

Ellerston Australian Micro Cap Fund - Class A Units

Monthly Report as at end of September 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[^]	2.6%	-3.5%	0.3%	22.6%	5.6%	15.2%
Benchmark[*]	-2.3%	-0.5%	-6.7%	10.4%	2.2%	6.6%
Alpha	4.9%	-3.0%	7.0%	12.2%	3.4%	8.6%

[^] 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 Fee¹	20.00%
Buy/Sell Spread	0.25% / 0.25%

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

Top Holdings*

Company	Sector
Acrow Limited	Industrials
Clover Corporation Limited	Health Care
Cogstate Ltd	Health Care
SKS Technologies Group Limited	Industrials
Wagners Holding Co. Ltd.	Materials

*Top 5 ASX-listed holdings in alphabetical order.

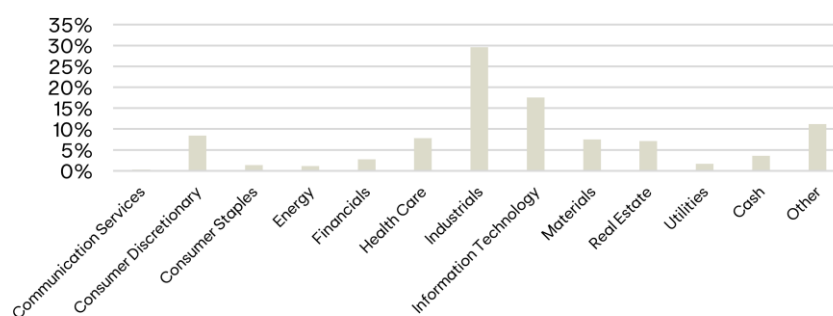
Source: Ellerston Capital.

Key Portfolio Metrics

FY27(e)	Fund	Benchmark
Price/Earnings	14.3x	13.7x
Dividend Yield	3.2%	3.7%
Net Debt/EBITDA	-0.5x	0.5x

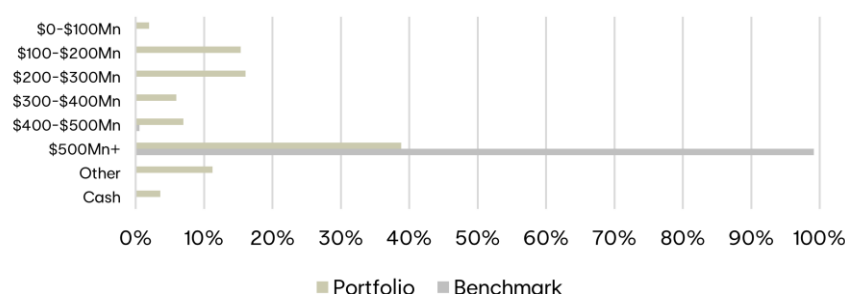
Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital.

Market Cap Exposure



Source: Ellerston Capital.

FUND COMMENTARY

The Ellerston Australian Micro Cap Fund – Class A Units (the Fund) delivered a return of 2.6% (net) in September, outperforming the S&P/ASX Small Ordinaries Accumulation Index (the Benchmark) return of -2.3%. For the September quarter, the Fund returned -3.5% (net), compared with the Benchmark return of -0.5%. The market was boosted by Small Resources strength (+8.2%) which dramatically outperformed Small Industrials (-4.0%) by more than 12 percentage points over the quarter.

Equity markets came under pressure in September as bond yields rose, with both the Australian and US 10-year bond yields moving above 5%. This reflected a more hawkish turn from central banks with the US Fed and the RBA hiking rates in September. This in turn was tied to stubbornly high inflation with sustained pressure coming from growing capital spend to fund the AI infrastructure build-out and higher oil prices linked to falling global strategic reserves and ongoing conflict in the Middle East. Domestic economic data continued to soften with unemployment rising to 4.6% in August and the Westpac Consumer Sentiment Index falling to 84.4 in September.

However, the most notable data point for Australians might be the continued slide in national house prices with September prices falling 1.1% MoM, the sixth consecutive monthly decline reported by Cotality. This has been led by Sydney and Melbourne, with prices now down 6-7% YoY and smaller suburban pockets reporting double-digit percentage declines. The softer economic conditions and falling property prices kept the private credit sector in the headlines due to lending exposures to home builders and property developers.

KEY CONTRIBUTOR

Cogstate (CGS AU) was the Fund's top contributor for the September quarter, with the share price rising 26.5% over the period. The FY26 result in August showed the strength of the business: revenue grew 15% to US\$60.9m and EBIT grew 17% to US\$15.2m. Most important to us was the value of clinical trial sales contracts, which more than doubled to a record US\$89.0m (up 116%). That takes contracted future revenue to US\$118.5m, of which US\$48.3m is expected to be recognised in FY27, up 54% on the equivalent figure a year ago. Activity is also spreading beyond Alzheimer's into mood, sleep and other neurological indications. Management expects to hold EBITDA margins flat in FY27 while investing in AI-driven automation, which should support the business scaling into the future. CGS has a debt-free balance sheet,

US\$35m in cash, an ongoing buyback and dividends. We continue to hold Cogstate as a high-conviction position.

KEY DETRACTOR

Mayfield Group (MYG AU) was a key detractor for the September quarter, with the share price falling 24.2% over the period. MYG designs, manufactures and services critical electrical infrastructure for the mining, utilities, data centre, defence and infrastructure markets. The share price fell despite a solid quarter operationally with MYG delivering a strong FY26 result and forward guidance. FY26 revenue increased 43% to \$169m, underlying EBITDA grew 54% to \$18.5m and underlying NPAT rose 50% to \$10.9m. The underlying EBITDA margin expanded 80bps to 10.9%. Organic revenue growth of 17% was supplemented by part-year contributions from BE Switchcraft and SMEC. The year closed with \$22m of cash, no drawn debt and work in hand of \$135m. FY27 revenue guidance of \$224-229m implies growth of 33-36%. Additionally, the Nilsen Switchboards acquisition completed on 31 July for \$4.0m in cash, with 63 employees transferring to the Royal Park facility and \$3.9m of work in hand. We continue to hold Mayfield as a high-conviction position and see it well positioned across the energy transition, data centre, defence and resources end markets.

OUTLOOK

We now turn our attention to AGM season, with associated trading updates offering valuable insights on how companies are tracking compared to expectations. We continue to meet with existing and prospective portfolio companies, stress-test our core holdings and challenge our investment theses. There will be a number of opportunities to engage with management teams across broker conferences and our own travel to build or refresh our knowledge of their businesses and strategies. There is opportunity to revisit a number of high-quality businesses where recent volatility has left share prices detached from underlying fundamentals. Our focus remains firmly on businesses with strong balance sheets, clear pricing power and structural tailwinds underpinning sustainable growth. We continue to work on enhancing the quality of our portfolio, targeting superior risk-adjusted returns in our highest-conviction positions.

RESEARCH RATING



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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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