

Ellerston Global Mid Small Cap Fund

Monthly Report as at 31 March 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 [^]	-3.4%	-1.1%	19.3%	10.2%	5.5%	10.7%
Benchmark*	-3.9%	-3.3%	6.1%	11.7%	8.3%	10.0%
Alpha	0.5%	2.2%	13.2%	-1.5%	-2.8%	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 [^]	-3.4%	-1.1%	19.3%	10.2%	5.7%	9.0%
Benchmark*	-3.9%	-3.3%	6.1%	11.7%	8.3%	10.4%
Alpha	0.5%	2.2%	13.2%	-1.5%	-2.6%	-1.4%

[^] 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

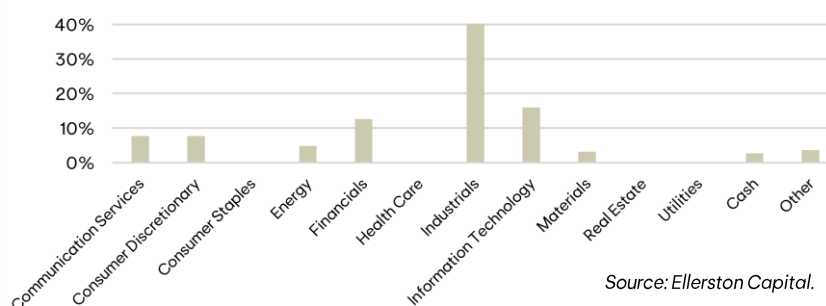
Portfolio Manager(s)	Nick Markiewicz
Investment Objective	To outperform the benchmark by 3% over a 5-year rolling period.
Benchmark	MSCI World Mid Cap Index NR (AUD)
Liquidity	Daily
Target Number of Holdings	20-40
Minimum Investment	Initial - \$25,000 Additional - \$10,000
Distribution Frequency	Half-Yearly (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 - \$1.6965 Net Asset Value - \$1.6923 Redemption - \$1.6881 Fund Size - \$28,079,542
Class B Unit Prices & Fund Size	Net Asset Value - \$1.4307 Redemption - \$1.4271 Fund Size - \$28,512,328

Top Holdings*

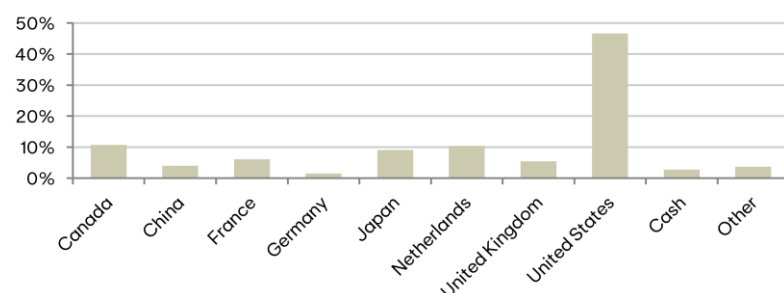
Company	Sector
AerCap Holdings NV	Industrials
Corpay, Inc.	Financials
GFL Environmental Inc	Industrials
Nebius Group N.V. Class A	Information Technology
ProPetro Holding Corp.	Energy

Source: Ellerston Capital. *In alphabetical order.

Sector Allocation



Regional Exposure



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

QUARTERLY FUND PERFORMANCE

The Ellerston Global Mid Small Cap Fund (the Fund) decreased -1.1% (net AUD) in the March quarter relative to the MSCI World Mid Cap Index (the Benchmark) decreasing -3.3% (AUD). Over the 12 months to March, the Fund has increased +19.3% (net AUD) compared to the index up +6.1% (AUD).

QUARTERLY MARKET COMMENTARY

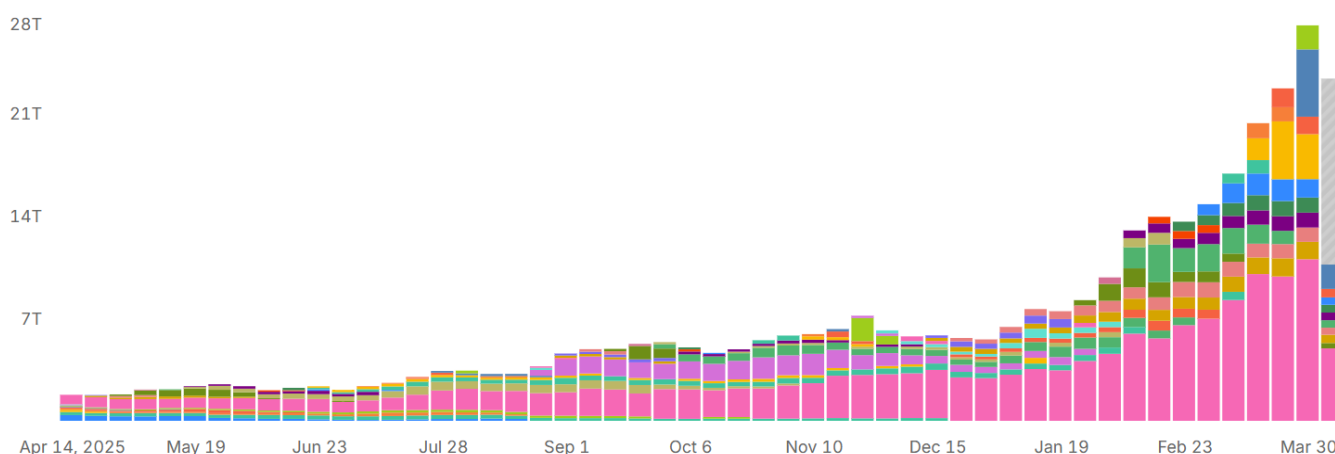
The March quarter was marked by two significant market events, namely the fallout from the recent Iran conflict, and perhaps lost in the geopolitical headlines, the further acceleration of AI (both on the ground developments as well as impacts to the market).

The Iran conflict led the market sharply lower through March, largely undoing the year to date gains the market had logged prior. Optimism around rising US industrial production and scope for rate cuts which led markets at the start of the year gave way to concerns around energy, inflation and the resulting impact on the real economy. The market's reaction to this event was broadly indiscriminate, with equity prices (except energy) moving downwards across styles and factors in a highly correlated fashion, implying a broad de-risking event. Individual stock stories/news were largely ignored. Beyond the initial shock of a potentially expensive and lengthy conflict, we believe the market's primary concern as it relates to the economy remains the flow of oil from the Middle East. The recently announced ceasefire, which is in part premised on the resumption of shipping through the Strait of Hormuz, has allayed fears of a protracted economic shock. However, the ceasefire itself, and a more permanent and palatable conclusion to the conflict, remains fragile. In reviewing our portfolio, we note there are a small number of cyclicals (~8% of our portfolio) with negative direct exposure to rising energy prices and/or declining consumer confidence – though at this stage we still expect their structural growth will likely outweigh any short-term impacts. Offsetting this, our larger core holdings which are more defensive in nature, are likely to have little impact from higher energy prices, and in some cases (CPAY, GFL, CLH, PUMP) are either direct or indirect beneficiaries. As discussed in more detail below, we used the volatility of March to selectively rotate into stocks where we saw excessive selling and significant value emerge through the month.

Lost in the noise of Iran was the rapid progress being made in AI. In our view, we believe 1Q26 could well be looked back on as the first 'proof of concept' of AI. Demand for AI inference capacity (which represents real demand for AI products) has surged since the start of 2026, led by advances in agentic applications (covered in our January letter) as well as accelerating enterprise demand. This demand, combined with constraints on GPU supply, has driven GPU rental prices sharply higher as users scramble for limited capacity. For example, H100 GPUs, which were first released in 2022, are now being re-contracted on multi-year terms at prices at or above their original terms. In our view, this dispels some of the key parts of the AI capex bear case (at least near term) – including, the obsolescence of older GPUs as well as the inability of the market to go into 'oversupply' due to constraints around power, with positive implications for some of the fund's holdings (NBIS, SHAZ, CORZ, GLXY). The other major development was the release of the latest Claude model trained on latest generation GPUs, which on early testing, has smashed previous industry benchmarks. This is important for several reasons; suggesting that AI scaling laws still hold (i.e that every step up in model capability requires a multiplicative increase in compute investment), there will be significant demand for latest generation GPUs, and that there is still a wide gap between the capabilities of open and closed models. We think this is likely to keep the industry moving along its current path, that is, hyper-scalers spending increasing sums on GPUs and power to build more capable proprietary models (positive for our holdings in MTZ, FPS, Anritsu, AAOI, PUMP).

AI TOKEN DEMAND

Weekly usage of models across OpenRouter



Source: Openrouter.ai

KEY QUARTERLY CONTRIBUTORS

Mastec (MTZ-US) increased 48% through the quarter. MTZ is a leading North American infrastructure engineering and construction company that builds and maintains communications networks, power transmission and distribution systems, natural gas pipelines, and renewable energy facilities. The reported 4Q25 results were strong, with continued backlog growth and healthy book-to-bill ratios across most of the business. EPS is expected to grow ~20% p.a in the coming years with the backlog likely to continue growing.

Pro Petro Holdings (PUMP-US) increased 52% through the quarter. PUMP is a Midland, Texas-based oilfield services company primarily providing hydraulic fracturing and well completion services to E&P operators in the Permian Basin, generating \$1.3B in revenue in 2025. The more interesting part of the story is its PROPWR division, launched in late 2024, which deploys gas-to-power microgrid solutions targeting oil and gas operators as well as data centres and industrial customers. PROPWR had approximately 550 megawatts of delivered or on-order capacity with around 230 megawatts committed under customer contracts by end of 2025, with a target of 750MW by 2028. We believe the latter power opportunity remains significantly mispriced by the market.

KEY QUARTERLY DETRACTORS

MonotaRO (3064 - TYO) declined 32% in the quarter. 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. We believe the business remains extremely cheap, trading on 24x PE multiple for steady 12-13% EPS growth in the coming years.

Zillow (ZG-US) declined 39% in the quarter. Zillow is the dominant US online real estate marketplace (~200M monthly visitors, 80% organic traffic), generating \$2.6B in revenue in 2025 (+16% YoY despite a sluggish housing market). It's evolving from a listings portal into a fully integrated "housing super app" spanning search, agent connections, mortgage origination and transaction software, targeting \$5B revenue and 45% EBITDA margins at mid-cycle. The stock fell on the back of AI disruption risk, as reduced chances of US interest rate cuts being priced into the market.

PORTFOLIO CHANGES:

The March quarter was busy. We used the volatility to exit three positions (Cellnex, China Ruyi, Zillow) and enter 5 new positions where we believe better relative value has emerged:

Forgent Power Solutions (FPS-US): During the month, a secondary sell-down in newly listed Forgent saw its share price fall >20% in four trading days, creating a great entry point into the business. Forgent is a leading US designer and manufacturer of electrical equipment like transformers and switchgear, which are highly sought after in its two largest markets, data centres and the grid. It has recently increased manufacturing capacity which should drive revenue and earnings significantly higher in the coming years, with 2Q orders coming in >\$760m, which was more than its revenue for the entirety of fiscal 2025. We see structural long-term demand for electrical equipment, coupled with market share gains, delivering strong EPS growth.

QXO (QXO-US) is the largest publicly traded distributor of roofing, waterproofing, and complementary building products in North America. It's founder, Brad Jacobs, is a serial entrepreneur and has a proven track record of building businesses and creating significant shareholder value. Despite closing on a very attractive acquisition this month, the stock had been impacted by recent geopolitical events. We have owned the stock in the past, however the recent decline in QXO's share price created a very attractive re-entry point into a business which is a pure play on an eventual US housing recovery with idiosyncratic M&A drivers as management accumulates revenues towards its \$50bn aspirations (vs \$12b forecast this year).

Anritsu (6754-JP): Anritsu is a Japanese test and measurement specialist whose instruments are the de facto standard for testing optical transceivers — the hardware that moves data across AI data centres using light rather than electricity, and which has become increasingly critical as AI clusters scale rapidly to meet surging inference demand. We think Anritsu is well positioned for the surge in optical transceiver demand as every transceiver that ships from a major manufacturer needs to be validated, and Anritsu's all-in-one BERTWave is one of the widely adopted tools on those production lines as it can cut test time by up to 65% versus multi-instrument alternatives. In addition, the AI buildout is forcing rapid technology transitions - 800G to 1.6T to CPO - where Anritsu's equipment is critical at each inflection point, and with data centre interconnect upside not yet reflected in guidance, we see a multi-year growth runway ahead. We believe the company is at the start of a meaningful earnings cycle and expect EPS to compound at ~20% over the next three years.

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.

Contact Us

Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 9021 7701
info@ellerstoncapital.com

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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