

Ellerston Global Mid Small Cap Fund



Monthly Report as at 31 December 2025

APIR Code: ECL8388AU, ECL3306AU | ARSN 609 725 868



Concentrated portfolio of global mid small cap securities, built through a contrarian, high conviction, and benchmark independent approach.



Targets companies which the Portfolio Manager feels are in a period of "price discovery" and which offer an attractive risk/reward dynamic.



Aims to outperform the benchmark with a focus on risk management and capital growth.

Performance Summary - Class A

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.) ^{^^}
Net [^]	0.3%	-1.4%	12.9%	14.7%	8.3%	11.1%
Benchmark*	-0.9%	0.9%	8.8%	15.1%	10.5%	10.7%
Alpha	1.2%	-2.3%	4.1%	-0.4%	-2.2%	0.4%

Performance Summary - Class B

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.) ^{^^^}
Net [^]	0.3%	-1.4%	13.0%	14.7%	8.6%	9.7%
Benchmark*	-0.9%	0.9%	8.8%	15.1%	10.5%	11.6%
Alpha	1.2%	-2.3%	4.2%	-0.4%	-1.9%	-1.9%

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

* MSCI World Mid Cap Index NR (AUD).

^{^^}Class A inception is 28 February 2017. ^{^^^}Class B inception is 18 August 2020.

Key Information

Portfolio Manager(s)	Nick Markiewicz
Investment Objective	To outperform the benchmark by 3% over a 5-year rolling period.
Benchmark	MSCI World Mid Cap Index NR (AUD)
Liquidity	Daily
Target Number of Holdings	20-40
Minimum Investment	Initial - \$25,000 Additional - \$10,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	0.75% p.a.
Performance Fee ¹	10.00%
Buy/Sell Spread	0.25% / 0.25%
Class A Unit Prices & Fund Size	Application – 1.7151 Net Asset Value – 1.7108 Redemption – 1.7065 Fund Size – \$28,445,995
Class B Unit Prices & Fund Size	Net Asset Value – 1.4464 Redemption – 1.4428 Fund Size – \$33,055,904

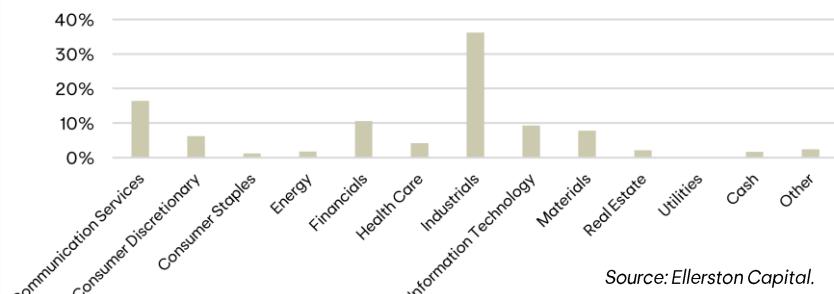
¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

Company	Sector
AerCap Holdings	Industrials
Cellnex Telecom	Communication Services
Corpay, Inc.	Financials
GFL Environmental Inc	Industrials
TKO Group	Communication Services

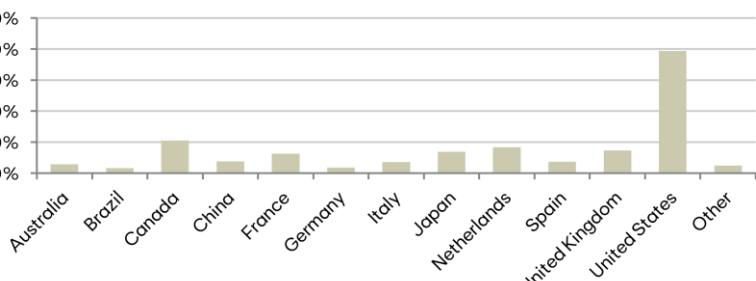
Source: Ellerston Capital. *In alphabetical order.

Sector Allocation



Source: Ellerston Capital.

Regional Exposure



Source: Ellerston Capital.

PORFOLIO COMMENTARY

The Ellerston Global Mid Small Cap Fund – Class A Units (the Fund) decreased -1.4% (net) (AUD) in the December quarter relative to the MSCI World Mid Cap index (Benchmark) increasing +0.9% (net) (AUD). Pleasingly, for calendar year 2025, the fund increased 12.9%, 4.1% above the index.

The December quarter was broadly positive for global equity markets, with the MSCI World Index increasing +3.2% (USD) and the MSCI Emerging Markets Index increasing close to +5.0% (USD). Within the US market, the December quarter marked a continuation of recent trends, with large cap stocks and technology focused companies significantly outperforming small caps and cyclicals – representing a relatively 'narrow' rally.

The high-level gains experienced across most markets and sectors belied the high volatility in certain pockets of the market. For example, the Morgan Stanley US Momentum Long Index, which represents a basket of the top performing stocks over 12 months, was down 7.0% through quarter, and recorded a near 24.0% peak to trough decline through October and November, representing one of the larger drawdowns in this index over the last 10 years. For context, the drawdown of this index was -32.0% in March/April during the announcement of tariffs at the beginning of 2025.

The most recent drawdown was triggered by a number of factors, including declining liquidity, over-crowding in many stocks, as well as some concerns re-emerging around the broader AI trade, where much of the momentum basket, and some of the fund's investments lie.

The decline in AI related stocks, particularly those levered to AI infrastructure investment, were triggered by Coreweave (an emerging AI neocloud provider) downgrading their 4Q revenue targets on small delays to data centres coming online, with these expected to come online in 1Q26 (i.e a delay of a few weeks). This saw Coreweave's credit spreads widen, which cast a pall over the broader sector, as investors questioned whether Coreweave could both meet their customer's contracted compute needs and adequately fund their ambitious growth targets. Broadly speaking, this incident highlighted the physical limitations and risks around the current AI buildout. This specifically impacted the fund's holdings in Nebius, Core Scientific and Galaxy Digital, with the latter two currently building data centres for Coreweave. Pleasingly, as of the last 2 weeks, Coreweave appears to have resolved these delays, with Coreweave's credit spreads now narrowing (though still high) and AI equities subsequently rallying, though still far below their prior peaks.

Looking ahead, we continue to see AI infrastructure as a major investment theme for 2026, with power access remaining a key constraint, which we believe is likely to benefit many of our AI holdings, which have the luxury of secured grid access.

KEY CONTRIBUTORS

Greatland Resources (GGP-AU) increased +41.0%, adding 100bps to the fund's performance. The company's feasibility study for its Havieron project was positively received and it generated significant cash flow – itself a function of the continued rally in the gold price. The stock still remains a core holding in the fund, though we have progressively trimmed the position as the gold price has rallied and the stock has approached our approximation of fair value.

Aritzia (ATZ-CA), a Canadian apparel retailer, increased +39.4% through the quarter, adding 91bps to the fund's performance. The business reported exceptional 3Q25 earnings, upgraded its sales growth and reiterated its margin targets for the remainder of the year, despite the tariff headwinds. Subsequent to quarter end, ATZ has since reported another set of outstanding results, with the stock starting the year strongly.

Nebius Group (NBIS-US), an emerging neo-cloud provider declined -25.4% through the quarter, detracting 95bps from the fund's performance. Nebius reported a strong set of 3Q25 earnings and announced a new \$3b contract with Meta, as well as a more than doubling of its targeted contracted power capacity by 2026. Despite this, the stock declined alongside the broader AI market (as described above). We still view Nebius as one of the more compelling AI opportunities and see it as particularly well placed to continue building a customer base in a power and GPU constrained market.

Galaxy Digital (GLXY-US), a diversified financial services firm focused on digital asset trading coupled with a large data centre development declined -33.8%, detracting 135bps from the Funds' performance. The stock's decline can be attributed to the AI concerns mentioned above, coupled with declines in digital asset prices (which impact the value of digital asset balance sheet holdings). Despite the disappointing recent performance, we continue to see Galaxy

Digital as a unique play on digital asset adoption in the economy, with valuation also largely underwritten by the data centre development.

Regulatory Guide (RG240) Fund Disclosure Benchmark – Periodic Reporting (monthly)

- **Net Asset Value of the Fund and Redemption Price of Units.**

Please refer to 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 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.

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 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.

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