Ellerston Global Mid Small Cap Fund

Ellerston Capital

Monthly Report as at 30 June 2026

APIR Code: ECL8388AU, ECL3306AU | ARSN 609 725 868

Concentrated portfolio of global mid small cap securities, built through a contrarian, high conviction, and benchmark independent approach.

Targets companies which the Portfolio Manager feels are in a period of "price discovery" and which offer an attractive risk/reward dynamic.

Aims to outperform the benchmark with a focus on risk management and capital growth.

Performance Summary - Class A

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)^^
Net^	2.6%	23.3%	27.9%	15.7%	8.4%	12.9%
Benchmark*	4.0%	9.6%	10.6%	13.7%	8.6%	10.8%
Alpha	-1.4%	13.7%	17.3%	2.0%	-0.2%	2.1%

Performance Summary - Class B

Performance	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)^^^
Net^	2.7%	23.4%	28.1%	15.8%	8.6%	12.6%
Benchmark*	4.0%	9.6%	10.6%	13.7%	8.6%	11.7%
Alpha	-1.3%	13.8%	17.5%	2.1%	0.0%	0.9%

^ The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.
** MSCI World Mid Cap Index NR (AUD).*
^^Class A inception is 28 February 2017. ^^^Class B inception is 18 August 2020.

Key Information

Portfolio Manager(s)	Nick Markiewicz
Investment Objective	To outperform the benchmark by 3% over a 5-year rolling period.
Benchmark	MSCI World Mid Cap Index NR (AUD)
Liquidity	Daily
Target Number of Holdings	20-40
Minimum Investment	Initial - $25,000 Additional - $10,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	0.75% p.a.
Performance Fee[1]	10.00%
Buy/Sell Spread	0.25% / 0.25%
Class A Unit Prices & Fund Size	Application – $2.0913 Net Asset Value – $2.0861 Redemption – $2.0809 Fund Size – $32,193,707
Class B Unit Prices & Fund Size	Net Asset Value – $1.7660 Redemption – $1.7616 Fund Size – $34,000,128

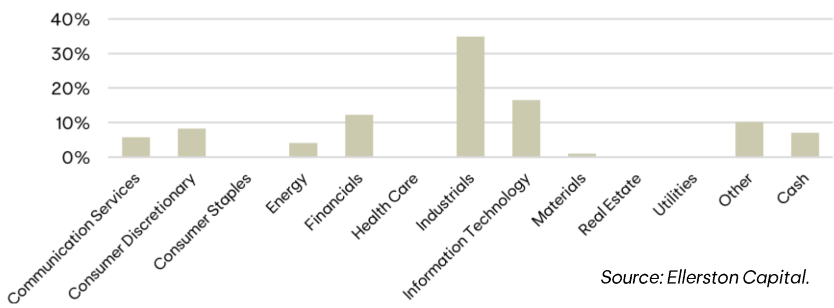
[1]Of the investment return above the benchmark, after recovering any underperformance in past periods.

Top Holdings*

Company	Sector
AerCap Holdings NV	Industrials
Corpay, Inc.	Financials
GFL Environmental	Industrials
Nebius Group N.V. Class A	Information Technology
ProPetro Holding Corp.	Energy

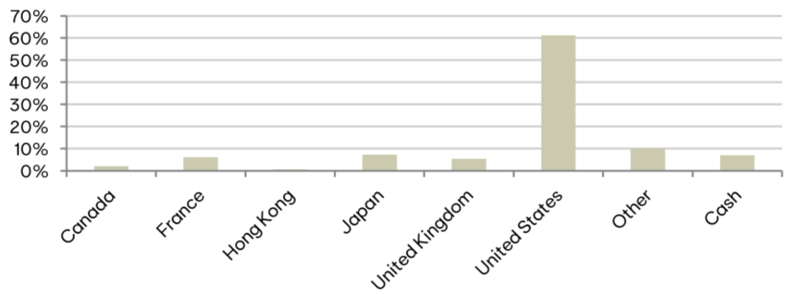
*Source: Ellerston Capital. *Listed holdings in alphabetical order.*

Sector Allocation



Source: Ellerston Capital.

Regional Exposure



Source: Ellerston Capital.

PORTFOLIO COMMENTARY

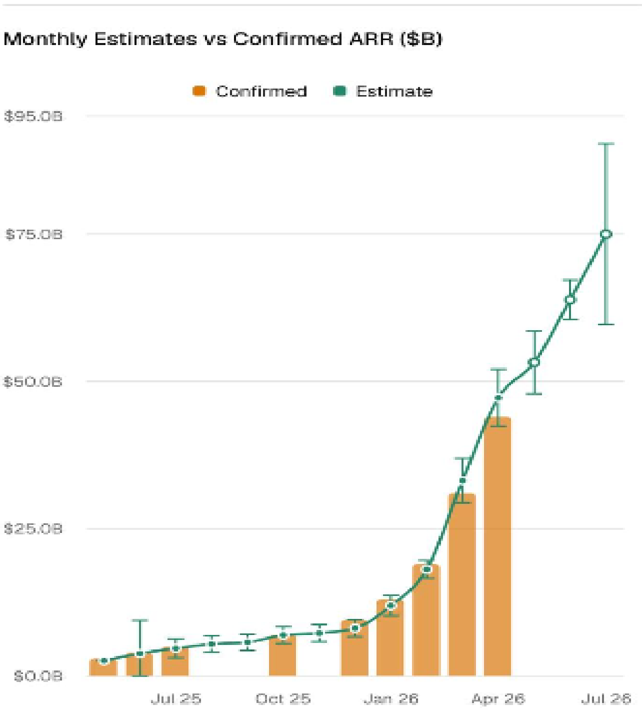
The Ellerston Global Mid Small Cap Fund – Class A Units (the Fund) increased +23.3% (net AUD) in the June quarter vs the MSCI World Mid Cap Index (the Benchmark) increasing +9.6% (AUD). For the FY26, the Fund has increased +27.9% (net AUD) compared to the index up +10.6% (AUD).

MARKET COMMENTARY

Markets posted one of the strongest broad based advances in decades over the quarter. The S&P500 and Nasdaq100 recorded their best quarter since Q2 2020, with the Nasdaq100 posting its second best quarterly performance in 25 years. The rally started narrowly in April, led by large cap growth and hyperscalers rebounding off the March lows, before broadening out meaningfully by quarter end, with small cap, microcap, equal weight benchmarks all finishing the quarter at new record highs.

AI remained the dominant theme through most of the quarter, supported by new AI model launches, strong cloud growth at the major hyperscalers, continued upgrades to the AI capex outlook, as well as rising GPU rental prices (indicating robust demand for AI products). Reflecting this, the Philadelphia Semiconductor Index (SOX) recorded double digit gains in all three months of the quarter, its best quarterly performance (+87.8%) since the index's inception in 1994. We believe the outlook for AI demand continues to remain robust. At the time of writing, the current annual recurring revenue for Anthropic (a leading frontier AI model) is estimated by one source (Funda) to be close to US$75b, compared to just US$9b at the end of 2025, and US$4b this time last year. To support this level of growth, Anthropic (as well as other hyperscalers), will need to continue to invest in key bottlenecks across the AI supply chain, namely physical infrastructure; power, cooling and data centre capacity. We think this will take years to resolve at the current demand curve, benefiting many of our holdings which have access to either latest generation GPUs or difficult to source power (or in some cases both). The recent entry of Nvidia as a revenue/funding backstop for many of our holdings is likely to further accelerate their growth.

Anthropic ARR



Source: Funda

Beyond AI, one interesting observation from the quarter was the change in market leadership as the quarter progressed. April and May were dominated by a narrow, tech led rally. In May, only 3 of 11 S&P500 sectors were positive, with nearly all of the gain attributable to technology. June saw a shift as new Fed Chairman, Kevin Warsh, struck a surprisingly hawkish tone, with markets subsequently pricing in further rate hikes by year end rather than cuts. This drove a rotation out of growth/momentum positions and into more cyclical and defensive areas, with industrials, financials and healthcare outperforming in June, while AI names lagged on profit taking (impacting the strategy's June performance). Throughout June, we added to a number of non-AI, cyclical positions (detailed below), while retaining our core AI infrastructure holdings.

Subsequent to quarter end we have seen a significant drawdown in AI and other 'momentum' related stocks, with the first week of July seeing 20% drawdown in the TMT Momentum basket – the worst result since the early 2000s. We think this is likely an outcome of momentum related stocks simply becoming too stretched, though there are ongoing questions around the sustainability of token demand, the level of capacity entering the GPU cloud market and sky rocketing inflation in key AI hardware inputs, namely memory prices. While we see AI stocks as likely to remain volatile near term, we view many of these underlying issues as either non-events, or less relevant to our particular holdings.

Key Contributors:

SharonAI (SHAZ-US) increased 272% through the quarter. The company completed a significant (and well supported capital raise) through the quarter and has recently announced an innovative revenue/financing backstop solution with Nvidia, which should help secure GPUs, customers and power to further accelerate growth. An Australian IPO is expected in the coming months.

Nebius Group (NBIS-US) increased 166% across the quarter. Nebius now sits on a contracted backlog approaching $50 billion for the 2027 to 2031 period, against 2025 revenue of just $530 million, and should be a major beneficiary from the strong GPU rental prices in the market.

Forgent Power Solutions (FPS-US) increased 91% through the quarter. Forgent designs and manufactures electrical equipment such as transformers and switchgear, serving its two largest end markets, data centres and the grid. We used weakness following a secondary sell-down to establish a position.

Key Detractors:

GFL Environmental (GFL-US) decreased 12% through the quarter. GFL is a North American solid waste and environmental services company, providing collection, transfer, recycling and disposal services across the US and Canada. The poor share price performance is likely an outcome of the generally poor performance of 'quality' businesses, as well as the acquisition of Secure Waste Infrastructure, which has been poorly received by the market. We continue to see GFL as attractively valued, supported by recent news post quarter end that the business is potentially exploring a take private transaction, with the CEO willing to entertain $50 per share (vs $40 at the time of writing).

GDS Holdings (9698-HK) fell 27% through the quarter. GDS is one of China's leading data centre operators, providing colocation and managed infrastructure services to hyperscale and enterprise cloud customers. The company has also been expanding internationally through its DayOne platform, targeting data centre demand across Southeast Asia and other overseas markets. We exited our position in the quarter given the broad based weakness in Chinese equities and continuation of deteriorating liquidity, particularly in the Hong Kong exchange.

Albemarle (ALB-US) fell 25% through the quarter. ALB is one of the world's largest lithium producers, supplying battery grade lithium chemicals for electric vehicles and energy storage, alongside smaller bromine and catalysts businesses. The stock has been highly sensitive to lithium price cycles, with recent oversupply and rising USD weighing heavily on the lithium price.

Portfolio changes:

We used the volatility and factor rotation through the quarter, and particularly through June, to broaden the portfolio beyond AI infrastructure exposure and into a small number of cyclical and value names where we see attractive risk reward.

LGI Homes (LGIH-US), Suncrete (RMIX-US) and **Construction Partners (ROAD-US)** were all added as new positions in June, giving exposure to the broadening strength in the US economy, and prospects for rate cuts in time, complementing our existing position in QXO.

Exits through the quarter included Circle Internet Group (CRCL-US), Albemarle (ALB-US), Tradeweb Markets (TW-US), MonotaRO (3064-JP) and GDS Holdings (9698-HK).

We also added to MasTec, Galaxy Digital and Cipher Digital, and trimmed Nebius, Forgent Power Solutions, Core Scientific and Anritsu, in each case as positions approached or moved away from our internal valuation targets.

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

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

Please refer to 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 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:

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

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