Ellerston Mid Cap Opportunities Fund

Ellerston Capital

Monthly Report as at end of July 2026

APIR Code: ECL6330AU | ARSN 683 124 263

Portfolio of 25 - 40 Mid 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	6 Months	1 Year	Since Inception (p.a.)^^
Net^	-4.5%	2.0%	-8.1%	-14.3%	-3.1%
Benchmark*	-1.3%	0.3%	-8.8%	2.1%	5.0%
Alpha	-3.2%	1.7%	0.7%	-16.4%	-8.1%

^ The net return figure is calculated after fees & expenses , assuming all distributions are reinvested . Past performance is not a reliable indication of future performance.
** 50% of the S&P/ASX Mid Cap 50 Total Return (TR) Index and 50% of the S&P/ASX Small Ordinaries Total Return (TR) Index. ^^ Inception date is 31 January 2025.*

Key Information

Portfolio Manager(s)	David Keelan Jack Briggs James Barker
Investment Objective	Aims to outperform the Benchmark over a rolling three year period
Benchmark	50% of the S&P/ASX Mid Cap 50 TR Index & 50% of the S&P/ASX Small Ordinaries TR Index
Liquidity	Daily
Target Number of Holdings	25-40
Minimum Investment	Initial investment - $10,000 Additional investment – $5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.00% p.a.
Performance Fee[1]	20.00%
Buy/Sell Spread	0.25% / 0.25%

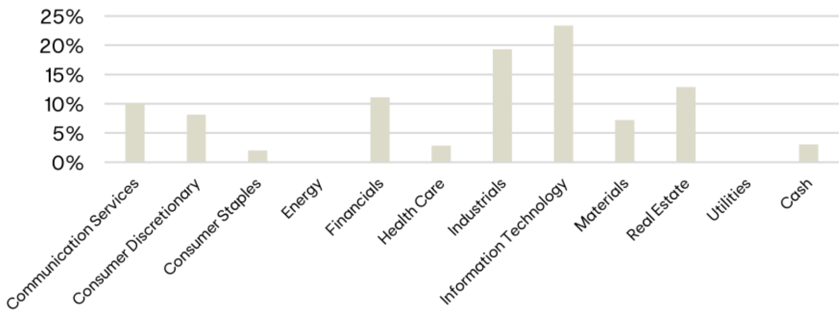
[1]*Of the investment return above the benchmark, after recovering any underperformance in past periods.*

Top Holdings*

Company	Sector
Bravura Solutions Limited	Information Technology
Dicker Data Limited	Information Technology
Seek Limited	Communication Services
Servcorp Limited	Real Estate
Wagners Holding Co. Ltd.	Materials

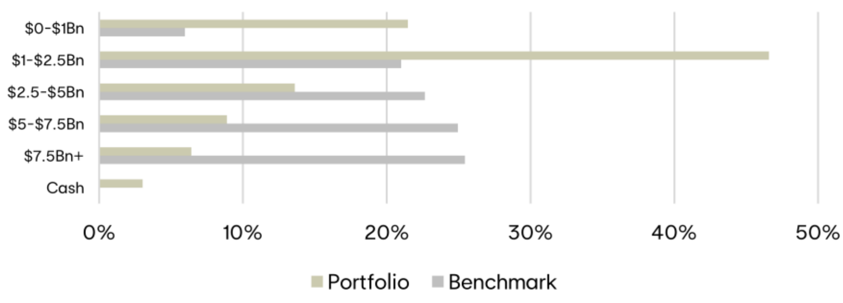
**In alphabetical order.*
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Cap Exposure



Source: Ellerston Capital.

FUND COMMENTARY

The Ellerston Mid Cap Opportunities Fund (the Fund) delivered a return of -4.5% (net) in July, underperforming the Benchmark return of -1.3%. The Benchmark declined primarily due to a re-escalation of the war in Iran driving volatility in oil prices and mixed economic data leading to fluctuating expectations for the interest-rate outlook.

The Fund had disappointing performance in July, with several of our positions falling on no company-specific newsflow. This was particularly the case for stocks that had exposure to the AI and data-center thematic, with the market concerned around broader capex vs returns balance for the global hyperscalers. For our portfolio companies exposed to this thematic, they are experiencing strong demand driving increased revenue visibility and economies of scale.

August provides a plethora of catalysts for our portfolio. We have taken advantage of the recent volatility to increase conviction within our portfolio. We remain committed to our investment process, continuing to stress-test our theses and assumptions as we look forward to the upcoming reporting season.

KEY CONTRIBUTOR

Bravura Solutions (BVS) was the largest contributor to the Fund in July rising 25.7%. BVS pre-announced FY26 cash EBITDA at $77m which saw the implied 2H cash EBITDA print 16% ahead of market expectations. The outperformance was driven by the mix of project services jobs shifting to higher quality, higher margin work and also cost efficiency across the business. We continue to see opportunity for the BVS share price to perform as the market believes it is a cost-out story with minimal revenue growth. However, BVS grew organic revenue c.15% in FY26 and we believe rates at least in the high single digits are sustainable. We expect the market to re-rate the stock when it comes to agree with us.

KEY DETRACTOR

GenusPlus Group (GNP AU) was among the Fund's top detractors for the month of July, with the share price falling 20.2% over the period despite a positive contract award. Genus is an end-to-end specialist service provider for essential power, rail and communications infrastructure, servicing the resources, energy, utilities, rail and communications sectors across Australia. On 15 July, the company announced a circa $55m contract with Rio Tinto for construction of the 220kV Millstream Substation expansion, approximately 80km south of Karratha in the Pilbara. Work commenced immediately and is expected to complete in mid-2028. The award sits under the Master Construction Agreement for electrical, instrumentation and controls works that Genus secured from Rio Tinto in March 2026. Management pointed to the award as evidence of the group converting a strong tender pipeline into orderbook heading into FY27. The share price weakness therefore looks at odds with the operational momentum in the business. We expect strong underlying performance from Genus going forward, underpinned by a growing orderbook and sustained investment across Australian power and resources infrastructure.

OUTLOOK

We are deep in preparation for the August reporting season, which is typically the most catalyst-rich period of the year for Australian small and microcap equities. We continue to rigorously stress-test our core holdings, challenge our investment theses and ensure the portfolio is well positioned ahead of what is often the most significant period for earnings revisions and share price movements. It is also a fertile environment for identifying new investment opportunities, with recent market volatility leaving the share prices of a number of high-quality businesses detached from their underlying fundamentals. Our focus remains on companies with strong balance sheets, pricing power, high-quality management teams and structural growth tailwinds, where we believe the market is underappreciating the medium-term earnings outlook. We remain disciplined in capital allocation and continue to ensure our highest conviction positions offer the most compelling risk-adjusted return opportunities.

RESEARCH RATING

Recommended
Lonsec Research

Find out more:

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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.

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