

# Ellerston 2050 Fund

Monthly Report as at 31 December 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.) <sup>^^</sup>
Net <sup>^</sup>	4.4%	1.6%	32.0%	28.4%	21.4%	14.9%
Benchmark*	-2.0%	-4.0%	8.8%	10.4%	10.8%	7.0%
Alpha	6.4%	5.6%	23.2%	18.0%	10.6%	7.9%

<sup>^</sup>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. <sup>^^</sup>Inception date is 30 May 2022.

## Key Information

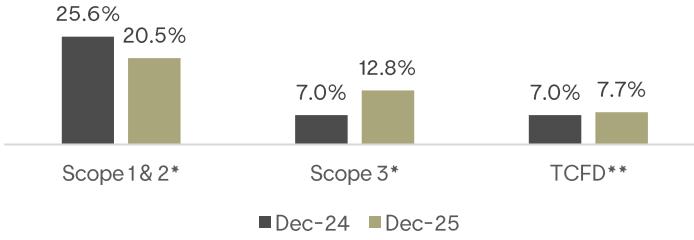
Portfolio Manager(s)	David Keelan & Alexandra Clarke
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	S&P/ASX Small Industrials Accumulation Index
Target Number of Holdings	Unlisted/Pre-IPO Investments – 10-30 & Listed Micro & Small Cap Investments – 25-40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

## Portfolio Breakdown

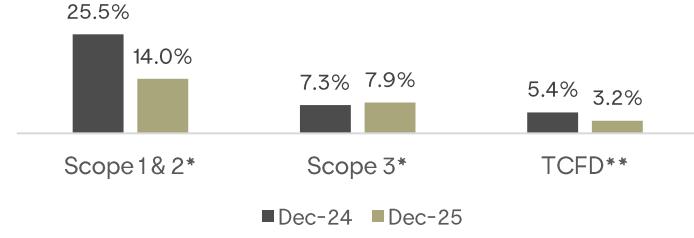


Source: Ellerston Capital.

## Number of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD<sup>1</sup>



## Value of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD<sup>2</sup>



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

<sup>2</sup>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.

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

## COMMENTARY

The Ellerston 2050 Fund (the Fund) rose +4.4% (net) in December, compared to the S&P/ASX Small Industrials Index (the Benchmark) which fell -2.0%. For the December quarter, the Fund rose +1.6% (net), versus the Benchmark which fell -4.0%. Looking back at 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. For the calendar year, the Small Ordinaries Index finished up 25%, with Small Industrials rising 8.8% and Small Resources delivering strong gains, reinforcing the increasingly divergent performance across sectors. Over the same period, we are pleased to report Ellerston 2050 Fund delivered a return of +32.0% (net) outperforming its Benchmark by 23.2%.

## KEY CONTRIBUTOR

Firmus was the standout contributor after its recent revaluation. The company raised additional equity to accelerate the rollout of NVIDIA GPUs across available capacity. They raised more than A\$500 million at a A\$5.8 billion post-money valuation - a 2.9x uplift from the valuation achieved in the prior round. Strong demand from Australian institutional investors reflects Firmus's strategic partnership with NVIDIA and Canberra Data Centres (CDC), which supports the development of large-scale, renewable-powered AI factories nationwide.

The immediate focus for Firmus is the development of the Launceston sites, the launch of the first AI factory in partnership with CDC's facilities, as well as securing long-term customer agreements.

Another key contributor for the quarter was Mayfield Group Holdings (MYG AU), which delivered a 111% return over the December quarter, continuing its strong momentum with the stock now up 204% FYTD. Early in the quarter, MYG was awarded a \$20m contract for the Brigalow Gas Peaking Plant in Queensland. Additional packages

secured during the period included switchrooms, protection and control panels for battery energy storage systems, and substation-related work, highlighting the breadth of MYG's capabilities and its exposure to structurally strong end markets. In November, the company successfully raised \$33.5m to capitalise on its expanding growth runway, supporting both organic expansion and acquisition opportunities. We continue to hold MYG as a high-conviction position within the portfolio, reflecting our confidence in the quality of the business and its medium-term growth outlook.

## KEY DETRCTOR

ERoads (ERD AU) underperformed over the December quarter as a softer backdrop for listed technology stocks continued to influence investor positioning, particularly across smaller-capitalisation names. Against this environment, the market remained cautious following the earlier FY26 guidance reset and took a more conservative view on the near-term timing of the eRUC rollout. As a result, the share price has become increasingly anchored to the existing core New Zealand business, with limited recognition of the longer-term upside from eRUC. In our view, the recent weakness reflects broader sector sentiment and timing considerations rather than any deterioration in underlying fundamentals.

## 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 of deliver ~15% 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.

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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](mailto:info@ellerstoncapital.com) or visit us at [ellerstoncapital.com](http://ellerstoncapital.com).

All holding 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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