

Ellerston 2050 Fund

Monthly Report as at 31 October 2025

APIR Code: ECL5651AU



Portfolio of companies which are directly or indirectly, demonstrating a pathway to aiding the abatement of carbon within Australia and the global economy.



Targets unlisted (pre-IPO and expansion capital) and listed (micro and small-cap) companies which have sound business franchises and attractive earnings profiles.



Aims to outperform the Benchmark over a rolling three-year period.

Performance Summary

Performance	1 Month	3 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.) ^{^^}
Net [^]	2.0%	15.7%	37.6%	35.8%	20.1%	15.8%
Benchmark [*]	1.4%	7.1%	15.8%	23.2%	12.5%	9.0%
Alpha	0.6%	8.6%	21.8%	12.6%	7.6%	6.8%

[^] 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 Industrials Accumulation Index. ^{^^} Inception date is 30 May 2022.

Key Information

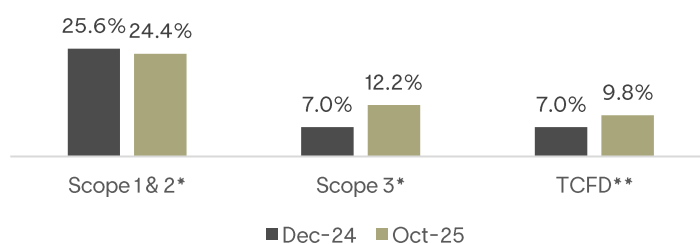
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	S&P/ASX Small Industrials Accumulation Index
Target Number of Holdings	Unlisted/Pre-IPO Investments – 10-30 & Listed Micro & Small Cap Investments – 25-40
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.50% p.a.
Performance Fee ¹	20.00%
Buy/Sell Spread	0.38% / 0.38%

Portfolio Breakdown

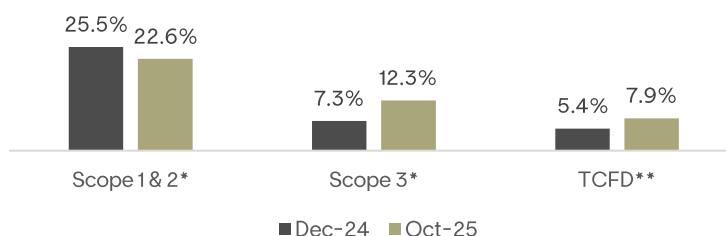


Source: Ellerston Capital.

Number of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD¹



Value of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD²



¹ Number of underlying holdings reporting on each measure, as a percentage of total portfolio holdings.

² Value of underlying holdings reporting on each measure, as a percentage of total portfolio value.

^{*} Source: Company Data.

^{**} Source: Task Force on Climate-Related Financial Disclosure.

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

COMMENTARY

The Ellerston 2050 Fund delivered +2.0% (net) in October outperforming the S&P/ASX Small Industrials Accumulation Index (Benchmark) which returned +1.4%. Once again Smalls outperformed Large and Resources continued to contribute meaningfully to the broader markets performance. The team has been busy getting out on the road in October as a number of conferences have been held which always provide valuable insights too the broader economy and key portfolio companies. Pleasingly, as a general comment, most provided positive updates and this was also echoed in a number of trading updates provided at recent AGMs.

KEY CONTRIBUTOR

Acusensus (ACE AU) was the strongest contributor to performance in October, rising 70% over the month. Contract momentum continued to build following the company's FY25 results, with one contract extension and a significant new state-wide enforcement contract in the US added to an already expanding pipeline. The Connecticut award—for state-wide Automated Work Zone Speed Control enforcement—marks ACE's first automated enforcement contract in the US and its largest US win to date, representing an important milestone as the company works to scale its presence in a substantial addressable market. In Australia, the Queensland Department of Transport and Main Roads expanded its engagement with ACE, doubling the number of trailer-based speed enforcement units, demonstrating both ACE's ability to grow within existing jurisdictions and its success in entering new ones. Collectively, these early FY26 contract wins position the company well to deliver toward the upper end of its guidance range, with further potential catalysts ahead as the market awaits updates on ACE's Road Worker Safety product.

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.

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All holding enquiries should be directed to our registry, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

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