Ellerston Australian Emerging Leaders Fund - Class A Units

Ellerston Capital

Monthly Report as at 31 March 2026

APIR Code: ECL6748AU | ARSN 647 979 333

Portfolio of 30-60 smaller companies built through an active, research-driven investment approach.

Focus on companies which have a sound business franchise with an attractive earnings profile, which operate in growth industries and trade at a discount to valuation.

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

Performance Summary

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	Since Inception (p.a.)^^
Net^	-12.1%	-17.9%	-1.2%	12.4%	1.4%
Benchmark*	-11.0%	-10.9%	13.7%	8.5%	1.6%
Alpha	-1.1%	-7.0%	-14.9%	3.9%	-0.2%

^ 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 Ordinaries Accumulation Index. ^^Inception date is 16 August 2021.*

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 Ordinaries Accumulation Index
Liquidity	Daily
Target Number of Holdings	30-60
Minimum Investment	Initial investment - $10,000 Additional investment - $5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.10% (p.a.)
Performance Fee[1]	20.00%
Buy/Sell Spread	0.25% / 0.25%

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

Top Holdings*

Company	Sector
Bravura Solutions	Information Technology
Cuscal	Financials
Servcorp	Real Estate
Southern Cross Electrical Engineering	Industrials
Wagners Holding Co.	Materials

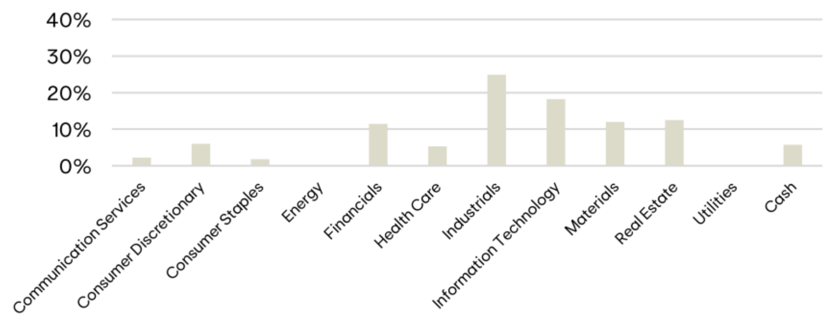
**In alphabetical order.*
Source: Ellerston Capital.

Key Portfolio Metrics

FY26e	Fund	Benchmark
Price/Earnings	14.77x	15.63x
Dividend Yield	2.8%	3.2%
Net Debt/EBITDA	-0.12x	1.29x

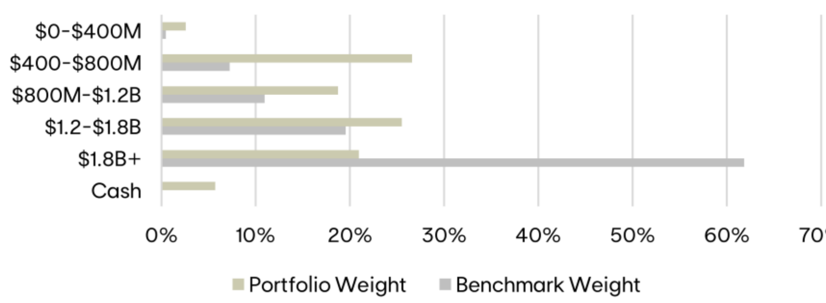
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Cap Exposure



Source: Ellerston Capital.

FUND COMMENTARY

The Ellerston Australian Emerging Leaders – Class A Units Fund delivered -12.1% (net) in March, slightly behind the S&P/ASX Small Ordinaries Index (the Benchmark), which declined by -11.0% during the period. Meanwhile, for the quarter, the Fund delivered -17.9% (net) compared to the Benchmark which declined -10.9%. March proved to be a challenging month for global financial markets, with volatility driven by a combination of geopolitical tensions and resurging inflationary pressures. Escalating conflict involving Iran, Israel, and the United States contributed to a sharp increase in uncertainty. This was compounded by a spike in oil price which went from ~US$70/bbl to as high as US$110/bbl in just a few short weeks, contributing to a renewed spike in global inflation and supply chain pressures. Domestically, inflation has also reaccelerated in recent months, with CPI prints tracking ahead of expectations. In response, the Reserve Bank of Australia increased the cash rate by 25 basis points during the month, reinforcing a more hawkish policy tilt, which caught out many investors positioned for a continuation of the 2024–25 easing cycle. Bond yields also moved higher during the month, reflecting the higher inflation expectations, further weighing on equity valuations, particularly long duration-growth assets. For the small and micro-cap end of the market, the impact was disproportionate and swift, compared with the broader S&P/ASX 200, which declined by a more modest -7.1%.

KEY CONTRIBUTOR

Wagners (WGN AU) was one of the strongest contributors to performance during the quarter, rallying 16.2% in the period after delivering a materially better than expected result and upgrading full-year earnings guidance to approximately $62–66 million (an increase of ~18.5% at the midpoint versus prior guidance). The result demonstrated meaningful operating leverage, with margin improvement, stronger volumes across cement, concrete and quarry products, and growing confidence that new capacity and infrastructure exposure within the Poles business can support further earnings growth. In March, we toured WGN's assets across South East Queensland, which gave us further conviction in the growth capability within CFT, particularly how recent capex investment appears to be translating into higher-quality, more repeatable earnings. The demand backdrop for the business is increasingly compelling. South East Queensland is entering a prolonged period of construction activity, underpinned by the 2032 Brisbane Olympics and the associated wave of infrastructure, transport, and urban development spending. As a deeply embedded local supplier of cement, concrete, quarry products and composite fibre solutions, WGN is well positioned to capture a disproportionate share of this regional volume uplift over the coming years. Balance sheet improvement and strong cash generation added further appeal. Looking ahead, continued execution in concrete and quarry volumes, the ongoing ramp-up in CFT Poles, and a recovery in Project Services should support earnings momentum into the second half and beyond. WGN remains a high conviction holding.

KEY DETRACTOR

Megaport (MP1 AU) was a key detractor for the Quarter. In our view the weakness was driven by continued selling following the 1H26 result in February as well as general risk off sentiment in equity markets impacting long duration growth stocks. MP1's February result showed strong topline momentum as we had expected but raised questions about the level of investment in costs and capital required to generate this growth. Whilst we feel aspects of the market's concerns are overblown, the position size has reduced, and we have conducted another round of due diligence. We are seeking to build conviction in the business' path of revenue momentum translating to free cash flow momentum.

OUTLOOK

Looking ahead, we believe the recent sharp and indiscriminate sell-off has created a more attractive environment for active stock picking. Like any external shock, these periods create both winners and losers, and the volatility often opens good investment opportunities. In our view, several high-quality businesses have been caught up in the broader market weakness, creating appealing entry points. This period between reporting seasons is particularly valuable, allowing us to get on the road, attend conferences, and actively search for new ideas. We remain active, meeting with existing and prospective companies, while continuing to stress-test our investments at both the stock and portfolio level. Our focus remains on high-quality businesses with strong balance sheets, pricing power, and clear paths to growth. The portfolio is concentrated in high-conviction positions that we believe can grow earnings over time and deliver strong risk-adjusted returns, targeting at least a three-to-one risk reward and around 15% per annum over the medium term.

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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