Ellerston Australian Emerging Leaders Fund - Class A Units

Ellerston Capital

Monthly Report as at end of June 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	6 Months	1 Year	3 Years (p.a.)	Since Inception (p.a.)^^
Net^	3.8%	17.1%	-3.9%	3.6%	18.2%	4.6%
Benchmark*	-2.0%	3.3%	-7.9%	8.1%	9.9%	2.2%
Alpha	5.8%	13.8%	4.0%	-4.5%	8.3%	2.4%

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

Key Information

Portfolio Manager(s)	David Keelan James Barker Jack Briggs
Investment Objective	Aims 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
Gemlife Communities Group	Real Estate
GenusPlus Group Ltd.	Industrials
Megaport Ltd.	Information Technology
SKS Technologies Group Limited	Industrials
Southern Cross Electrical Engineering Limited	Industrials

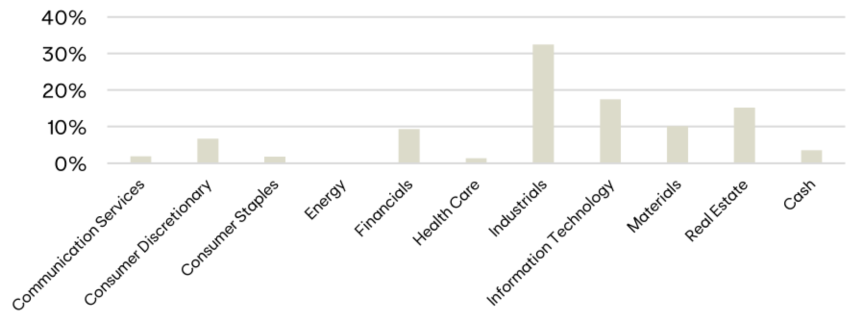
**In alphabetical order.*
Source: Ellerston Capital.

Key Portfolio Metrics

FY27(e)	Fund	Benchmark
Price/Earnings	17.1x	17.1x
Dividend Yield	2.8%	3.3%
Net Debt/EBITDA	0.4x	0.8x

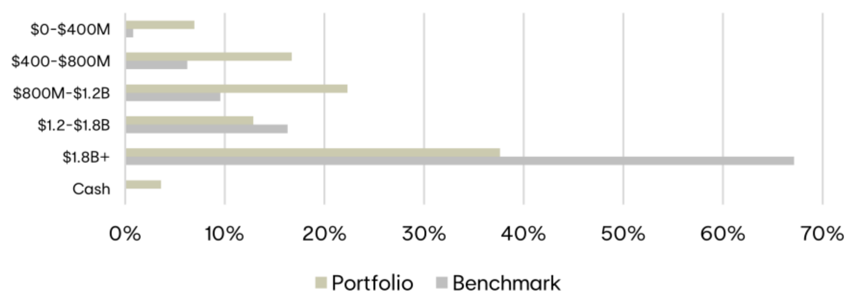
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Cap Exposure



Source: Ellerston Capital.

FUND COMMENTARY

The Ellerston Australian Emerging Leaders Fund – Class A Units (the Fund) delivered a return of 3.8% (net) in June, outperforming the S&P/ASX Small Ordinaries Accumulation Index (the Benchmark) return of -2.0% over the month. For the June quarter, the Fund returned 17.1%, compared with the Benchmark return of 3.3%. 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 3.6%, underperforming the Benchmark return of 8.1%. This is not the outcome we aspire to, and we have taken the lessons from the year on board. Pleasingly, performance recovered materially over the final quarter. This brings the Fund's 3-year return to 18.2% per annum against the Benchmark's 9.9%. Since inception, the Fund has delivered 4.6% per annum, against the Benchmark's 2.2%. We 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 is 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. Your confidence enables us to stay disciplined in executing this approach, and we are committed to delivering attractive risk-adjusted returns over time.

KEY CONTRIBUTOR

Southern Cross Electrical Engineering (SXE AU) was a major contributor, with the share price rising 76% over the quarter. In June, the company announced over $150m of new works awards, including initial electrical and communications works for Multiplex. This is on the first stage of NEXTDC's S4 data centre at Horsley Park, a Low Voltage switchroom skid order from a major data centre operator for its Trivantage business. Additionally, the signed a three-year master agreement with Rio Tinto covering electrical, instrumentation and controls works across its Pilbara iron ore operations. Alongside the awards, SXE upgraded underlying FY26 EBITDA guidance from at least $72m to >$75m and initiated FY27 EBITDA guidance of at least $100m, representing growth of 33%. To fund the working capital associated with the growing workbook and provide flexibility for future acquisitions, the company launched a A$165m capital raise, alongside materially increased bank guarantee, working capital and acquisition facilities. We believe SXE is well placed to capture the structural uplift in demand across data centres, infrastructure and renewable energy.

KEY DETRACTOR

TUAS (TUA AU) fell materially in the quarter, giving back over 60% after Singapore's Infocomm Media Development Authority (IMDA) suspended its review of Simba Telecom's proposed S$1.43 billion acquisition of M1, citing concerns that Simba may have been using unauthorised radio spectrum in the base business. The transaction was subsequently terminated, which drove a substantial de-rating of the stock. The ongoing investigation also introduced a difficult-to-quantify risk to the standalone business, spanning potential fines, remediation costs and tighter licence conditions.

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.

RESEARCH RATING

Recommended
Lonsec Research

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.

Contact Us

Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 9021 7701
info@ellerstoncapital.com

Ellerston Capital