# Ellerston Australian Emerging Leaders Fund - Class A Units

Ellerston Capital

**Monthly Report as at end of August 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 | 1 Year | 3 Years (p.a.) | 5 Years (p.a.) | Since Inception (p.a.)^^ |
|---|---|---|---|---|---|---|
| Net^ | 4.2% | 1.6% | -10.9% | 15.9% | 3.5% | 4.0% |
| Benchmark* | 5.2% | -0.2% | -1.2% | 9.8% | 2.2% | 2.5% |
| Alpha | -1.0% | 1.8% | -9.7% | 6.1% | 1.3% | 1.5% |

*^ 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<br>James Barker<br>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<br>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 |
|---|---|
| Dicker Data Limited | Information Technology |
| MAAS Group Holdings Ltd. | Industrials |
| Servcorp Limited | Real Estate |
| SKS Technologies Group Limited | Industrials |
| Wagners Holding Co. Ltd. | Materials |

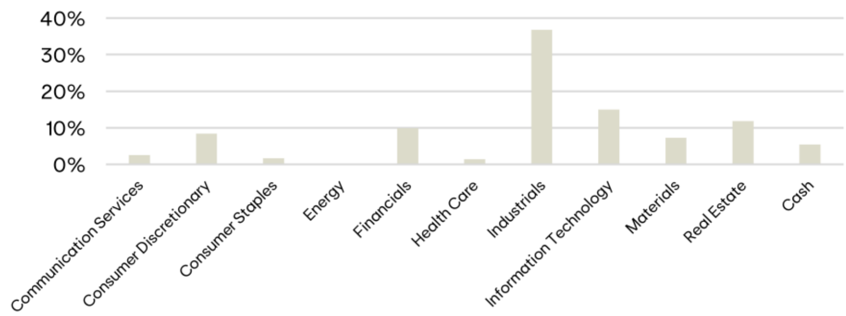
**In alphabetical order.*
*Source: Ellerston Capital.*

## Key Portfolio Metrics

| FY27(e) | Fund | Benchmark |
|---|---|---|
| **Price/Earnings** | 15.7x | 14.0x |
| **Dividend Yield** | 3.1% | 3.5% |
| **Net Debt/EBITDA** | 0.4x | 0.4x |

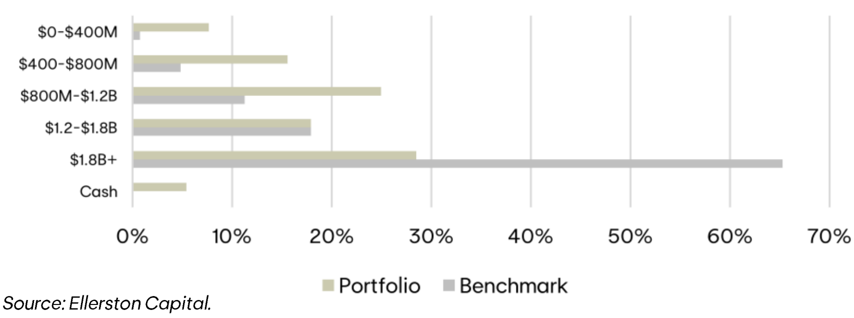
*Source: Ellerston Capital.*

## 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 4.2% (net) in August, underperforming the S&P/ASX Small Ordinaries Accumulation Index (the Benchmark) return of 5.2%. During the month, Energy and Materials were standout performers, increasing by 13% and 19% respectively, detracting from overall performance given the Fund's ex-Resources focus. The remaining sectors' contributions to Benchmark returns broadly offset each other, netting close to flat. This resulted in the Small Ordinaries outperforming the Small Industrials by approximately 5% over the month. Reporting season was also extremely volatile, with daily share price movements of 10–20% becoming increasingly common and, in many cases, appearing disproportionate to changes in underlying earnings expectations.

The RBA left interest rates unchanged in August, although its tone shifted notably more hawkish as inflation continued to struggle to return to the target band. The market is now pricing in one, and potentially two, further rate increases, weighing on real estate, rate-sensitive financial services, consumer and technology stocks. The ongoing conflict in the middle east and volatility in oil prices added to inflationary pressures, while the effects of the May Budget continued to reverberate through the property market, consumer confidence and the broader economy.

Despite this more challenging backdrop, a strong result from Nvidia renewed enthusiasm for AI and reinforced the scale of the infrastructure buildout across semiconductors, memory, power generation, data centres and cooling. M&A activity was also particularly strong, with transactions involving Equity Trustees, Reliance, Cleanaway and Austal, an ongoing contest for FleetPartners, and more recent approaches for Ingenia, Peet and MaxiPARTS. While some of these proposals may be considered opportunistic, their breadth suggests private-market buyers are increasingly finding value in listed companies.

## KEY CONTRIBUTOR

Bravura Solutions (BVS AU) was the Fund's top contributor during the month rising 30% and paying a c.5% dividend yield. At its FY26 result BVS released maiden FY27 guidance which was c.10% ahead of analyst forecasts at the EBITDA line and included ongoing strong revenue growth. The market had previously discounted BVS as a mature business with some self-help on margins. However, the market is increasingly aligning with our belief that BVS's superior software in wealth management can sustain revenue growth in the high-single to low-teens range. Additionally, BVS have repeatedly outperformed their guidance expectations over the previous 24 months suggesting further positive news, and giving the guidance this early in the period also signalled confidence in the outlook.

## KEY DETRACTOR

IRESS (IRE AU) was the Fund's top detractor during the month falling 15%. IRE's 1H26 results demonstrated strong momentum on their business efficiency program with cash EBITDA outperforming consensus expectations and an upgraded FY26 outlook. This was overshadowed by marginally slower revenue growth due to some delays in client projects. We feel the company inadequately explained its normalised cost performance, with the market confused around opex vs capex (we think the market is now potentially double counting), as well as failing to identify some one-off accelerated depreciation and amortisation. Whilst revenue deceleration will always be harshly punished, we feel IRE's share price move was overstated.

## OUTLOOK

The period following reporting season is particularly valuable as we digest the latest results, reassess expectations for our portfolio companies and search the broader market for opportunities that may have been overlooked. It is also an excellent time to meet with non-portfolio companies and hear directly from management about their plans for the next 12 months. The heightened volatility has created several opportunities, particularly among businesses that were once market darlings but are now trading at reasonable valuations for the first time in several years. Our focus remains on companies benefiting from enduring structural tailwinds, supported by healthy balance sheets and strong management alignment. We also continue to stress-test the portfolio to ensure our highest-conviction positions offer the most compelling risk-adjusted upside.

## RESEARCH RATING

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

This report has been prepared by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000 (Manager), as the responsible entity of the Ellerston Australian Emerging Leaders Fund - Class A Units ARSN 647 979 333 without taking account the objectives, financial situation or needs of individuals. Before making an investment decision about the Fund, persons should read the Fund's Product Disclosure Statement and Target Market Determination (TMD) which can be obtained from the Manager's website www.ellerstoncapital.com or by contacting info@ellerstoncapital.com and obtaining advice from an appropriate financial adviser. Units in the Fund are issued by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000. This information is current as at the date on the first page.

This material has been prepared based on information believed to be accurate at the time of publication. Assumptions and estimates may have been made which may prove not to be accurate. Ellerston Capital undertakes no responsibility to correct any such inaccuracy. Subsequent changes in circumstances may occur at any time and may impact the accuracy of the information. To the full extent permitted by law, none of Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, or any member of the Ellerston Capital Limited Group of companies makes any warranty as to the accuracy or completeness of the information in this newsletter and disclaims all liability that may arise due to any information contained in this newsletter being inaccurate, unreliable or incomplete. Past performance is not a reliable indicator of future performance.

Lonsec: The ratings published for ECL6748AU on October 2025 are issued by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. A rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Manager. Visit lonsec.com.au for ratings information and to access the full report. 

Ellerston Capital