



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^	-0.1%	3.2%	29.2%	23.9%	21.2%	13.8%
Benchmark*	-4.5%	-8.3%	1.1%	3.8%	6.8%	4.8%
Alpha	4.4%	11.5%	28.1%	20.1%	14.4%	9.0%

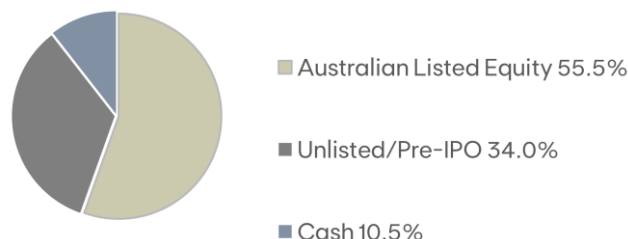
^ The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.

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

## Key Information

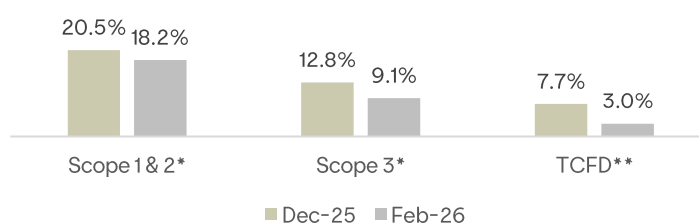
Portfolio Manager(s)	David Keelan James Barker Jack Briggs
Investment Objective	To outperform the Benchmark over a rolling three year period.
Benchmark	S&P/ASX Small Industrials Accumulation Index
Target Number of Holdings	Unlisted/Pre-IPO Investments – 10-30 & Listed Micro & Small Cap Investments –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

## Portfolio Breakdown

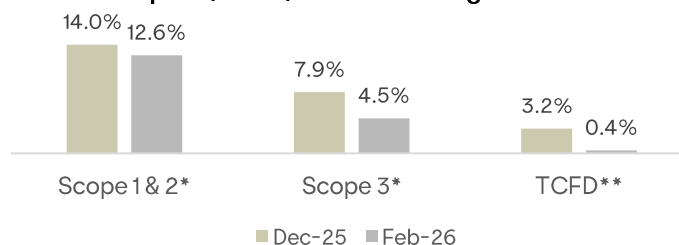


Source: Ellerston Capital.

## Number of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD<sup>1</sup>



## Value of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD<sup>2</sup>



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

<sup>2</sup>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.

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

## FUND COMMENTARY

The Ellerston 2050 Fund (the Fund) delivered -0.1% (net) in February, compared to the S&P/ASX Small Industrials Accumulation Index (the Benchmark) which decreased -4.5%. The month was challenging for the broader small cap market, with the S&P/ASX Small Ordinaries Accumulation Index declining -2.6% as reporting season delivered a mixed but ultimately sobering outcome. The season was characterised by extreme price volatility, with stocks punished disproportionately even for modest misses as investors rotated aggressively out of growth and into defensives and quality. Looking at the market more broadly Banks and large cap Industrials were the standout beneficiaries of this rotation at the index level, while Health, Technology and many small cap growth names bore the brunt of the selling, in several cases irrespective of underlying result quality. For the retail sector, which was a particular pain point during the season, consensus EPS forecasts were cut with softer second half trading updates the common thread among underperformers like Temple & Webster; Harvey Norman and Nick Scali. The dominant thematic to emerge from reporting season was AI exposure (a recurring theme for the last 5 months), which has rapidly become a key macro factor driving earnings expectations and valuations. Companies building or enabling AI were rewarded while those perceived as disrupted faced the harshest de-ratings. On the macro front, the RBA delivered a widely anticipated rate hike in February, and the market is pricing in further tightening through the year as inflation remains above the RBA's 2-3% target band. For small cap investors, the month reinforced a familiar dynamic whereby indiscriminate sentiment-driven selling creates dislocation between price and underlying earnings trajectory, which is precisely where active stock selection has the greatest opportunity to add value.

### KEY CONTRIBUTOR

A top-performing stock within the Ellerston 2050 fund was SKS Technologies Group (SKS AU) which gained 25.8% over the month. In early February the company announced approximately \$60m of new contract awards, including work on NEXTDC's M3 Stage 4 data centre development in Melbourne and a major package for Ernst & Young's new Melbourne headquarters, reinforcing SKS's position as a leading electrical and communications contractor in large digital infrastructure projects. The additional work supported an upgrade to FY26 guidance, with revenue increased to \$340m (from \$320m) and profit before tax lifted to ~\$34m

(from \$28.8m). Later in February, the company reported its 1H FY26 result, delivering revenue of \$132m and PBT of \$12.8m (+53% YoY), with work-on-hand rising to \$325m and tender activity continuing to build. The result highlighted a growing pipeline across both Victoria and NSW following the Delta Elcom acquisition. Through its work enabling large-scale data centre infrastructure, SKS is supporting the digital backbone required for the energy transition, with modern facilities increasingly designed around high-efficiency power usage and renewable energy integration. Overall, the announcements during the month reinforce our view that SKS remains well positioned to benefit from sustained investment in Australian data centre infrastructure and associated electrical and communications works.

### KEY DETRACTOR

Megaport (MP1 AU) was the fund's key detractor in February declining -24.2%. MP1 released its 1H26 results which saw revenue performance and guidance increased. The market took issue with 1) cost investment forecast for 2H26 and the implication for margin expansion in FY27, 2) material headwinds from the rising Australian Dollar, and 3) delays to capital investment and therefore weaker margins in the recent Latitude acquisition. We continue to think MP1's investment program in its core network business is producing strong returns and believe the market will agree over the medium term. However, we do not believe the market will gain comfort in the short term over the complexities of capital intensity and revenue ramp profile in the recent Latitude acquisition and thus have reduced the position size.

### OUTLOOK

Looking ahead, we expect the coming quarter to present compelling opportunities for active stock picking. The recent indiscriminate sell-off in growth and technology has, in our view, created several attractive entry points in fundamentally strong businesses that have been caught up in broader market weakness. We are getting back on the road, meeting with existing and prospective portfolio companies on their own turf, stress-testing our current holdings, and screening for new ideas. Our focus remains firmly on high-quality businesses with resilient balance sheets, clear pricing power, and multiple drivers of sustainable growth. The portfolio is positioned in high-conviction names we believe can compound earnings over time and well placed to deliver superior risk-adjusted returns throughout the cycle, targeting at least a three-to-one risk-reward profile and approximately 15% per annum returns over the medium term.

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All holding enquiries should be directed to our registry, Automic Group on 1300 101 595 or [ellerstonfunds@automicgroup.com.au](mailto:ellerstonfunds@automicgroup.com.au).

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