Ellerston Global Equity Managers Fund (GEMS) Class C

Monthly Newsletter, June 2026

Investment Objective

To generate superior returns for unitholders with a focus on risk and capital preservation.

Investment Strategy

The Fund provides investors with exposure to global markets through a long short equity strategy. The strategy overlays fundamental bottom-up stock selection with global macroeconomic and market outlook.

Key Information

Inception Date ^^	1 December 2009
Portfolio Manager	Ashok Jacob
Application Price	$1.8763
NAV Price	$1.8716
Redemption Price	$1.8669
Current Total NAV	$85,993,804
Gross Exposure	99%
Net Exposure	54%
Unit Pricing	Monthly
Management Fee	1.50% (p.a.)
Performance Fee	16.50%
Buy/Sell Spread	0.25% on application 0.25% on redemption

PERFORMANCE SUMMARY

Performance*	FY26	FY25	FY24	FY23	FY22	FY21
GEMS C	5.8%	8.9%	11.1%	-7.0%	-13.5%	58.6%
MSCI WI**	22.6%	13.7%	21.3%	18.2%	-11.1%	36.9%
ASX200***	6.1%	13.8%	12.1%	14.8%	-6.5%	27.8%

Performance*	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	Since Inception ^^ (p.a.)
GEMS C	-1.7%	5.7%	5.8%	8.6%	0.6%	7.8%	9.9%
MSCI WI**	-0.1%	14.0%	22.6%	19.2%	12.2%	13.5%	11.8%
ASX200***	0.7%	4.0%	6.1%	10.6%	7.8%	9.4%	8.2%

Source: Ellerston Capital.
* Past performance, indicative or actual, is not a reliable indicator of future performance, nor a promise of future returns. ^^Inception date is 1 December 2009.
**MSCI World Index – Net Return Unhedged in Local Currency.
*** S&P/ASX 200 - Total Return.

PORTFOLIO COMMENTARY

The Fund rose 5.7% for the quarter as markets continued to rally from the lows reached post the start of the Iran/US war. The funds positioning became more conservative as the quarter progressed as after the large movements in many sectors year to date there was the increased risk of some type of correction. The "AI Trade" is having a significant impact on many related sectors and exchanges that move inline or contra to the trend in this area. The cost of hedging also increased significantly in the direct sectors so consequently we ran a lower level of "gross exposure" throughout the quarter to limit downside risk. We remain positive on the longer-term data demand arising from AI and hence are mainly playing this thematic through exposure in neocloud providers and data centres. Outside of AI we have found it difficult to produce reasonable returns with the Australian and Hong Kong industrial markets being particularly weak and the resource markets being particularly volatile with the upward move in the $US. Commencing this quarter our largest thematic remains in the AI Thematic although individual stock volatility is high.

In Australia, the major positive contributors to performance for the quarter were SKS Technologies (Electrical contractor), Firmus Grid (Neocloud) and BHP (Miner). SKS rallied during the quarter on new contract announcements, particularly around data centre construction, which will see earnings expand substantially over the coming years. Firmus is a private company that completed another capital raising at a significantly higher valuation during the quarter to fund new project builds in Australia and Indonesia. BHP rallied with the upward move in the Copper price during the first half of the quarter which offset the impact of the decline in Iron Ore prices. Performance detraction came from Nexgen Energy (Uranium developer), Xero Ltd (Software) and Talga Group (Graphite Anode manufacturer). The uranium sector saw a broad drawdown for the quarter that commenced from January led by the fall in the spot price and some general risk off in some resource sectors. This was despite the rise in the term price where most volumes are contracted. Consequently, we have added to our uranium exposure this month on the disconnect. Most software stocks continue to struggle to attract a bid where the risk to their business model is seen as being under threat from AI and Xero was not immune from these moves. We thought this may have been priced into the share prices, but the current trend still seems to be lower. Talga fell after an expected grant from the Swedish government to help fund construction of their Graphite anode plant was not received due to government budget cuts. The company is now chasing other forms of finance which is now more likely to come from partners in Europe and Asia.

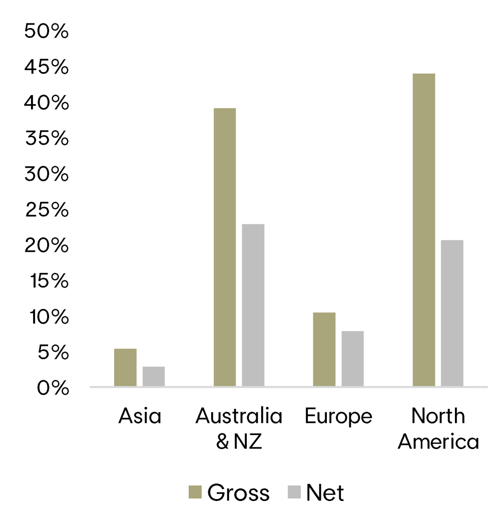
In North America, the major positive contributors to performance for the month were Sharon AI (Neocloud provider), Nebius Group (Neo-Cloud provider) and Core Scientific (Data Centres). Generally, the AI trend remained positive throughout the quarter, until the last few weeks, with both semiconductor and AI related names leading the way. Demand for compute continues to grow and neo-cloud and data centre providers continue to win contracts. These trends led to positive performance across our holdings in the space during the month. SharonAI is an Australian company that listed in the US this year and is planning to soon list in Australia. We have holdings in the company through both the Australian and US structures. The company announced a large capital raising during the quarter to fund future capex needs that was well supported by Nvidia and US tech investor Situational Awareness. Performance detraction for the month came from Albemarle Corporation (Lithium miner), CME Group (Derivative exchange operator) and Devon Energy (Oil & Gas producer). Albemarle fell for the quarter following the fall in the Lithium price which had rallied significantly over the last year before peaking in May. We hadn't expected the price to retreat so significantly (30% from the peak) due to the supply/demand situation, but the announcement of several restarts and capacity expansions in the future was enough to cause the drawdown. We exited the position during the quarter. CME Group we also exited during the quarter after the announcement of the resignation of the well-regarded CEO, some negative regulatory overhang and lower volumes. Devon Energy fell for the quarter along with the retreat of the oil price and is now back to the price before hostilities commenced in the middle east. We purchased the company before this event due to the FCF generation and potential for capital returns following the merger with Coterra Energy which remains relevant.

Within Asia, positive performance for the quarter came from Rohm (Japanese semiconductor manufacturer), Tokyo Electron (Japanese semiconductor production equipment) and Anritsu (Japanese electronic testing equipment). All three stocks benefited from the rally in semiconductor stocks for the quarter. They are all part of the AI value chain in semiconductor manufacturing and testing of equipment. Towards the end of the quarter, we exited 2 of the 3 on valuation grounds and some risk reduction. Performance detraction for the quarter came from Chongqing Machinery (Chinese generator manufacturer), GDS Holdings (Chinese data centre) and Merdeka Copper Gold (Indonesian miner). Chongqing fell on no new news although across international markets there was a pullback in generator businesses throughout the quarter as industry leaders fell on concerns that order book growth had plateaued. GDS reported a quarterly result where they maintained their long-term guidance, but where the rollout is to be slower than expected resulting in downgrades to short term earnings causing the share price to fall. Merdeka fell after the Indonesian government announced an increase in royalties and the gold price continued to fall for the quarter. We exited all three positions during the quarter.

In Europe, positive performance for the month came in Banca Monte dei Paschi Siena (Italian bank). BMPS continued to rise for the quarter along with other European financials on expectations that the next move in interest rates on the continent would be for a rise, which is generally seen as a positive for the sectors margins. Performance detraction for the quarter came from Leonardo Spa (Italian defence contractor). Leonoardo, and the defence sector generally, retreated for the quarter on the back of the Iran/US peace deal, delays in contracts being issued in Europe and murmurings of a Ukraine/Russia peace deal. To date only one of the three has occurred.

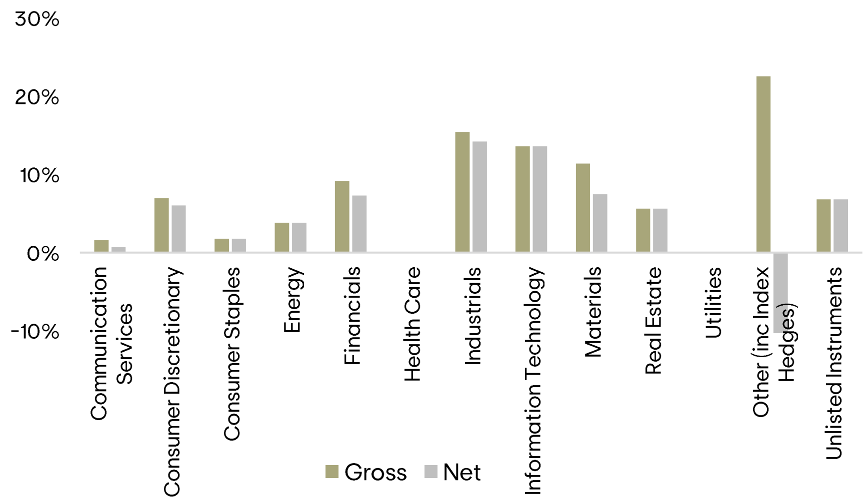
PORTFOLIO CHARACTERISTICS

Regional Exposure



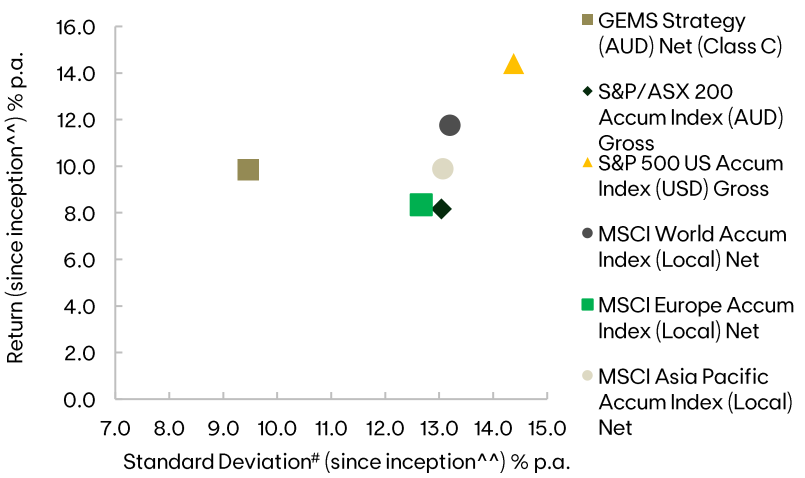
Source: Ellerston Capital.

Sector Exposure



Source: Ellerston Capital.

GEMS Strategy Performance & Volatility



Source: Ellerston Capital.
Past performance is not a reliable indication of future performance.
^^Inception Date 1 December 2009.
#See full disclaimer at the bottom of this document.

Top 10 Holdings (Alphabetical, Long Only)

- AERCAP HOLDINGS NV
- AMAZON.COM INC
- APPLE INC
- CENTURIA CAPITAL GROUP
- CLEAN HARBORS INC
- CORPAY INC
- FIRMUS GRID PTY LTD
- GFL ENVIRONM-SUB (US)
- ROHM CO LTD
- SHARONAI INC

Source: Ellerston Capital.

Regulatory Guide (RG240) Fund Disclosure Benchmark – Periodic Reporting (monthly)

- **Net Asset Value of the Fund and Redemption Price of Units.**

Please refer to the 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 the 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

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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 holdings enquiries should be directed to our registry, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

The standard deviation is often used by investors to measure the risk of an asset. The standard deviation is a measure of volatility: the more an asset's returns vary from the average return, the more volatile the asset. A higher standard deviation means a greater potential for deviation of return from the average return of the asset. The returns and risk of the Fund and the relevant Indices are net of taxes, fees and expenses and assuming distributions are reinvested. The performance figures presented are for the Ellerston Global Equity Managers Fund GEMS C Units. The one month return figure may be an estimate and not the final return. This estimate also impacts other performance information provided. Estimated performance figures are preliminary and subject to change. Returns for other classes may differ slightly. Past performance is not indicative of future performance.

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