Ellerston Mid Cap Opportunities Fund

Monthly Report as at end of September 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^	2.3%	-0.3%	14.1%	-16.9%	-0.2%
Benchmark*	-2.9%	1.2%	5.9%	-4.0%	6.0%
Alpha	5.2%	-1.5%	8.2%	-12.9%	-6.2%

^ The net return figure is calculated after fees & expenses , assuming all distributions are reinvested . Past performance is not a reliable indication of future performance.
** 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%

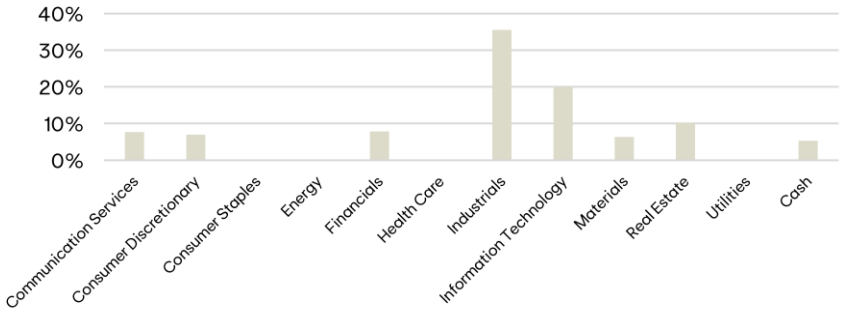
[1]*Of the investment return above the benchmark, after recovering any underperformance in past periods.*

Top Holdings*

Company	Sector
MAAS Group Holdings Ltd.	Industrials
Megaport Ltd.	Information Technology
Servcorp Limited	Real Estate
SKS Technologies Group Limited	Industrials
Wagners Holding Co. Ltd.	Materials

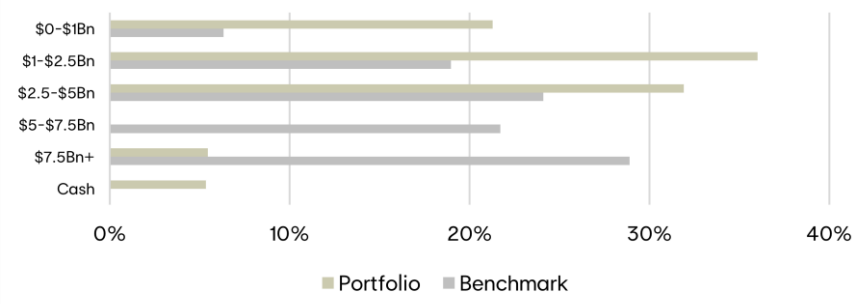
**In alphabetical order.*
Source: Ellerston Capital.

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 2.3% (net) in September, outperforming the Benchmark return of -2.9%. For the September quarter, the Fund returned -0.3% (net), compared with the Benchmark return of 1.2%. The market was supported by strength in the Small Resources Index (+8.2%) which dramatically outperformed Small Industrials (-4.0%) by more than 12 percentage points over the quarter, with a similar albeit less dramatic divergence in the ASX100.

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

Bravura Solutions (BVS AU) was one of the Fund's top contributors for the September quarter with the share price rising 62.8% over the period. In July BVS pre-announced FY26 cash EBITDA of $77m which saw the implied 2H cash EBITDA print 16% ahead of market expectations. BVS backed this up in August when it released its FY26 result and maiden FY27 guidance which was circa 10% ahead of analyst forecasts at the EBITDA line and included ongoing strong revenue growth. The market had previously viewed BVS as a mature business with some scope for margin improvement, however expectations are increasingly aligning with our belief that BVS's superior software in the wealth management market can support annual revenue growth in the high-single-digit to low-teens range. BVS has repeatedly exceeded its earnings guidance and market expectations over the past 24 months with its momentum continuing. We continue to hold BVS as a large position in the Fund.

KEY DETRACTOR

Zip Co (ZIP AU) was the Fund's largest detractor during the quarter, with the share price falling 37.3% over the period. In our view this was driven by the significant shift in the outlook for US interest rates in late August with an additional 3 rate rises now factored into market forward expectations. The predominant concern for ZIP in a rising rate environment is rising unemployment and worsening credit quality of its customers in the US who are predominantly in the sub-prime segment. Outside of this change in macroeconomic settings the business has been performing strongly with ZIP trading +18% on its FY26 result in mid-August due to maiden FY27 Cash EBTDA guidance approximately 7% above market expectations, sustained strong US top line growth and well managed US bad debts. We continue to hold ZIP as a core position in the Fund.

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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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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