



Portfolio of companies which are directly or indirectly, demonstrating a pathway to aiding the abatement of carbon within Australia and the global economy.



Targets unlisted (pre-IPO and expansion capital) and listed (micro and small-cap) companies which have sound business franchises and attractive earnings profiles.



Aims to outperform the Benchmark over a rolling three-year period.

Performance Summary

Performance	1 Month	3 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.) ^{^^}
Net [^]	-1.1%	-1.4%	27.9%	27.5%	20.5%	14.2%
Benchmark*	-2.0%	-7.2%	3.3%	8.3%	7.8%	6.2%
Alpha	0.9%	5.8%	24.6%	19.2%	12.7%	8.0%

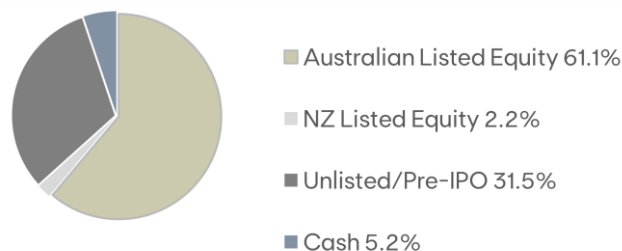
[^] The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.

* S&P/ASX Small Industrials Accumulation Index. ^{^^} Inception date is 30 May 2022.

Key Information

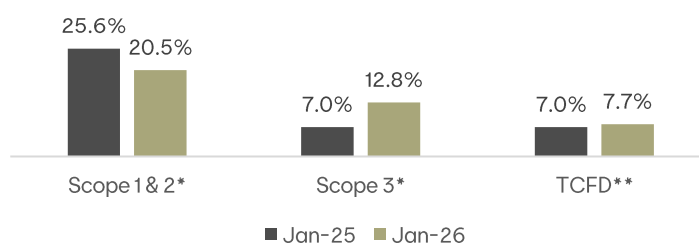
Portfolio Manager(s)	David Keelan James Barker Jack Briggs
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	S&P/ASX Small Industrials Accumulation Index
Target Number of Holdings	Unlisted/Pre-IPO Investments – 10-30 & Listed Micro & Small Cap Investments – 25-40
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.50% p.a.
Performance Fee ¹	20.00%
Buy/Sell Spread	0.38% / 0.38%

Portfolio Breakdown

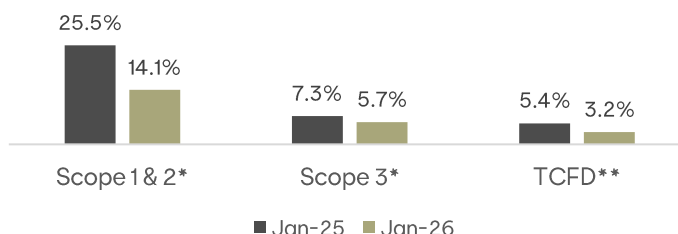


Source: Ellerston Capital.

Number of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD¹



Value of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD²



¹ Number of underlying holdings reporting on each measure, as a percentage of total portfolio holdings.

² Value of underlying holdings reporting on each measure, as a percentage of total portfolio value.

* Source: Company Data.

** Source: Task Force on Climate-Related Financial Disclosure.

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

COMMENTARY

The Ellerston 2050 Fund (the Fund) decreased -1.1% (net) in January, compared to the S&P/ASX Small Industrials Index (the Benchmark) that decreased -2.0% (net). January saw a plethora of geopolitical news flow which kept the markets on its toes and movement in FX rates. In Australia, a recent resurgence in inflation, alongside a tightening labour market saw an increased chance of the RBA lifting interest rates at its next meeting in February (subsequently we saw a 25bps lift). This reinforced higher-for-longer interest rate expectations, which is weighing on valuation-sensitive growth and technology stocks. This pressure was compounded by recent AI-related developments, which further heightened investor concerns toward the technology sector. A key consequence was the sharp rotation towards resources continued, lifting the Small Resources Index by +12.5% compared to the Small Industrials which declined by -2.7%. A fundamental part of our investment process is that we don't own resource companies. We remain comfortable with our process and prefer to invest in companies with lower levels of cyclicality and predictable cashflow. We remain confident we can continue identifying high quality stocks with structural growth stories and identifiable catalysts for re-rating.

KEY CONTRIBUTOR

GenusPlus Group (GNP AU) was the highest contributor to the Fund in January, rallying 18.8% as markets reacted positively to upgraded earnings guidance. The company boosted its FY 2026 EBITDA guidance, driven by stronger than expected financial results for the half-year to December 2025, robust momentum across its core infrastructure and energy services divisions, and an expanding order book underpinned by recent contract awards. Investor confidence was further supported by significant contract wins across Australia's energy and utility sectors, including significant contracts with major players such as Ausgrid for REZ transmission works and an award for the Western Renewables Link project in Victoria, as well as awarded decarbonisation contracts and strategic work with Western Power. All these contracts highlighted the company's deepening footprint in critical national energy infrastructure and its role in the energy transition. We continue to hold GNP as a high conviction name in the fund.

KEY DETRACTOR

Qoria (QOR AU) underperformed in January falling 42.3% post its 2Q trading update. While we had trimmed the position heavily into the quarter, it still had an impact on the month's performance. The key issue in the quarter was cash rather than growth. While management reiterated FY26 guidance and underlying operating momentum remained intact (solid pipeline and continued ARR progress in constant currency), headline ARR was clipped by FX and, more importantly, cash receipts/collections were softer than the market had expected, driving a materially weaker free cash flow outcome and a lower cash balance. Elevated costs (including some flagged as one-off – which we found out in February related to a reverse takeover by Aura) and adverse FX further increased uncertainty around the timing and confidence of FY26 FCF positivity, and that near-term cash conversion concern dominated sentiment despite a constructive medium-term setup if execution normalises. Post the 2Q and into February we saw QOR announced a reverse takeover of the stock by Aura (an unlisted American SaaS provider) for the equivalent of \$0.72 a share which if successful would result in a combined business worth north of A\$3bn in enterprise value and delivering close to US\$320m of ARR and targeting >20% growth for CY26. While there is a lot of water under the bridge, this could be a game changer for QOR and provide a significant scale tech player on the ASX if the scheme is approved.

OUTLOOK

We expect the upcoming reporting season to be particularly interesting, as the recent sell-off in growth and technology stocks has been largely indiscriminate, creating a more favourable environment for active stock picking. We anticipate heightened volatility as earnings are released, with companies that continue to execute and deliver solid results likely to be well rewarded, while those that fall short may be punished harshly. With increasing focus on the opportunities and threats posed by AI, we expect this to feature prominently in company commentary, and believe businesses that execute well and clearly articulate their strategy in a post-AI world will be viewed favorably. More broadly, our process remains unchanged, with a continued focus on opportunities offering asymmetric outcomes, targeting at least a three-to-one risk-reward profile and aiming to deliver approximately 15% per annum returns over the medium term.

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.

This report has been prepared by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, as trustee of the Ellerston 2050 Fund without taking account the objectives, financial situation or needs of individuals. Before making an investment decision about the Fund persons should read the Fund's Information Memorandum which can be obtained by contacting info@ellerstoncapital.com and obtain advice from an appropriate financial adviser. Units in the Fund are issued by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000. This information is current as at the date on the first page.

This material has been prepared based on information believed to be accurate at the time of publication. Assumptions and estimates may have been made which may prove not to be accurate. Ellerston Capital undertakes no responsibility to correct any such inaccuracy. Subsequent changes in circumstances may occur at any time and may impact the accuracy of the information. To the full extent permitted by law, none of Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, or any member of the Ellerston Capital Limited Group of companies makes any warranty as to the accuracy or completeness of the information in this newsletter and disclaims all liability that may arise due to any information contained in this newsletter being inaccurate, unreliable or incomplete. Past performance is not a reliable indicator of future performance.