

Ellerston Mid Cap Opportunities Fund

Monthly Report as at 31 December 2025

APIR Code: ECL6330AU | ARSN 683 124 263



Portfolio of 25-40 Mid Cap 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	6 Months	Since Inception^^
Net^	-6.6%	-9.1%	3.2%	9.1%
Benchmark*	0.1%	0.9%	13.9%	15.8%
Alpha	-6.7%	-10.0%	-10.7%	-6.7%

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

* 50% of the S&P/ASX Mid Cap 50 Total Return (TR) Index and 50% of the S&P/ASX Small Ordinaries Total Return (TR) Index. ^^ Inception date is 31 January 2025.

Key Information

Portfolio Manager(s)	David Keelan Alexandra Clarke Jack Briggs
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	50% of the S&P/ASX Mid Cap 50 TR Index & 50% of the S&P/ASX Small Ordinaries TR Index
Liquidity	Daily
Target Number of Holdings	25-40
Minimum Investment	Initial - \$10,000 Additional - \$5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.00% (p.a.)
Performance Fee ¹	20.00%
Buy/Sell Spread	0.25% / 0.25%

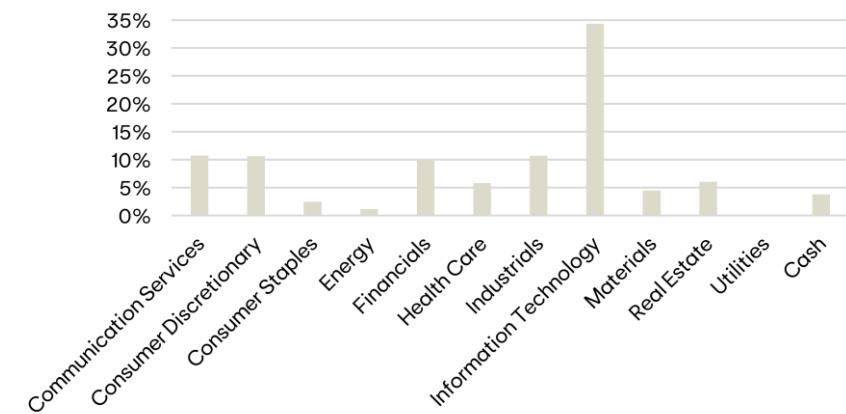
¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

Company	Sector
Bravura Solutions Limited	Information Technology
Life360, Inc	Information Technology
MAAS Group Holdings Ltd.	Industrials
Megaport Ltd.	Information Technology
Seek Limited	Communication Services

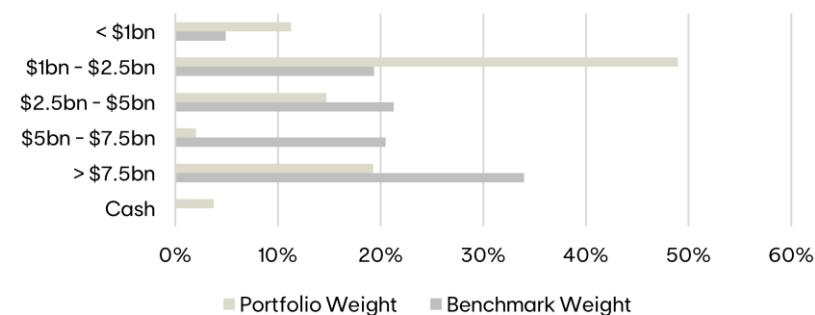
* In alphabetical order.
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Capitalisation Exposure



Source: Ellerston Capital.

PORFOLIO COMMENTARY

The Ellerston Mid Cap Opportunities Fund (the Fund) fell -6.6% (net) in December relative to its Benchmark which returned 0.1%. For the December quarter, the Fund was down -9.1% (net), while the Benchmark rose 0.9%. We never like making excuses, and there were some stock-specific outcomes over the period that did not play out as expected. As part of our normal process, these "own goals" have been carefully reviewed and lessons taken to help minimise future mistakes.

That said, the majority of the Fund's relative underperformance was driven by the continued strength of the Materials sector, which rose 17.1% for the quarter and 6.5% in December alone. Resources have materially re-rated and Materials now comprise meaningful portion of the Benchmark. We do not own resources, and our effectively nil exposure to the sector proved a headwind to performance. Our investment process prioritises businesses with lower levels of cyclical and higher predictability of earnings as over the long term we believe this drives the best result for investors. We continue to see multiple identifiable catalysts across our holdings that we believe can drive meaningful re-ratings.

Looking back at 2025 (noting the Fund was launched in late January 2025), the market was shaped by a range of macroeconomic and thematic influences, including rising trade tensions and tariffs, the ongoing effects of inflation, global interest rate movements, shifts in consumer confidence, and increasing optimism around the potential impact of artificial intelligence on productivity and economic growth. These forces contributed to heightened volatility throughout the year, which in turn created numerous opportunities for active stock pickers to acquire high-quality businesses at attractive valuations.

KEY CONTRIBUTOR

Bravura Solutions (BVS) was a strong performer for the Fund in the December quarter. In October the share price performed strongly as the company increased its cash EBITDA guidance for FY26 by 20%. This was driven by continued momentum from the turnaround program. Costs continue to reduce with increasing efficiency driven from the employee base whilst revenue growth has accelerated with refreshed client relationships seeing BVS capture a larger share of client wallets. We continue to believe the market is underestimating the ongoing benefit from these drivers. Offsetting this positive was

the announcement of a client loss. Whilst all client losses are negative, a level of churn should be expected in any client base and at present, losses do not look inappropriately large.

KEY DETRCTOR

The main detractor for the quarter was Catapult Sports (CAT AU). CAT fell this quarter on the back of a broader sell-off in technology stocks and following the release of its 1H26 results. This was despite the result being largely pre-released in mid-October, when it launched a well-supported capital raise to fund the acquisition of Impect. We continue to believe the business has meaningful runway to continue to increase numbers of teams and share of wallet with existing teams over coming years, as it expands its product range and creates a more defensible ecosystem of wearable and video solutions.

OUTLOOK

Looking into 2026, we are increasingly positive on the outlook for the portfolio and the opportunity set ahead. Our focus remains firmly on opportunities that offer asymmetric outcomes, targeting at least three-to-one risk-reward with the target to deliver ~12% per annum returns over the medium term. The work undertaken over the past year has allowed us to further concentrate the portfolio in our highest-conviction ideas, where downside risk is well understood and underpinned by balance sheet strength and cash generation, while upside is supported by multiple, clearly identifiable catalysts. We are particularly looking forward to the February reporting season, which we see as a catalyst-rich period where fundamentals should reassert themselves. With expectations reset across parts of the market, we believe reporting season will provide an opportunity for several holdings to demonstrate earnings momentum and outperform.

RESEARCH RATING



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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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