Ellerston Global Equity Managers Fund (GEMS) Class C

Monthly Newsletter, February 2026

Investment Objective

To generate superior returns for unitholders with a focus on risk and capital preservation.

Investment Strategy

The Fund provides investors with exposure to global markets through a long short equity strategy. The strategy overlays fundamental bottom-up stock selection with global macroeconomic and market outlook.

Key Information

Inception Date ^^	1 December 2009
Portfolio Manager	Ashok Jacob
Application Price	$1.8868
NAV Price	$1.8821
Redemption Price	$1.8774
Current Total NAV	$90,737,410
Gross Exposure	145%
Net Exposure	90%
Unit Pricing	Monthly
Management Fee	1.50% (p.a.)
Performance Fee	16.50%
Buy/Sell Spread	0.25% on application 0.25% on redemption

PERFORMANCE SUMMARY

Performance*	FY26 TD	FY25	FY24	FY23	FY22	FY21	5 Years (p.a.)	10 Years (p.a.)	Since Inception ^^ (p.a.)
GEMS C	**6.4%**	**8.9%**	**11.1%**	**-7.0%**	**-13.5%**	**58.6%**	**1.8%**	**8.7%**	**10.1%**
MSCI WI**	14.1%	13.7%	21.3%	18.2%	-11.1%	36.9%	13.2%	13.4%	11.5%
ASX200***	9.8%	13.8%	12.1%	14.8%	-6.5%	27.8%	10.8%	10.8%	8.6%

Performance*	1 Month	3 Months	1 Year
GEMS C	**-2.5%**	**-0.7%**	**13.9%**
MSCI WI**	1.0%	3.2%	18.7%
ASX200***	4.1%	7.3%	16.2%

Source: Ellerston Capital.

* Past performance, indicative or actual, is not a reliable indicator of future performance, nor a promise of future returns. ^^Inception date is 1 December 2009.

**MSCI World Index – Net Return Unhedged in Local Currency.

*** S&P/ASX 200 - Total Return.

PORTFOLIO COMMENTARY

The Ellerston Global Equity Managers Fund – Class C (Fund) fell -2.5% (net) for the month of February which saw mixed market moves around the world with Australia up strongly versus US markets down. The Fund benefited from positive exposure in the commodity space, where generally most investments rose, however this was more than offset by negative moves in the data centre space, Australian small cap industrials and software. During the month we have reduced our weight to Australian industrials as the rising interest rate market is less helpful to valuations in the sector but retained our positive bias to the AI and data centre space despite the negative impact in February. Additionally, we retain our positive stance in commodities, although as is typical in the space we would expect volatility along the journey.

In Australia, the major positive contributors to performance for the month were BHP Ltd (Diversified miner), Iluka (Mineral Sands & Rare Earths) and a short in REA Group (Online Platform). BHP reported a solid half year result that was rewarded by the market. The company remains in an upgrade cycle, if we don't have significant retracements in commodity prices, where brokers are still forecasting future commodity prices below the spot level resulting in a cycle of upgrades. Iluka rallied for two reasons. Firstly, a large mineral sands project in Senegal shut down due to a plant fire reducing supply into the market. Secondly, Rare earth prices have been strong the last couple of months. We have had a small short on REA as the sale of Domain to a larger competitor could result in market share losses. However, the

the move against software stocks, due to AI risk, has had a larger impact on the share price fall. Performance detraction came from Maas Group (East coast construction), Megaport (Data centre connectivity) and HiPages Group (Trades platform). With Maas, the market reacted negatively to the sale of the construction materials business to Heidelberg as although the headline multiple was high, after tax the amount received by shareholders was lower. The market view remains mixed on the ability of the company to reinvest the proceeds in the data centre business and receive an adequate return. Megaport fell after reporting a half year result below market expectations due to a negative currency translation impact and slight weakness from their recent acquisition. The stock remains a beneficiary of the data centre rollout story but faces potential headwinds from currency if the $A continues to rally. HiPages was one of our two victims, the other being Zillow, from the SaaS wreck on AI risk. We had thought the stock would perform well post results, as it has typically done in previous halves, but a miss in revenue was enough to send the share price lower.

In North America, the major positive contributors to performance were VanEck Oil Services ETF (Oil services), CME Group (Derivatives exchange) and Netflix (Streaming Platform). We retain a positive view on oil and gas particularly within North America. As part of that strategy, we own the broader ETF to gain sector exposure along with a couple of investments in individual names. CME benefited from continued growth in contract volumes in January and February and reported a Q4'25 result that was ahead of market expectations. The business is also planning to launch new products this year and look at changes to its pricing from annual to more regular changes. Netflix rallied after Paramount won the fight for Warner Brothers. This is seen as a win for Netflix as the market was uncomfortable that Netflix was overpaying for Warner, reflected in the significant share price fall over the previous six months. Performance detraction for the month came from Galaxy Digital (Data centres and crypto exchange), Zillow (Online real estate platform) and Amazon (Data centres and online retail). Galaxy fell with the rapid fall in Bitcoin which occurred from the end of January. The fall in the Bitcoin price and subsequent reduction in volumes will impact the exchange business negatively although a larger part of the value of the business is now in the growing data centre business. Zillow fell with the software sector on the potential negative impact on long-term valuations by the ability of AI to disrupt the business models at a lower cost. We continue to hold the business as part of our expectation of a housing recovery in the US market this year, driven by further interest rate cuts and government incentives.

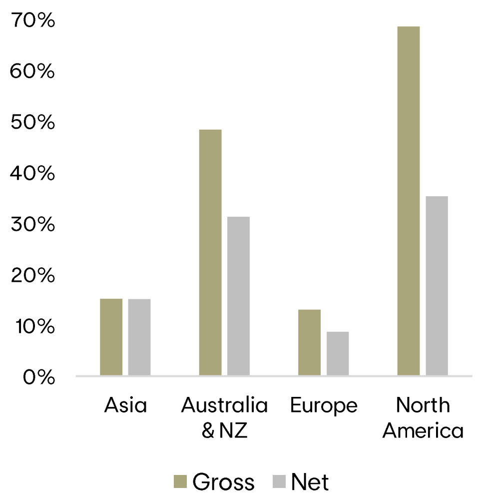
In Asia and Europe, the relative moves and position sizes did not have a meaningful impact on performance for the month with the exception being Johnson Matthey in the UK. The top and bottom 3 in each region did not even make the top or bottom 20 across the Fund for the month, which is unusual, so we are talking about single basis point contributions. As such, commentary will be limited.

Within Asia, positive performance for the quarter came from Apollo Hospitals (Indian healthcare), Shanghai CSI 300 ETF (Mainland China stocks) and Rohm (Japanese semiconductor manufacturer). Performance detraction came from Shiram Finance (Indian financial) and Ambuja Cement (Indian cement). After the large upward move in Shiram concluding with the Mitsubishi investment, we have exited the investment and moved the money into another financial, Union Bank.

In Europe, positive performance came from Industria di Diseno Textil (Spanish fashion), Chemring (UK explosives) and Anglo American (Diversified miner). Performance detraction for the month came from Johnson Matthey (PGM recycler), Rheinmetall (German defence) and Dassault Aviation (French defence). Johnson Matthey fell after Honeywell negotiated a significant reduction (GBP500m) in the purchase price of the Catalyst Technologies business which they had initially agreed to buy in May last year. This resulted in a change to our investment thesis due to a reduction in dividends and share buybacks and we exited the investment.

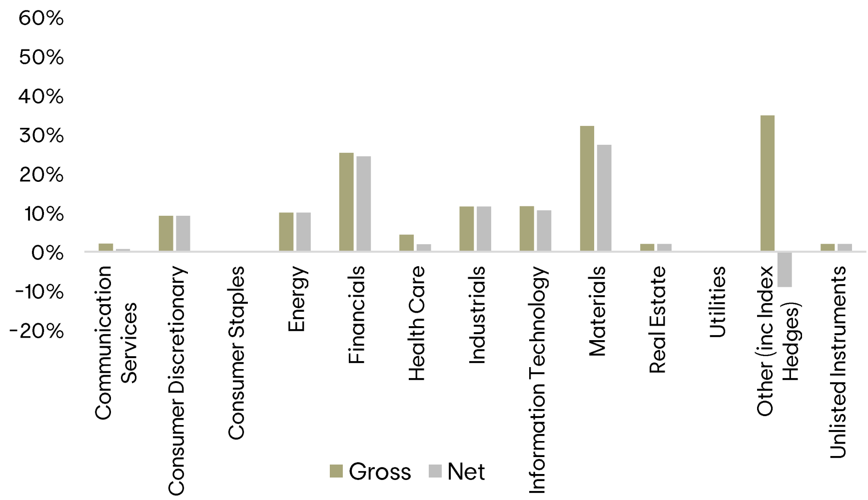
PORTFOLIO CHARACTERISTICS

Regional Exposure



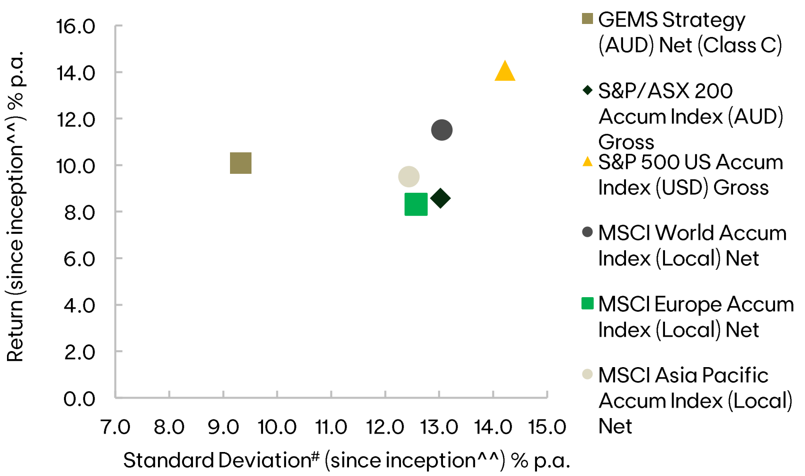
Source: Ellerston Capital.

Sector Exposure



Source: Ellerston Capital.

GEMS Strategy Performance & Volatility



Source: Ellerston Capital.
Past performance is not a reliable indication of future performance.
^^Inception Date 1 December 2009.
#See full disclaimer at the bottom of this document.

Top 10 Holdings (Alphabetical, Long Only)

- AMAZON.COM INC
- APPLE INC
- BHP BILLITON LTD
- CEMEX SAB DE CV
- CIA VALE DO RIO DOCE
- CLEANAWAY WASTE MANAGEMENT LTD
- CME Group Inc.
- FIRMUS GRID PTY LTD
- GALAXY DIGITAL INC
- LIGHT AND WONDER INC

Source: Ellerston Capital.

Regulatory Guide (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.**

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 holdings enquiries should be directed to our registry, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

The standard deviation is often used by investors to measure the risk of an asset. The standard deviation is a measure of volatility: the more an asset's returns vary from the average return, the more volatile the asset. A higher standard deviation means a greater potential for deviation of return from the average return of the asset. The returns and risk of the Fund and the relevant Indices are net of taxes, fees and expenses and assuming distributions are reinvested. The performance figures presented are for the Ellerston Global Equity Managers Fund GEMS C Units. The one month return figure may be an estimate and not the final return. This estimate also impacts other performance information provided. Estimated performance figures are preliminary and subject to change. Returns for other classes may differ slightly. Past performance is not indicative of future performance.

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