Ellerston Australian Micro Cap Fund - Class A Units

Ellerston Capital

Monthly Report as at end of June 2026

APIR Code: ECL0984AU | ARSN 619 727 356

Portfolio of 30 - 60 smaller & micro cap companies built through an active, research - driven investment approach.

Focus on companies which have a sound business franchise with an attractive earnings profile, that 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	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)^^
Net^	1.7%	18.3%	29.1%	23.9%	9.5%	16.1%
Benchmark*	-2.0%	3.3%	8.1%	9.9%	3.0%	6.9%
Alpha	3.7%	15.0%	21.0%	14.0%	6.5%	9.2%

^ 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 28 April 2017.*

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	1.20% 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
GenusPlus Group Ltd.	Industrials
Mayfield Group Holdings Limited	Industrials
Shape Australia Corporation Limited	Industrials
SKS Technologies Group Limited	Industrials
Wagners Holding Co. Ltd.	Materials

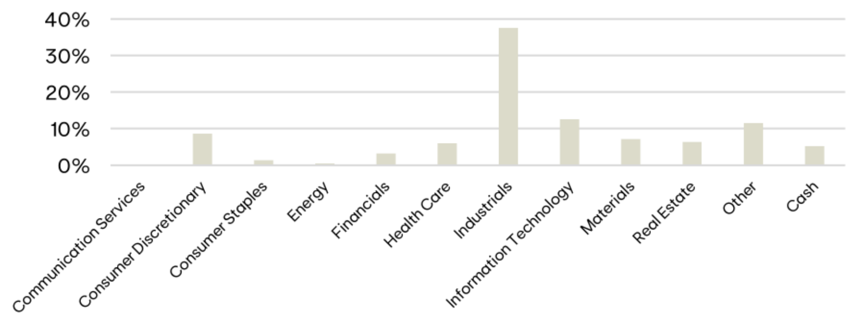
**ASX listed securities - in alphabetical order.*
Source: Ellerston Capital.

Key Portfolio Metrics

FY27(e)	Fund	Benchmark
Price/Earnings	18.8x	17.0x
Dividend Yield	2.4%	3.3%
Net Debt/EBITDA	0.0x	0.8x

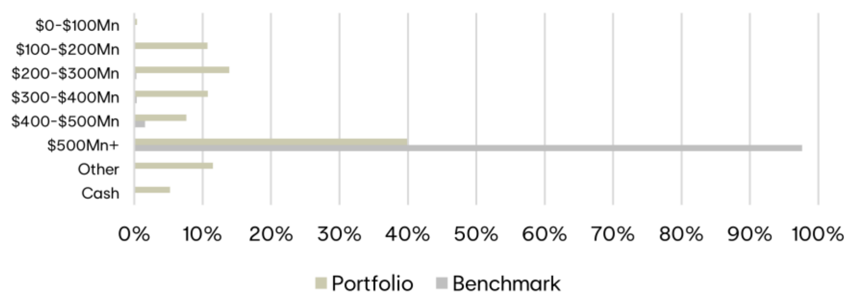
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Cap Exposure



Source: Ellerston Capital.

REGISTER FOR OUR WEBINAR

Join Jason Coggins and Lisa Salamon from Ellerston Capital as they explore why investing beyond the ASX 20 could unlock the next generation of growth. With many ASX 20 companies concentrated in mature, low-growth sectors, Australian small caps are emerging as one of today's most compelling opportunities to capture the AI productivity boom.

Register for Webinar

FUND COMMENTARY

The Ellerston Australian Micro Cap Fund – Class A Units (the Fund) delivered a return of 1.7% (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 18.3% 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 creating uncertainty. 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 29.1%, outperforming the Benchmark return of 8.1%. Since inception, the Fund has delivered a 16.1% per annum return against the Benchmark's 6.9% return. 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 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 remain committed to delivering attractive risk-adjusted returns over time.

KEY CONTRIBUTOR

SKS Technologies (SKS AU) was one of the Fund's top contributors 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.

KEY DETRACTOR

Acusensus (ACE AU) was among the Fund's detractors, with the share price falling 14% over the quarter despite a solid stream of news. In May, the company reaffirmed FY26 guidance alongside a business update highlighting an expanding international footprint. This included the mobilisation of its first state-wide program in the United States with the Connecticut Department of Transportation, three concurrent operational programs in the United Kingdom and a New Zealand mobile speed camera program running ahead of plan. In June, Acusensus formally agreed a six-month extension (with a further six-month option) of its Mobile Speed Camera Services Agreement with Transport for NSW, worth approximately $16m per six-month period. We continue to hold as a core position and believe there is a strong pipeline of contract opportunities for the group ahead in coming periods.

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.

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