APIR Code:ECL0006AU

Ellerston Global Equity Managers Fund(GEMS) Class C

Monthly Newsletter as at end of September 2026

Investment Objective

To generate superior returns for unitholders with a focus on risk and capital preservation.

Investment Strategy

The Fund provides investors with exposure to global markets through a long short equity strategy. The strategy overlays fundamental bottom-up stock selection with global macroeconomic and market outlook.

Key Information

Inception Date^^	1 December 2009
Portfolio Manager	Ashok Jacob
Application Price	$1.8254
NAV Price	$1.8208
Redemption Price	$1.8162
Current Total NAV	$79,376,036
Gross Exposure	107.19%
Net Exposure	58.47%
Unit Pricing	Monthly
Management Fee	1.50% p.a.
Performance Fee	16.50%
Buy/Sell Spread	0.25% on application 0.25% on redemption

PERFORMANCE SUMMARY

Performance*	FY26	FY25	FY24	FY23	FY22	FY21
GEMS C	5.8%	8.9%	11.1%	-7.0%	-13.5%	58.6%
MSCI WI**	22.7%	13.7%	21.3%	18.2%	-11.1%	36.9%
ASX 200***	6.1%	13.8%	12.1%	14.8%	-6.5%	27.8%

Performance*	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	Since Inception (p.a.)^^
GEMS C	1.5%	-1.7%	-3.9%	6.9%	0.1%	6.9%	9.6%
MSCI WI**	-0.8%	1.8%	16.2%	21.0%	12.5%	13.1%	11.7%
ASX 200***	-2.4%	1.3%	2.7%	11.4%	7.7%	9.0%	8.1%

Source: Ellerston Capital.
* Past performance, indicative or actual, is not a reliable indicator of future performance, nor a promise of future returns.
^^Inception date is 1 December 2009.
**MSCI World Index – Net Return Unhedged in Local Currency.
*** S&P/ASX 200 - Total Return.

PORTFOLIO COMMENTARY

The Fund fell 1.7% for the quarter as despite having positive months in August and September, we were unable to recover the losses the fund experienced in July resulting from the short and sharp tech washout. Macro was dominated by the continual rise in US bond yields; central bank rate increases and the ongoing middle east war impact on oil supply, and particularly the associated impact on refined product pricing. The Fund produced positive returns in Australia, but this was offset by net negative contributions in the US and Europe. Market returns were mixed with Australia down on interest rate concerns and the broader US markets were higher with returns being more concentrated in several Mag7 stocks whilst broader based indices like the equal weighted S&P500 and the small cap indices falling for the quarter. In fact, the higher index returns are hiding broad based weakness in most stocks in the US which is causing us to be relatively defensively positioned currently, with our net exposure remaining mostly in the 40's percentage in the last couple of months. Investments in our AI Thematic were mixed for the quarter as can be seen in the commentary below and the shake up of July has led investors to be more cautious in several sub thematics rather than a rising tide lifting all boats.

In Australia, the major positive contributors to performance for the quarter were Maas Group (Electrical contractor and land development), FDC Consolidated Holdings (Commercial and Industrial fitouts) and SKS Technologies (Electrical contractor). Maas rallied for the quarter driven by the growth in its electrical business which is benefitting from their relationship with Firmus (an unlisted Australian neocloud).

Unfortunately, Maas has fallen significantly in October as the float of Firmus failed to proceed. Assuming Firmus can still raise money in the unlisted market, they should be able to extend their electrical order book beyond the end of CY27. FDC rose following a strong maiden full-year result after its July listing, with revenue and underlying EBIT growth reinforcing confidence in the newly listed business. The business reported a stronger than expected order backlog reinforcing confidence that they can meet FY27 market expectations. SKS reported good FY26 results and a robust order book moving into FY27. With an increased level of data centre spend domestically, SKS is one of the key beneficiaries as a service provider to new builds. Performance detraction came from Centuria Capital Group (Property), Zip Co (Buy now pay later) and Baby Bunting (Retailer). Centuria fell sharply on concerns around the lack of organic growth in the FY27 forecast released with their results. The shares now trade at a significant discount to NTA compared to their longer term average. Baby Bunting fell for the quarter, despite rallying after the business reported a solid FY26 result and expecting a stronger result in FY27. Sentiment for retail stocks remains negative and there is no near term catalyst for the business until we reach the end of the interest rate raising cycle. Zip fell for the quarter although we exited the position in early September. Like Baby Bunting, the business reported a good FY26 result with strong growth continuing in the US business. However, with a continued high oil price and interest rates rising, headwinds remain for the business, although valuation is significantly improved after the share price fall.

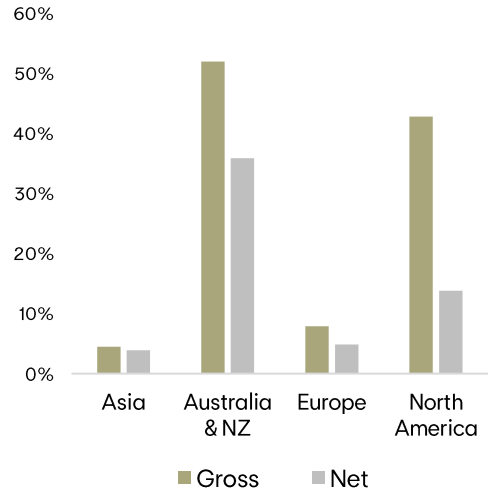
In North America, the major positive contributors to performance for the quarter were Corpay (Payments business), Nebius (Neocloud) and GFL Environmental (Waste business). Corpay reported good quarterly results and upgraded expectations for CY26. The business benefitted from favourable FX and higher fuel prices during the quarter and repeated their desire to continue buying back shares if accretive acquisitions are not forthcoming. Nebius rose strongly after second-quarter revenue beat expectations and the company reported a significant increase in contracted AI cloud demand, including several large customer agreements. The business continues to raise prices for compute, the latest announced in September, which should result in further margin expansion in coming quarters. GFL announced that they were engaged in discussions with several private equity players to take the business private. The stock trades at a significant discount to peers and the founders view is that they will be able to accelerate the acquisition strategy under private ownership by allowing a higher level of gearing than the listed market can tolerate. This does not guarantee a transaction will occur; however, we have maintained our position on valuation. Performance detraction for the quarter came from Sharon AI (Neocloud), Core Scientific (Data centres) and Galaxy Digital (Data centres and Crypto). SharonAI fell for the quarter as many of the small cap listed Neocloud providers in the US failed to recover the losses experienced in the July drawdown. Core Scientific has almost reversed most of the gains of the June quarter as it traded lower for the month. The business signed AMD as a customer which will dilute their exposure by almost half to Coreweave once the contract is fully implemented. Data centres and neo clouds were generally weaker for the quarter, with many components of the AI value chain yet to regain their June highs. At the same time demand continues to increase as demonstrated by the Nebius pricing comments.

Within Asia, positive performance for the quarter came from MMG Ltd (HK Copper miner) and Hon Hai Precision (Taiwanese electronics manufacturer). MMG rose with the rally in the copper price and copper stocks for the quarter but remains one of the cheaper, larger copper producers with a reasonable production growth profile when compared to peers. Hon Hai was a new investment towards the end of the month. The stock was up a marginal amount pushing it into the positive contributors. Currently, we only have 5 investments in Asia in the Fund. Performance detraction for the month came from Chinext ETF (Chinese Tech), Ganfeng Lithium (Chinese lithium miner and processor) and Rohm (Japanese semiconductor). The China tech ETF we exited in July as part of a rebalance in our tech holdings. The stock was down for the month and the quarter. Ganfeng we only held for a few weeks on a view that the correction in the Lithium market was complete, however, the price continued to fall and we exited the position. Rohm recovered from the lows of July but still traded lower across the quarter as share prices in the semiconductor sector are yet to regain the highs of the end of June.

In Europe, performance detraction for the quarter came from Nexans (Cable producer), Jenoptik (Optical systems) and Rheinmetall (German defence manufacturer). Nexans published results at the end of July which resulted in upgraded EBITDA and Free Cash Flow forecasts for the full year. However, the share price has been impacted by weakness in the underlying electrification thematic this quarter. The business still trades at a significant discount to their nearest listed peer. Jenoptik also published results for the half year that were ahead of expectations at the EBITDA line but below at the sales line. However, the large growth in the order book resulted in the company upgrading revenue growth for the coming year. That said, as the business is leveraged to the AI thematic it finished the quarter lower. As discussed recently, we had re-entered an investment in Rheinmetall on valuation grounds however recent election results in state elections have raised some doubts about the longevity of the current German Chancellor and the rearmament trade and we exited the position with a small loss. There were no positive contributors for the quarter.

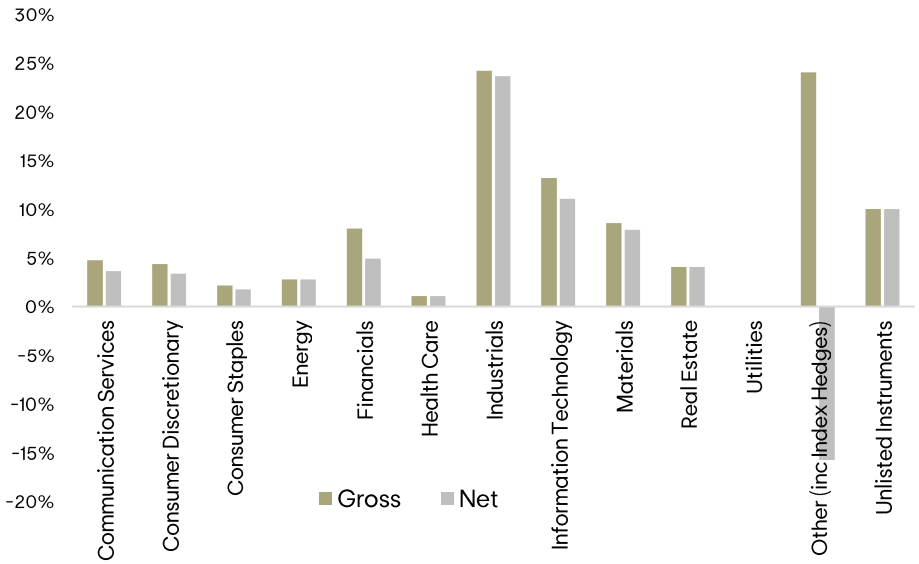
PORTFOLIO CHARACTERISTICS

Regional Exposure



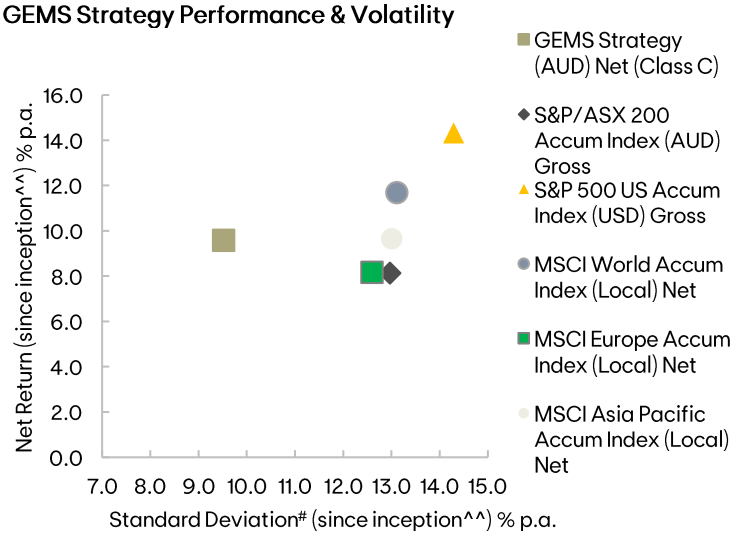
Source: Ellerston Capital.

Sector Exposure



Source: Ellerston Capital.

GEMS Strategy Performance & Volatility



Source: Ellerston Capital.
Past performance is not a reliable indication of future performance.
^^Inception Date 1 January 2002.
#See full disclaimer at the bottom of this document.

Top 10 Holdings (Alphabetical, Long Only)

- AUSTAL LTD
- CLEAN HARBORS INC
- CORPAY INC
- FDC CONSOLIDATED HOLDINGS LTD
- GFL ENVIRONM-SUB (US)
- MAAS GROUP PTY LTD
- NEBIUS GROUP NV
- ROHM CO LTD
- SKS TECHNOLOGIES GROUP LTD
- TREASURY WINE ESTATES LTD

Source: Ellerston Capital.

Regulatory Guide (RG240) Fund Disclosure Benchmark – Periodic Reporting (monthly)

- **Net Asset Value of the Fund and Redemption Price of Units.**

Please refer to the details on page one.

- **Any changes to key service providers, including any change in related party status.**

There have been no changes to key service providers, including any change in related party status.

- **Net returns after fees, costs and relevant taxes.**

Please refer to the details on page one.

- **Any material changes to the Fund's risk profile and strategy.**

There have been no changes to the Fund's risk profile and strategy.

- **Any material changes related to the primary investment personnel responsible for managing the Fund.**

There have been no changes to the primary investment personnel responsible for managing the Fund.

Contact us

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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 holdings enquiries should be directed to our registry, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

The standard deviation is often used by investors to measure the risk of an asset. The standard deviation is a measure of volatility: the more an asset's returns vary from the average return, the more volatile the asset. A higher standard deviation means a greater potential for deviation of return from the average return of the asset. The returns and risk of the Fund and the relevant Indices are net of taxes, fees and expenses and assuming distributions are reinvested. The performance figures presented are for the Ellerston Global Equity Managers Fund GEMS C Units. The one month return figure may be an estimate and not the final return. This estimate also impacts other performance information provided. Estimated performance figures are preliminary and subject to change. Returns for other classes may differ slightly. Past performance is not indicative of future performance.

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