

# Ellerston Global Equity Managers Fund (GEMS) Class C

## Monthly Newsletter, December 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.

### PERFORMANCE SUMMARY

The performance data provided in this newsletter is estimated and preliminary and subject to change. 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.

Performance*	FY26 TD	FY25	FY24	FY23	FY22	FY21	5 Years (p.a.)	10 Years (p.a.)	Since Inception ^^(p.a.)
GEMS C	6.7%	8.9%	11.1%	-7.0%	-13.5%	58.6%	5.0%	8.2%	10.2%
MSCI WI**	11.1%	13.7%	21.3%	18.2%	-11.1%	36.9%	13.0%	12.3%	11.5%
ASX200***	3.6%	13.8%	12.1%	14.8%	-6.5%	27.8%	9.9%	9.3%	8.3%

### Key Information

Inception Date ^^	1 December 2009
Portfolio Manager	Ashok Jacob
Application Price*	\$1.8919
NAV Price*	\$1.8872
Redemption Price*	\$1.8825
Current Total NAV*	\$94,488,382
Gross Exposure*	146%
Net Exposure*	98%
Unit Pricing	Monthly
Management Fee	1.50% (p.a.)
Performance Fee	16.50%
Buy/Sell Spread	0.25% on application 0.25% on redemption

\*Preliminary based on estimated data available as at 6 January 2026.

Performance*	1 Month	3 Months	1 Year
GEMS C	-0.4%	-1.4%	13.3%
MSCI WI**	0.5%	3.4%	18.4%
ASX200***	1.3%	-1.0%	10.3%

Source: Ellerston Capital.

\* The preliminary performance figures are net of taxes, fees and expenses and assuming distributions are reinvested based on estimated data available as at 6 January 2026. Figures are indicative and preliminary in nature, which may be subject to change. Past performance, indicative or actual, is not a reliable indicator of future performance, nor a promise of future returns. ^^Inception date is 1 December 2009.

\*\*MSCI World Index – Net Return Unhedged in Local Currency.

\*\*\* S&P/ASX 200 – Total Return.

### PORTFOLIO COMMENTARY

The Ellerston Global Equity Managers Fund – Class C (Fund) fell -1.4% (net) for the December quarter which was against the broader trend of global markets which saw the MSCI World index rise 2.5% in AUD terms, although markets in Australia and Hong Kong fell for the quarter. Performance in the fund was mixed across regions, with generally net positive stock performance out of Australia and Japan versus negative outcomes in North America and Hong Kong/China. As mentioned in our November newsletter, commodity related investments were generally positive contributors, led by precious metals and lithium. These gains were offset by tech related exposures in North America and growth investments in Australia, with the later being impacted by the rapid rise in 10-year bond rates in Australia, with the RBA likely to have finished with interest rate cuts for the foreseeable future.

Commencing 2026 we, remain relatively positive on selective markets for the near future and continue to run a net exposure towards the higher end of the historical range. Despite the strong market returns for the last few years, we see opportunities in cyclicals and small cap stocks in the US, selective commodity stocks and India. We typically like to run a more diversified exposure but have enacted greater tilts to these areas at the end of 2025.

In Australia, the major positive contributors to performance for the quarter were Symal Group (East coast construction), Bellevue Gold (Gold producer) and Maas Group (Construction and contracting). Symal Group rose significantly during the quarter after a positive FY25 performance which was then followed by the announcement of a significant contract win and several acquisitions. For much of the last year the company traded at or below its IPO price of just over a year ago and only in the last few months has it started to attract attention from investors. Bellevue Gold rose following upward moves in the gold price and the company demonstrating a willingness to close out its hedging from excess cash flow which is coming from improved operational performance and a higher spot \$A cash price. With production expected to improve as the mine extends deeper into higher grade zones and an increased leverage to spot prices, this should continue to see the stock re-rate. Maas Group rose after announcing a significant contract win for their electrical contracting business. The company has a reasonable growth outlook across the various business units in which it operates, which leads us to believe that the business could continue to re-rate upwards. Performance detraction came from Superloop (Telecom), Eroad (Road usage hardware/software) and Zip Co (Short term lending). Superloop fell after AGM guidance resulted in small downgrades to FY26 numbers and we exited the position during the quarter. The business has seen a significant re-rate over the years on a well-executed management turnaround and expectations in the short term from the market had probably been too high. Eroad continued to trade down following the downgrade to earnings numbers issued in October. The de-rate has been significant and has most likely been overdone. However, we will reassess further post the next result. Zip Co fell along with several higher growth names on concerns about the impact of rising Australian 10-year bond rates on valuations. Furthermore, a regulatory review of the space was launched in the US. We exited the position during the quarter.

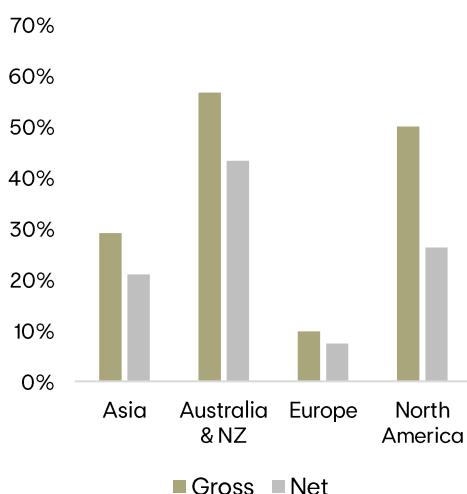
In North America, SPDR Gold Shares ETF (Physical Gold), Alcoa (Aluminium producer) and Sigma Lithium (Lithium spodumene producer) were the main positive contributors. Upward moves during the month in gold, aluminium, copper and lithium benefitted the above three holdings during the quarter. The upward move in the gold price is well known and the Fund benefitted from holdings in physical gold (through the SPDR Gold Shares ETF) and individual gold miners. Of note in the lithium space, was the ability of Sigma Lithium to receive prepayments for future spodumene exports which points to the current tightness in the lithium market and saw the price rise significantly over the quarter after a significant period of low prices, driven by excess inventory in the supply chain. Despite mixed historical performance from investing in Sigma Lithium, we re-established a position given its significant leverage if lithium prices remain where they are for the next 6-12 months. We also benefited from positions in lithium stocks in Australia during the quarter. Performance detraction for the month came from Riot Platforms (Data centre operator and bitcoin miner), Galaxy Digital (Crypto exchange and data centre operator) and Core Scientific (Data centre operator). Concerns about an "AI bubble" and the fall in Bitcoin for the quarter resulted in a general "risk off" in the higher growth AI related and bitcoin names. There was no specific news from any company, and our position sizes were not particularly large, however the size of the rapid downward moves impacted performance negatively. There does not appear to be any reduction in demand for compute power for AI with 5-to-6-year contracts continuing to be signed by the likes of Meta, Microsoft, OpenAI and Amazon which should continue to benefit the orderbook of each of the businesses that we own in the supply chain.

Within Asia, positive performance for the quarter came from Shriram Finance (Indian non-bank financial), Beijing Oriental Yuhong (Chinese building materials) and Sumitomo Mitsui (Japanese financial). Shriram Finance rallied after reporting a Q2 performance that beat market expectations on lower credit costs. The share price was further boosted by news that MUFG of Japan had completed negotiations to take a 20% stake in the company at market prices. Beijing Oriental Yuhong rallied on no specific news flow however, the company remains highly leveraged to any positive news in the construction and housing sector which has been in an extended downturn for a few years. Sumitomo Mitsui rallied after reporting first half results that beat market expectations and announced a buy-back of shares. Japanese banks have benefited from the increase in interest rates by the Bank of Japan allowing for NIM expansion. The BoJ is expected to raise rates again in 2026 which should help the Japanese financial sector. Performance detraction came from GDS Holdings (Chinese data centres), China Ruyi Holdings (Chinese entertainment producer) and Schneider Electric India (Power equipment manufacturer). GDS Holdings fell with a general pull back in the AI space providers which was reflected in all markets globally. However, valuations in Chinese names are not at the level of US names and the outlook for data centre demand remains robust. China Ruyi Holdings fell on no new news, but there was widespread selling across small caps in HK towards the end of the year as many investors look to lock in profits for the year. Schneider Electric fell for the quarter after Q2 revenue missed expectations on a delay in some projects. The outlook for power transmission and distribution remains positive for India on increased power demand due to economic growth and an increase in electrification.

In Europe, positive performance came from Telecom Italia Preference (Italian telecom). Telecom Italia announced a proposal to compulsorily acquire their preference shares through a combination of ordinary scrip and a cash payment. The deal was announced at a small double-digit premium to the existing price, and we took the opportunity to exit our position having generated our expected return over the last six months. Performance detraction for the month came from Rheinmetall (German defence), Leonardo (Italian defence) and Chemring (UK explosives). Defence stocks in Europe generally underperformed the market over the last quarter on concerns around delays in order books and a potential peace deal in Ukraine. We had exited our positions earlier in the quarter but are looking at potential re-entry into a few positions if the opportunity presents itself on any significant pull back on a Ukraine peace deal.

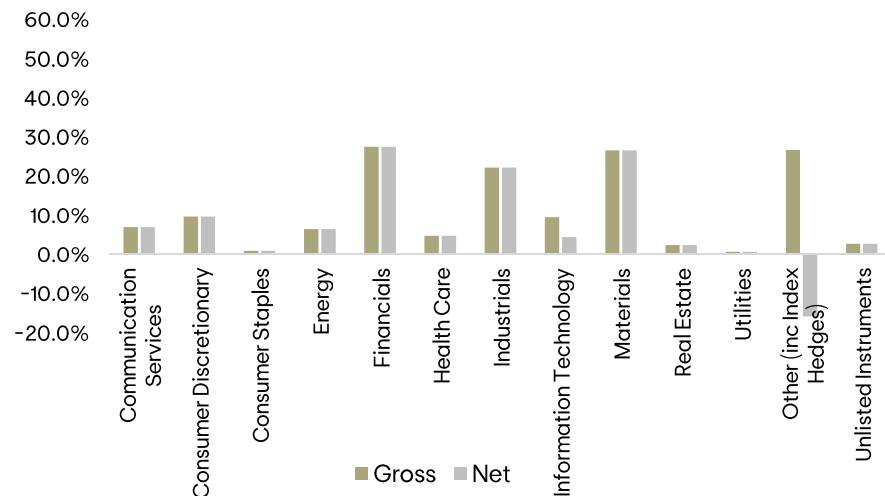
## PORTFOLIO CHARACTERISTICS

### Regional Exposure



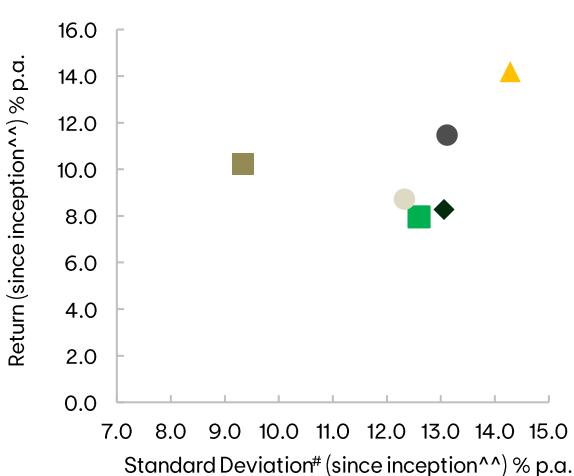
Source: Ellerston Capital.

### Sector Exposure



Source: Ellerston Capital.

### GEMS Strategy Performance & Volatility



Source: Ellerston Capital.

Past performance is not a reliable indication of future performance.

<sup>a</sup>Inception Date 1 December 2009.

<sup>a</sup>See full disclaimer at the bottom of this document.

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

- ABRDN PHYSICAL PALLADIUM SHARES ETF
- AMAZON.COM INC
- APPLE INC
- BELLEVUE GOLD LTD
- CLEANAWAY WASTE MANAGEMENT LTD
- CMEGROUP INC
- GLOBAL X COPPER MINERS ETF
- HIPAGES GROUP HOLDINGS LTD
- MAAS GROUP PTY LTD
- SUMITOMO MITSUI FINANCIAL GROUP

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 the 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 the 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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## Contact Us

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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).

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# 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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