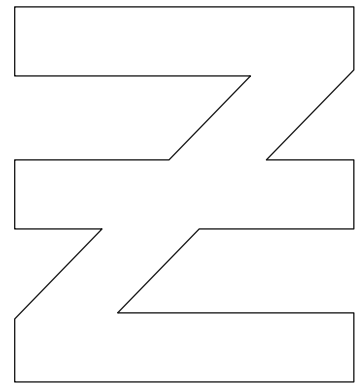


Ellerston Australian Absolute Return Fund – Class A Units



Monthly Newsletter, January 2026

Investment Objective

The Ellerston Australian Absolute Return Fund – Class A Units ('Fund') targets absolute returns with an annualised return objective of 5% above the RBA Cash Rate over rolling five-year periods.

Investment Strategy

The Fund seeks to provide investors with a return profile that has a low correlation with traditional asset classes. The Fund aims to generate positive returns in all market environments by reducing the majority of market risk and focusing on capital preservation and alpha generation.

Key Information

Inception Date	3 June 2013
Portfolio Manager	Ashok Jacob
Application Price	\$1.2834
NAV Price	\$1.2802
Redemption Price	\$1.2770
Current Total NAV	\$4,844,682
Liquidity	Daily
Gross Exposure	67.83%
Net Exposure	15.67%
Management Fee	1.20% p.a.
Performance Fee	20%
Buy/Sell Spread	0.25% on application 0.25% on redemption

PERFORMANCE SUMMARY

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	Since Inception ** (p.a.)
Net [^]	0.7%	1.1%	11.4%	8.2%	2.5%	3.8%	5.9%
Benchmark*	0.3%	0.9%	3.8%	4.1%	2.7%	2.0%	2.1%
Alpha	0.4%	0.2%	7.6%	4.1%	-0.2%	1.8%	3.8%

[^] Net return figure is calculated after fees & expenses. Past performance is not a reliable indication of future performance.

* RBA Cash Rate. ** Inception Date 3 June 2013.

COMMENTARY

The Ellerston Australian Absolute Return Fund ('Fund') rose +0.7% (net) for the month underperforming the ASX 200, which rose 1.8% and ahead of the RBA cash rate for the month. The Fund was positioned relatively conservatively for the month with reduced net exposure as we head into the February reporting season which historically has been highly volatile. Resources were the main drivers of performance with software style businesses and higher growth investments detracting from performance as the interest rate market moved to pricing in an interest rate increase by the RBA. Index protection also detracted from performance.

POSITIVE CONTRIBUTORS

Light & Wonder (LNW) rose +6% for the month, however the intra month move was higher after the company announced a settlement with Aristocrat over infringement of intellectual property rights. The settlement was lower than the markets expectations and the share price responded positively. We exited the position after the announcement.

Alcoa Corporation (AAI) rose +5% for the month on continued strength in the Copper and Aluminium prices. We exited the position earlier in the month as the company was being valued at close to peak Price to Book multiples.

Challenger Gold (CEL) rose +13% for the month on strength in the gold price. We exited towards the end of the month and reduced several of our gold positions as the price moves were reflecting a fair amount of speculation in the precious metals market.

NEGATIVE CONTRIBUTORS

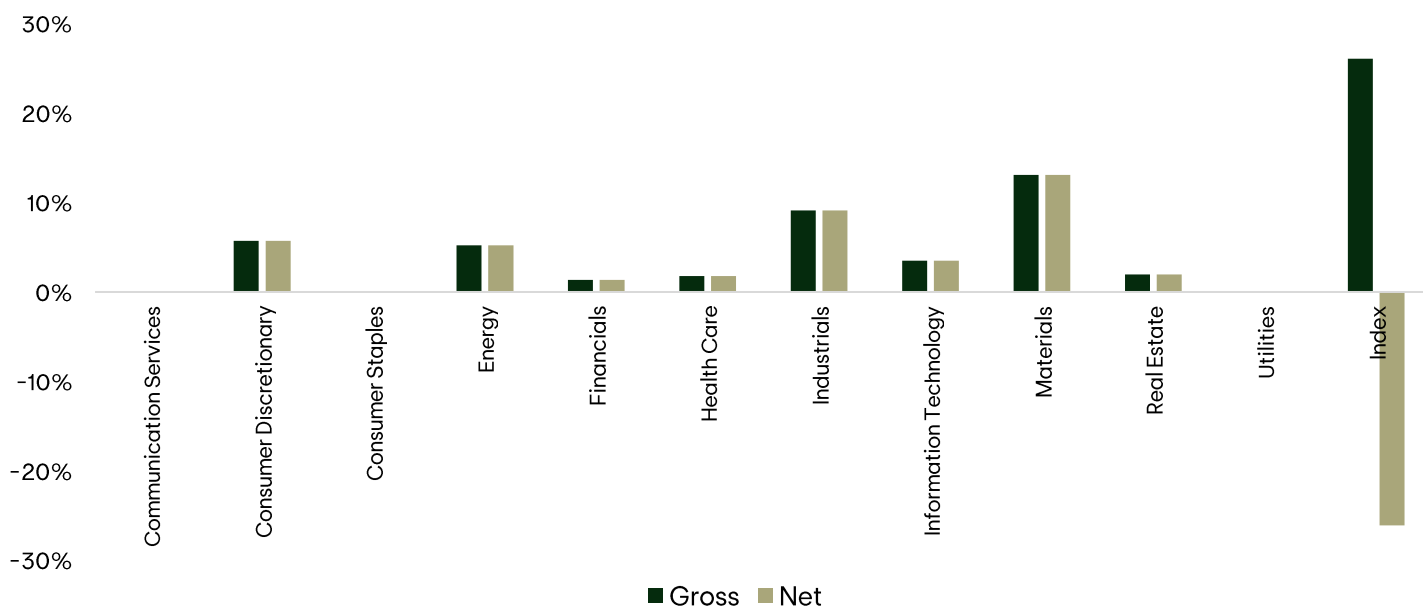
HiPages Group (HPG) fell -16% for the month on no new news. The stock tends to drift downwards prior to six monthly results and then rally as results tend to exceed expectations. We had lightened the position in December but not sufficiently enough to avoid it being the largest detractor for the month.

Bravura (BVS) fell -21% for the month on no new news although the move in interest rate expectations certainly impacted the higher valuation tech space from the middle of January onwards. We exited the position during the month on the change in interest rate expectations and the wider worldwide derating of software companies.

Zip Co (ZIP) fell -19% for the month after President Trump commenced demanding an interest rate cap of 10% be implemented on credit cards. This would potentially have two negative implications for Zip. One, making credit cards more attractive and secondly it could impact late fees in BNPL which is effectively a high interest rate charge. We exited the position during the month.

PORTFOLIO CHARACTERISTICS

Sector Exposure



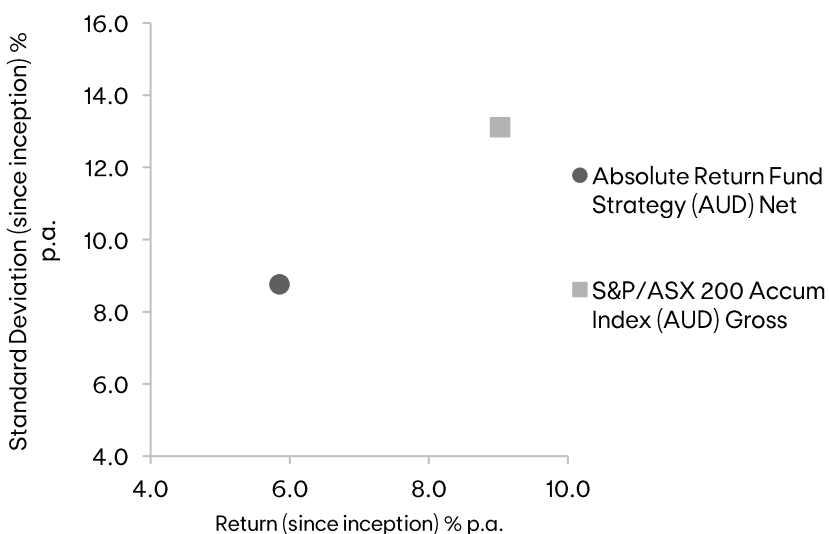
Source: Ellerston Capital.

Top 10 Holdings (Alphabetical, Long Only)

- Amplitude Energy Limited
- BHP Group Ltd
- Civmec Limited
- Cleanaway Waste Management Ltd.
- Fleetwood Limited
- James Hardie Industries PLC
- MAAS Group Holdings Ltd.
- Regis Healthcare Ltd.
- Rio Tinto Limited
- Servcorp Limited

Source: Ellerston Capital.

Strategy Performance & Volatility



Source: Ellerston Capital.
Past performance is not a reliable indication of future performance.

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.**

Please refer to the details on page one; there have been no changes to the primary investment personnel responsible for managing the Fund.

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** 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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