligence on certain business models (i.e Software), particularly for those companies' missing earnings.

KEY CONTRIBUTORS/DETRACTORS THROUGH THE MONTH:

Nebius an emerging AI neo-cloud business, contributed 61bps, after delivering a strong, strategy affirming 2Q

result. The company increased its 2025 annual recurring revenue (ARR) guide, swung to EBITDA profitability and announced plans to secure more than 1GW of power by the end of 2026 (multiples of its previous ambitions) – all of these were well ahead of expectations. In addition to blue-chip enterprise customers, we believe Nebius has a reasonable chance of signing a hyperscaler tenant, which would accelerate its profile and growth.

Aercap, the world's largest aviation leasing company, contributed 60bps of performance. The company reported a solid 2Q and raised its FY25 annual EPS guidance again, which now sits ~17% above when it was first issued at the 4Q24 result. We believe book value per share is likely to keep compounding at attractive rates, supported by continued end-of-lease asset sales above book value, continued opportunistic buybacks, and a rise in the average yield of the book as new 'next-generation' aircraft are received.

Galaxy Digital, detracted 72bps from performance, giving back some of the strong performance from the prior month. Galaxy Digital is a diversified financial services firm focused on digital asset trading, with a significant data centre development as well. We believe the company remains well poised to capture increased interest in digital assets as well as growing demand for high performance data centres. We are particularly excited by the opportunities in the latter, with 800MW of contracted power with Coreweave, and significant growth potential. The Helios site now has 3.5GW of potential power capacity, which if granted, would make it one of the top five largest data centres in the world. Furthermore, we believe at <USD\$9b market cap and significant digital assets on balance sheet, little value is being placed on the growth potential.

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.

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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