

Ellerston Global Mid Small Cap Fund

Monthly Report as at 31 January 2026

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 [^]	1.2%	-1.1%	13.1%	12.5%	7.1%	11.1%
Benchmark*	-1.6%	-1.9%	3.5%	12.8%	10.1%	10.4%
Alpha	2.8%	0.8%	9.6%	-0.3%	-3.0%	0.7%

Performance Summary - Class B

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.) ^{^^^}
Net [^]	1.2%	-1.1%	13.1%	12.5%	7.3%	9.8%
Benchmark*	-1.6%	-1.9%	3.5%	12.8%	10.1%	11.1%
Alpha	2.8%	0.8%	9.6%	-0.3%	-2.8%	-1.3%

[^] 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

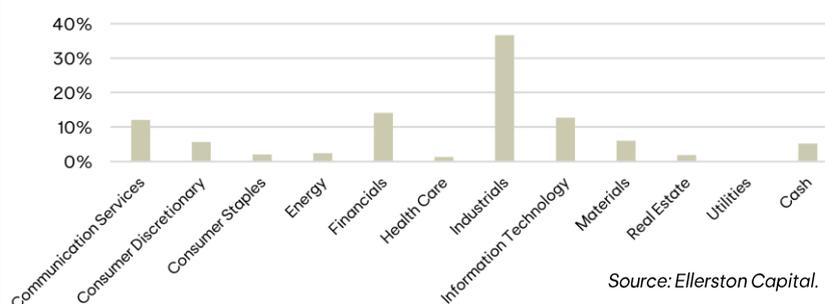
Portfolio Manager(s)	Nick Markiewicz
Investment Objective	To outperform the benchmark by 3% over a 5-year rolling period.
Benchmark	MSCI World Mid Cap Index NR (AUD)
Liquidity	Daily
Target Number of Holdings	20-40
Minimum Investment	Initial - \$25,000 Additional - \$10,000
Distribution Frequency	Half-Yearly (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 - \$1.7352 Net Asset Value - \$1.7309 Redemption - \$1.7266 Fund Size - \$28,800,686
Class B Unit Prices & Fund Size	Net Asset Value - \$1.4633 Redemption - \$1.4596 Fund Size - \$32,163,195

Top Holdings*

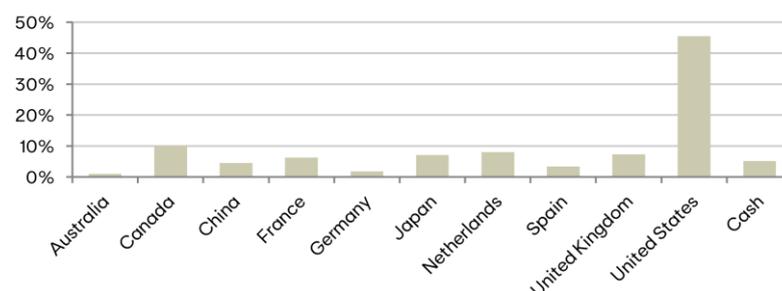
Company	Sector
AerCap Holdings NV	Industrials
Clean Harbors, Inc.	Industrials
Corpay, Inc.	Financials
GFL Environmental Inc	Industrials
TKO Group Holdings	Communication Services

Source: Ellerston Capital. *In alphabetical order.

Sector Allocation



Regional Exposure



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

PORTFOLIO COMMENTARY

The Ellerston Global Mid Small Cap Fund (the Fund) increased +1.2% (net) (AUD) in January relative to the MSCI World Mid Cap Index (the Benchmark) decreasing -1.6% (net) (AUD). Over 12 months, the Fund has increased +13.1% (net) (AUD) compared to the Benchmark which is +3.5% (net) (AUD).

January saw a sharp bounce in cyclical equities, reflecting continued optimism in the pace of the US economic recovery, with Energy (+14.4%) and Materials (+8.7%) leading the way. Reflecting this, the Russell 2000 index increased +5.4% (net) compared to the S&P500 up just +1.4% (net). Flows into smaller companies were likely also helped by continued investor unease at the large capital expenditure plans of the mega-cap 'hyperscalers', which for the moment, are spending nearly the entirety of their operating cashflow on AI related infrastructure, raising questions around future profitability and shareholder returns.

Of particular note in January was the sell-off in software, with the Morgan Stanley US Software Index down nearly -14% (USD) in January and continuing to fall in recent days. This was sparked by the release of a new Claude update (a generative AI tool from Anthropic) in early January, followed by Codex (released by OpenAI). These updates dramatically increased the quality of agentic coding ability and expanded its use cases by allowing AI agents to connect directly to enterprise systems and perform structured tasks previously reserved for third party software platforms and highly skilled software engineers. With a new ability of enterprises to insource previously outsourced functions, this has the potential to be hugely disruptive to 'SaaS' business models, creating question marks around their competitive moats and their terminal values – with these fears compounded by high starting GAAP valuations and relative crowding in some of the stocks previously perceived as 'high quality' compounders.

While we are yet to form a confident view of the lasting impacts of agentic coding, the current sell-off in software is a reminder both of how quickly AI is developing and how the market is aggressively re-pricing perceived AI 'losers' in a "shoot first, ask questions later" manner. On this note, as at the end of January, the portfolio held three stocks with perceived AI risk, namely Warner Music Group, Zillow, and TradeWeb, representing just under 7% of the portfolio holdings. In our view, for the most part, these businesses have difficulty to replicate assets/networks, lower starting valuations, and re-accelerating

earnings, reducing their risk of both disruption and significant declines in fundamental equity value.

KEY CONTRIBUTORS

GDS Holdings (9698-HK) increased +34%, adding +88bps to performance. GDS Holdings is a China-based developer and operator of high-performance data centres, providing colocation and related services to hyperscale cloud providers, large internet companies, and enterprise customers that require secure, carrier-neutral infrastructure. The stock rallied through January on the rumoured DayOne IPO, of which GDS Holdings owns 24%.

Greatland Resources (GGP-ASX) rallied +26%, adding +85bps to performance. The company benefited from the strong rally in the gold price, which increased +13% in USD. With the stock now just below our estimate of fair value we used the strength in the share price to significantly reduce our position.

Galaxy Digital (GLXY-NASDAQ) increased +26% through the month, adding 73bps to performance. Galaxy Digital is a diversified financial services firm focused on digital asset trading, with a significant 800MW AI data centre development as well. In January, the company's Helios data centre campus received approval for an additional 830MW of power from the Texas grid, which doubles its capacity. We believe the company is likely to sign this power to a hyper-scaler in the coming months, with the opportunity after this to potentially spin-off the data centre business into a separately listed REIT.

KEY DETRACTORS

MonotaRO (3064-TYO) declined -16% in the month, detracting -40bps from performance. MonotaRO is a Japan-based distributor of maintenance, repair, and operations (MRO) products, supplying factories, contractors, and small businesses through an online platform with centralized logistics. The stock has been impacted by the recent broad sell-off in online businesses, as well as on concerns around the sustainability of recent revenue growth given the share gains from a competitor going through a temporary disruption.

Aritzia (ATZ-TSE) fell -8.5%, detracting -24bps from performance. The business sold off after the founder sold C\$200m of stock in the secondary market, leading some to question the sustainability of recent earnings growth, putting somewhat of an overhang on the stock. We believe the Aritzia's underlying business remains in rude health, with the recent fall a natural consolidation after a very strong period of performance.

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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