Ellerston 2050 Fund

Ellerston Capital

Monthly Report as at 31 March 2026

APIR Code: ECL5651AU

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^	-7.9%	-9.0%	23.4%	18.0%	17.8%	11.2%
Benchmark*	-8.4%	-14.3%	-0.8%	-2.3%	4.7%	2.4%
Alpha	0.5%	5.3%	24.2%	20.3%	13.1%	8.8%

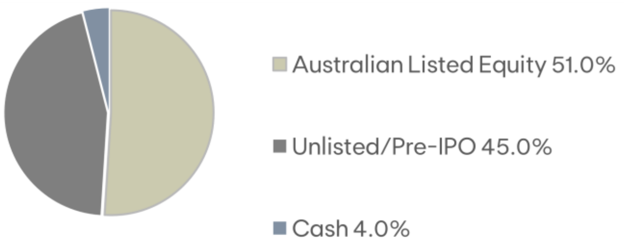
^ The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.
** S&P/ASX Small Industrials Accumulation Index. ^^Inception date is 30 May 2022.*

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%

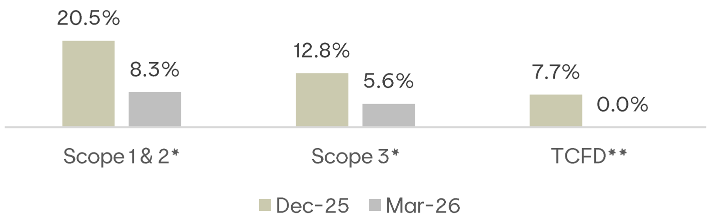
[1]Of the investment return above the benchmark, after recovering any underperformance in past periods.

Portfolio Breakdown

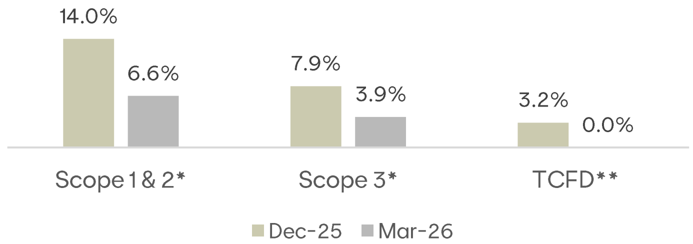


Source: Ellerston Capital.

Number of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD[1]



Value of Underlying Holdings Reporting on Scopes 1, 2 & 3, and according to TCFD[2]



[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.*

FUND COMMENTARY

The Ellerston 2050 Fund (the Fund) delivered -7.9% in March, slightly ahead of the S&P/ASX Small Industrials Index (the Benchmark), which declined by -8.4% during the period. Meanwhile, for the quarter, the Fund delivered -9.0% compared to the Benchmark which delivered -14.3%. 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 – Total Return index, which declined by a more modest -7.1%.

KEY CONTRIBUTOR

GenusPlus Group (GNP AU) was the Fund's top listed contributor for the March quarter up 14.2%, driven by a well-sequenced series of earnings catalysts that progressively strengthened investor confidence in the company's growth trajectory. The quarter began with a meaningful upgrade to FY26 EBITDA guidance in January, with management lifting normalised EBITDA growth expectations to circa 35% on the back of stronger-than-expected performance from the Energy & Engineering and Services segments. This was confirmed in February's record half-year result, which delivered revenue of $535.4 million (up 61%), normalised EBITDA of $46.3 million (up 69%), and a maiden interim dividend that was underpinned by a $2.4 billion order book and strong operating cash conversion. The quarter closed with the acquisition of Railtrain Holdings for up to $55 million, a strong strategic transaction that expands GNP's rail infrastructure capabilities nationally at a disciplined 2.75x EV/EBITDA on full earn-out. Taken together, the combination of upgraded guidance, robust earnings delivery, and accretive M&A activity represented a quarter that checked all the boxes. We hold GNP as a high conviction position in the portfolio.

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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