# Ellerston 2050 Fund

**Monthly Report as at 30 June 2026**

APIR Code: ECL5651AU

Ellerston Capital

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 that 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^** | 5.8% | 29.8% | 45.2% | 31.5% | 26.6% | 17.6% |
| **Benchmark*** | 3.9% | 8.4% | -0.9% | 4.0% | 6.8% | 4.2% |
| **Alpha** | 1.9% | 21.4% | 46.1% | 27.5% | 19.8% | 13.4% |

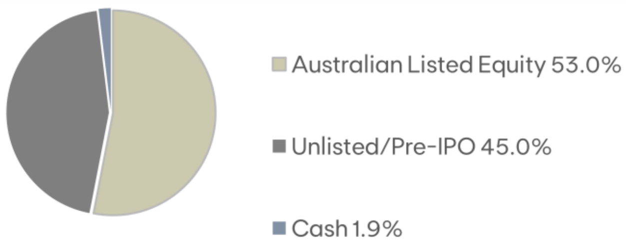
*^ The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.*
** S&P/ASX Small Industrials Accumulation Index. ^^Inception date is 30 May 2022.*

## Key Information

| | |
|---|---|
| **Portfolio Manager(s)** | David Keelan<br>James Barker<br>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<br>&<br>Listed Micro & Small Cap Investments – 25-40 |
| **Distribution Frequency** | Half-Yearly<br>(where available) |
| **Management Fee** | 1.50% p.a. |
| **Performance Fee[1]** | 20.00% |
| **Buy/Sell Spread** | 0.38% / 0.38% |

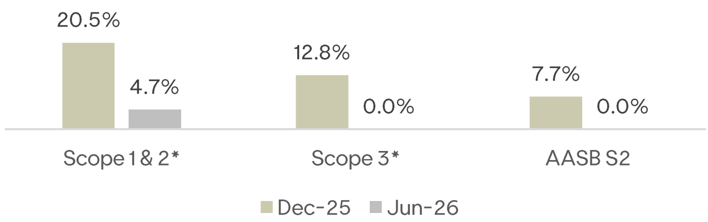
*[1]Of the investment return above the benchmark, after recovering any underperformance in past periods.*

## Portfolio Breakdown

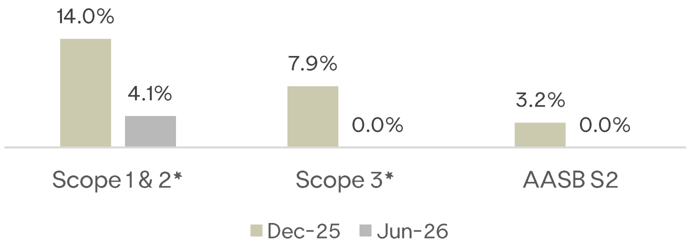



*Source: Ellerston Capital.*

### 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 a return of 5.8% (net) in June, outperforming the S&P/ASX Small Industrials Accumulation Index (the Benchmark) return of 3.9% over the month. For the June quarter, the Fund returned 29.8%, compared with the Benchmark return of 8.4%. The quarter was characterised by heightened volatility, driven primarily by the war between the United States and Iran. This conflict sent oil prices sharply higher and reignited concerns around global inflation and supply chain pressures. While the signing of a Memorandum of Understanding in June aimed at ending hostilities was welcomed by markets and saw oil prices retrace, the geopolitical backdrop remains fluid.

Closer to home, the macroeconomic backdrop remained mixed, with persistent inflation prompting the Reserve Bank of Australia to increase the cash rate to 4.35%, while economic growth softened and unemployment rose to around 4.5%. Consumer confidence also weakened following the Federal Budget, with proposed reforms to negative gearing and capital gains tax concessions adding further uncertainty for households and investors. Despite these headwinds, bond yields stabilised during the quarter, reinforcing the view that the RBA may be nearing the end of its tightening cycle. Meanwhile, capital markets remained selectively supportive for high-quality businesses, particularly those exposed to structural themes such as artificial intelligence and digital infrastructure.

For the financial year, the Fund delivered 45.2%, outperforming the benchmark return of -0.9%. Since inception, the Fund has delivered a return of 17.6% versus the Benchmark return of 4.2%. We are extremely pleased with this outcome and sincerely thank you for your continued support and the trust you place in us to manage your capital. It has been another eventful year for markets, yet our investment philosophy remains unchanged. We remain focused on identifying high-quality businesses with strong long-term fundamentals and taking advantage of periods of market dislocation to invest with a long-term perspective. We continue to see companies that can demonstrate a credible pathway to carbon abatement in Australia, for example through grid modernisation and digital infrastructure investment, being rewarded by the market as they articulate this exposure. Your confidence enables us to remain disciplined in executing this approach, and we remain committed to delivering attractive risk-adjusted returns over time.

## KEY CONTRIBUTOR*

SKS Technologies (SKS AU) was the Fund's top listed contributor for the June quarter, with the share price rising 129% over the period on a steady stream of positive news. In April, SKS announced the expansion of its hyperscale data centre contract with Hickory at MEL02A in Melbourne's west by a further $80m to $210m. In May, the company was awarded a $22m contract for a major retailer's new Docklands headquarters and secured a $20m increase in its bank guarantee facility, taking total bank facilities to $52m to support the rapidly expanding order book. Work in hand now sits at $355m, of which approximately $270m extends into FY27. The pipeline of work under tender has more than doubled since February from $572m to approximately $1.25bn, with the large majority being data centre work. We continue to see SKS as a critical delivery partner for the major Australian hyperscale data centre providers, each with significantly increasing levels of pipeline to deliver on in the coming years. SKS reduces emissions by delivering energy-efficient electrical and digital infrastructure for data centres and smart buildings. Its intelligent building systems optimise energy use and improve operational efficiency across commercial assets.

## KEY DETRACTOR*

Servcorp (SRV AU) was one of the portfolio's weakest performers during the quarter, although the share price declined a relatively modest 4%. The weakness largely reflected heightened investor concerns around the Iran–US conflict and the company's significant exposure to the Middle East. Despite the near-term geopolitical uncertainty, we remain confident in the investment case, as the underlying business continues to benefit from strong demand, a growing footprint and highly recurring revenue supported by long-term customer contracts. We believe the recent share price weakness reflects sentiment rather than any material deterioration in fundamentals and continues to present an attractive long-term opportunity. Servcorp reduces emissions by enabling shared flexible workspaces, improving office utilisation and reducing demand for dedicated office space and associated energy consumption.

## OUTLOOK

The period leading into reporting season is a valuable one for us. It allows us to reassess our core holdings and ensure the portfolio is well positioned heading into the most catalyst-rich stretch of the year. It is also a fertile time for new ideas, with recent volatility leaving a number of share prices across the small and microcap universe detached from their fundamentals. Our focus remains on businesses with strong balance sheets, pricing power and structural tailwinds, and we continue to rigorously stress-test the portfolio to ensure our highest conviction positions offer the most compelling upside.



*Attribution is based on the contribution from listed portfolio positions only

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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