

Ellerston Australian Emerging Leaders Fund – Class A Units

Monthly Report as at 31 October 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 [^]	2.7%	12.1%	30.6%	22.5%	8.9%
Benchmark [*]	1.9%	14.3%	22.8%	13.9%	4.6%
Alpha	0.8%	-2.2%	7.8%	8.6%	4.3%

[^] 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 16 August 2021.

Key Information

Portfolio Manager(s)	David Keelan Alexandra Clarke James Barker
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%

Top Holdings*

Company	Sector
Autosports Group	Consumer Discretionary
Catapult Sports	Information Technology
MAAS Group Holdings	Industrials
Megaport	Information Technology
Symal Group	Industrials

^{*}In alphabetical order.

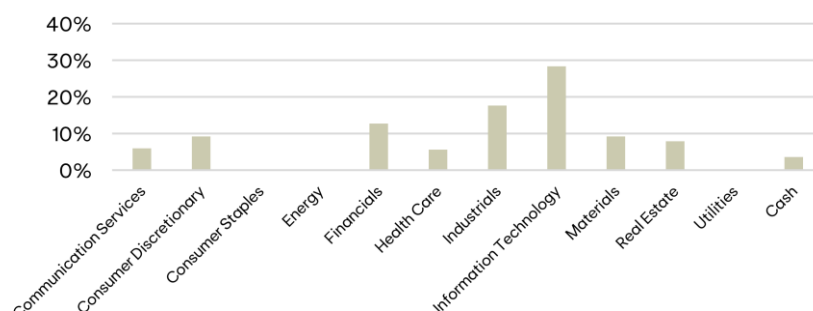
Source: Ellerston Capital.

Key Portfolio Metrics

FY26e	Fund	Benchmark
Price/Earnings	19.11x	18.50x
Dividend Yield	2.06%	2.82%
Net Debt/EBITDA	0.02x	1.41x

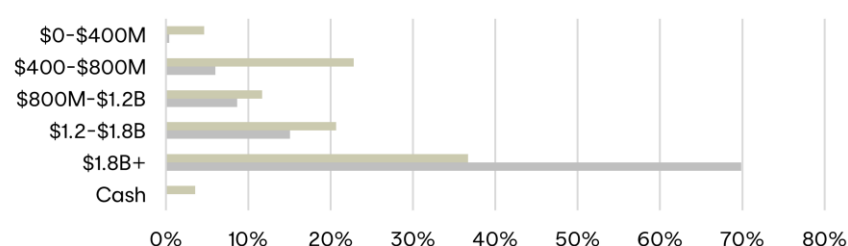
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Cap Exposure



Source: Ellerston Capital. ■ Portfolio Weight ■ Benchmark Weight

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

FUND COMMENTARY

The Ellerston Australian Emerging Leaders Fund – Class A Units delivered +2.7% in October, outperforming the S&P/ASX Small Ordinaries Accumulation Index, which gained +1.9%. October was a tale of two halves, with strong outperformance of the index in the first half of the month, before rolling over on the back of macro concerns including a stronger CPI and softening gold price (albeit off a high). Looking behind the index, the best performing sectors were Healthcare, which rallied 7.6%, followed by IT, which was up 5.7%. Commodity-driven stocks continued to rally with Materials up 2.5% and Energy up 3.6% for the month. The team has been busy getting out on the road in October as several conferences have been held, which always provide valuable insights too the broader economy and key portfolio companies. Pleasingly, as a general comment, most have provided positive updates and this was also echoed in several trading updates provided at recent AGMs.

KEY CONTRIBUTOR

Symal Group (SYL AU) was the strongest performer in October, delivering a 32.0% return for the month. The company announced the award of the Ballan Road Upgrade project following the successful completion of an Early Contractor Involvement (ECI) process. SYL has several ECI opportunities currently underway, and this \$62.6m award—structured as an incentivised target-cost, cost-reimbursable contract—reinforces the lower-risk nature of its delivery model. Later in the month, SYL presented at the Morgans conference, providing an updated corporate presentation and confirming its recently upgraded guidance range, which now includes the McFadyen acquisition announced in September. The company remains a high-conviction holding, with further ECI outcomes and its upcoming AGM expected to provide additional clarity on its growth outlook.

KEY DETRACTOR

EROAD (ERD AU) underperformed in October as the market reacted sharply to what was a relatively small downgrade to FY26 guidance. While ARR and revenue were trimmed 2–5% at the midpoint, the share price reacted disproportionately. The eRUC opportunity is material, however, we think the market had gotten ahead of itself on the timing, which contributed to the overreaction. However, on fundamentals, the downgrade was driven by a one-off churn event in the legacy Coretex US business—an area that has long been recognised as lower quality—rather than any weakness in ERD's core ANZ operations, which continue to grow strongly. We like ERD here because the strategic pivot toward Australia and New Zealand, alongside the eRUC opportunity, positions the business for structurally higher returns. The market's focus on the modest guidance reset has overshadowed the far more important developments: strengthening leadership with the new Executive Chair with expertise in scaling tech platforms, accelerating ANZ momentum, and growing visibility on a multi-year, NZ\$1.2bn eRUC rollout where ERD holds a clear first-mover advantage. With the stock now pricing in very little beyond the core NZ business, we see the recent weakness as an attractive opportunity to accumulate a high-quality earnings stream with significant medium-term optionality.

OUTLOOK

We are now halfway through AGM season, with a consistent flow of trading updates offering valuable read-throughs on company performance. Pleasingly, most updates to date have shown businesses tracking well and building positive momentum into FY26. Management commentary has generally been constructive, highlighting resilient demand, improving cost disciplines, and early signs of margin recovery/stabilisation. As we move through the remainder of AGM season, these updates will continue to refine our understanding of how companies are navigating the current environment and where the strongest opportunities for sustainable earnings growth are emerging.

Contact Us
Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 9021 7701
info@ellerstoncapital.com

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 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.

This report has been prepared by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000 (Manager), as the responsible entity of the Ellerston Australian Emerging Leaders Fund – Class A Units ARSN 647 979 333 without taking account the objectives, financial situation or needs of individuals. Before making an investment decision about the Fund, persons should read the Fund's Product Disclosure Statement and Target Market Determination (TMD) which can be obtained from the Manager's website www.ellerstoncapital.com or by contacting info@ellerstoncapital.com and obtaining advice from an appropriate financial adviser. Units in the Fund are issued by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000. This information is current as at the date on the first page.

This material has been prepared based on information believed to be accurate at the time of publication. Assumptions and estimates may have been made which may prove not to be accurate. Ellerston Capital undertakes no responsibility to correct any such inaccuracy. Subsequent changes in circumstances may occur at any time and may impact the accuracy of the information. To the full extent permitted by law, none of Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, or any member of the Ellerston Capital Limited Group of companies makes any warranty as to the accuracy or completeness of the information in this newsletter and disclaims all liability that may arise due to any information contained in this newsletter being inaccurate, unreliable or incomplete. Past performance is not a reliable indicator of future performance.
