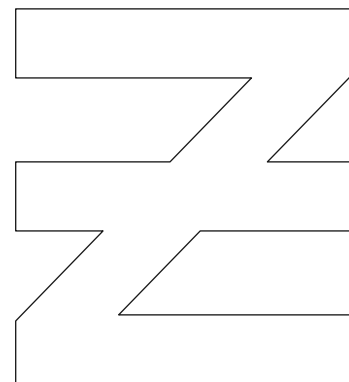


Ellerston Australian Absolute Return Fund – Class A Units



Monthly Newsletter, March 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	\$1.2048
NAV Price	\$1.2018
Redemption Price	\$1.1988
Current Total NAV	\$4,437,576
Liquidity	Daily
Gross Exposure	59.95%
Net Exposure	28.09%
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 [^]	-4.5%	-5.5%	5.4%	5.5%	0.7%	3.2%	5.3%
Benchmark*	0.3%	0.9%	3.8%	4.1%	2.9%	2.0%	2.1%
Alpha	-4.8%	-6.4%	1.6%	1.4%	-2.2%	1.2%	3.2%

[^] 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 return for the quarter was dragged down predominantly by small cap industrials, whereas the big four banks delivered positive returns for the quarter. This led to a significant mismatch in relative performance as the small industrials index delivered a negative 14% return for the march quarter predominantly on concerns of the domestic economy slowing and potentially falling into recession on higher interest rates and petrol prices. Strangely this concern was not reflected in the banks which are highly leveraged to a slowdown in the Australian consumer. The poor quarter has dragged back our FYTD performance back to low single digit which is now significantly behind our internal target for returns, although still ahead of both the RBA cash rate and ASX 200.

POSITIVE CONTRIBUTORS

Alcoa Corp (AAI) rose 17% for the quarter as the war in Iran has resulted in curtailments of Aluminium production out of numerous gulf states due to military strikes on production facilities as well as curtailment of shipping through the Straits of Hormuz.

Iluka Resources (ILU) rose 15% for the quarter on stronger rare earth pricing, although they are yet to produce, and early signs of stabilisation in the mineral sands market which was helped by Eramets' Grand Cote project calling Force Majeure after a fire in the processing plant.

Santos Ltd (STO) rose 32% for the quarter as the war in Iran has led to a rapid rise in oil and LNG prices. We had initially taken a positive view on oil prices at the end of last year and added several oil producers to the portfolio, with the events of March accelerating the expected returns.

NEGATIVE CONTRIBUTORS

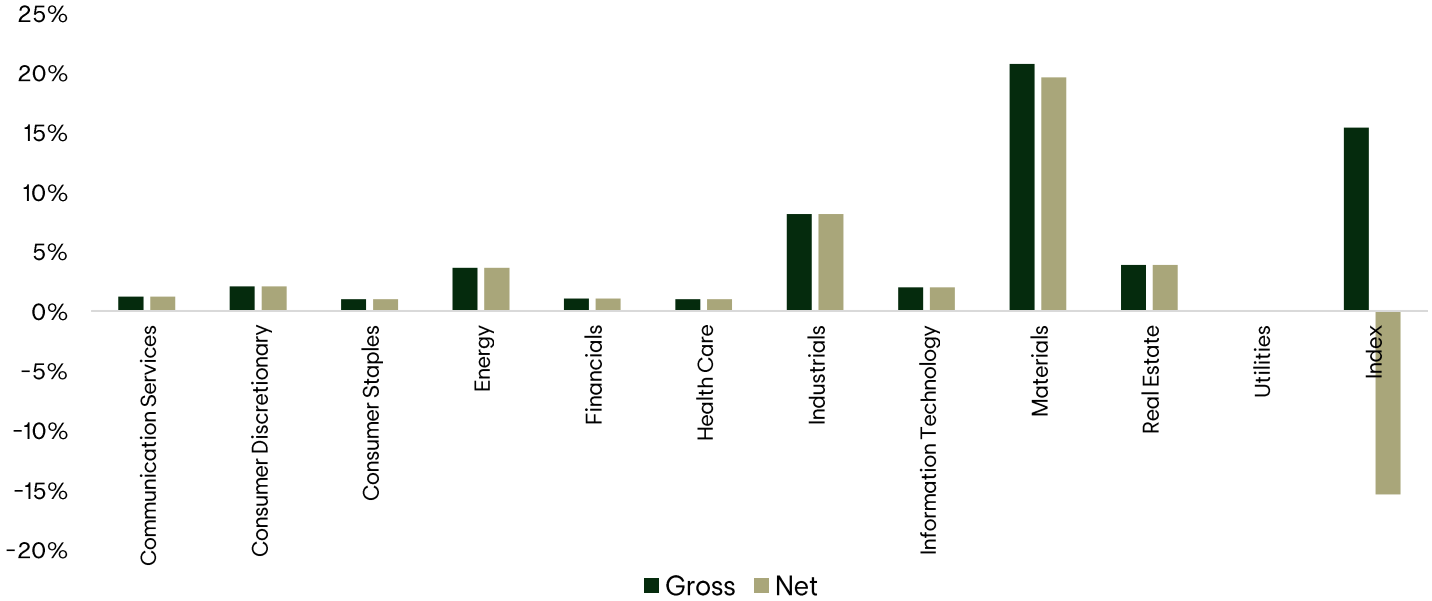
Baby Bunting (BBN) fell 45% for the quarter as the market focused on expectations of a significant slow down in consumer spending due to the twin issues of higher interest rates and petrol prices. The share price decline does look significantly overdone as the company is now back to trading at a single digit PE for a business that is dominant in its' category and close to all-time share price lows.

HiPages (HPG) fell 44% for the quarter for two reasons. The first being the broader sell off in SaaS stocks worldwide and secondly a miss in their first half earnings. The companies market cap is now backed by almost 40% in cash and is generating positive cash flow.

Maas Group (MGH) fell 20% for the quarter after announcing the sale of their construction materials business to Heidelberg. Although the headline multiple was high, investors reacted negatively as the after-tax price was lower and there was some scepticism around how quickly the earnings could be replaced with their pivot into data centre builds.

PORTFOLIO CHARACTERISTICS

Sector Exposure



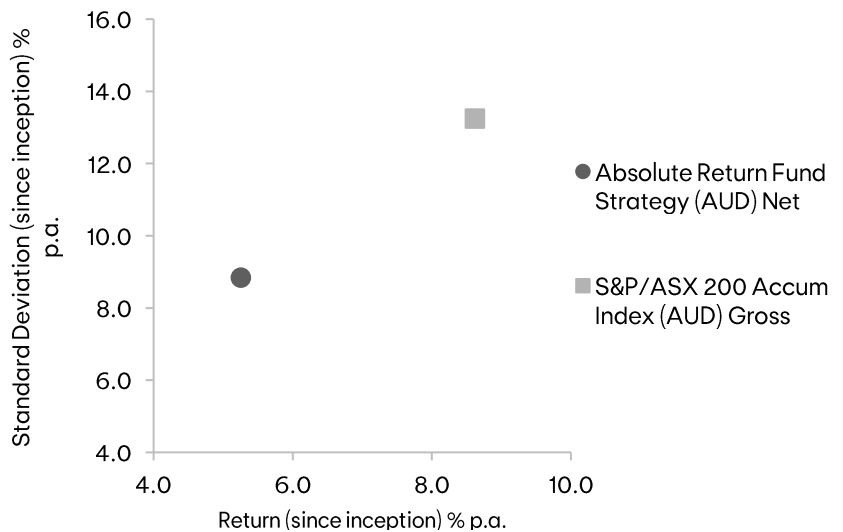
Source: Ellerston Capital.

Top 10 Holdings (Alphabetical, Long Only)

- ALS Ltd.
- BHP Group Ltd
- Cleanaway Waste Management Ltd.
- Meeka Metals Limited
- Rio Tinto Limited
- Sandfire Resources Ltd
- Santos Limited
- Servcorp Limited
- Vault Minerals Limited
- Woodside Energy Group Ltd

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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