Ellerston Australian Emerging Leaders Fund - Class A Units

Monthly Report as at end of October 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^	-9.1%	-3.1%	-20.8%	15.5%	1.9%	2.5%
Benchmark*	-6.4%	-3.9%	-14.4%	10.0%	0.6%	0.7%
Alpha	-2.7%	0.8%	-6.4%	5.5%	1.3%	1.8%

^ 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 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	1.10% 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
Bravura Solutions Limited	Information Technology
Megaport Ltd.	Information Technology
Shape Australia Corporation Limited	Industrials
SKS Technologies Group Limited	Industrials
Wagners Holding Co. Ltd.	Materials

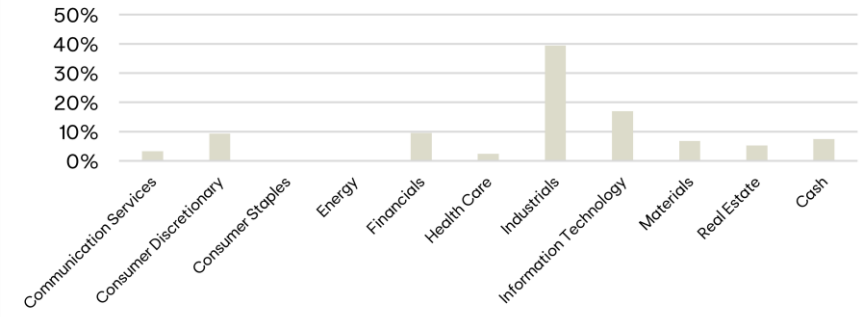
**In alphabetical order.*
Source: Ellerston Capital.

Key Portfolio Metrics

FY27(e)	Fund	Benchmark
Price/Earnings	14.8x	13.2x
Dividend Yield	3.3%	3.7%
Net Debt/EBITDA	0.1x	0.5x

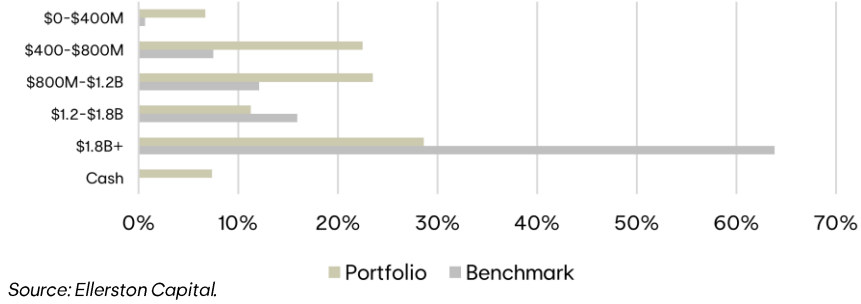
Source: Ellerston Capital.

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 -9.1% (net) in October, underperforming the S&P/ASX Small Ordinaries Accumulation Index (the Benchmark) return of -6.4%. Global and domestic equity markets moved almost uniformly lower with an unwind of the AI trade leading a risk-off rotation. The broader AI ecosystem came under pressure due to rising funding costs and scrutiny of the expected returns from growing AI infrastructure investment. Market volatility was exacerbated by the ongoing Middle East conflict sending oil prices to recent highs and investor positioning ahead of the November US midterm elections, where Democrats were forecast to regain control of both the House and Senate. The US Fed held rates steady at its late-October meeting but retained a tightening bias.

Domestically, news flow was steady during the month with a number of portfolio companies providing quarterly or AGM trading updates. Economic data continues to be challenged, with annual headline inflation rising to 4.3% in September and the unemployment rate rising to 4.7%, its highest level since the COVID pandemic. Small caps remained active on the M&A front with Dicker Data, Southern Cross Electrical Engineering and GenusPlus all announcing bolt-on acquisitions.

KEY CONTRIBUTOR

Wagners (WGN AU) was the Fund's top contributor in October, with the share price rising 5% over the month. There was no stock-specific news during the month. We attribute its relative resilience to its favourable exposure to South-East Queensland construction and growing demand for composite power poles. Industry feedback suggests the South-East Queensland construction market continues to go from strength to strength and has been further buoyed by supportive weather through 1Q27. Additionally, there is growing focus on the robust five-year market demand outlook leading up to the 2032 Brisbane Olympics with supply shortfalls now being contemplated. Finally, the CFT segment appears to be reaching an inflection point with meaningful growth opportunities both domestically and internationally underpinned by increasing production capacity of its key power pole product for electricity networks. We continue to hold Wagners as a high-conviction position given the compelling multi-year growth outlook across all its operating segments.

KEY DETRACTOR

SKS Technologies (SKS AU) was a top detractor in October, with the share price falling 44% over the month. Data centre-exposed stocks were broadly sold off as markets grew concerned about the ability of operators to fund continued asset buildouts. This was exacerbated by a management selldown and NextDC cutting its FY27 guidance and pausing new developments following grid supply delays at its M3 Melbourne campus. Operationally, the medium-term picture at SKS remains intact, with the company reaffirming FY27 guidance of approximately $500m revenue and $60m profit before tax during the month and securing a further $38m of work at the MEL2 data centre project. SKS additionally noted that its work at M3 is substantially complete and it has no other NextDC projects in its pipeline. We continue to hold SKS and see its valuation as compelling following the pullback.

OUTLOOK

AGM season continues through November, with associated trading updates offering valuable insights on how companies are tracking compared to expectations. Given the recent sell-off, we are seeing a number of opportunities for new portfolio additions. We remain heavily focused on examining business fundamentals and retesting valuation assumptions in light of significant share price moves in otherwise high-quality businesses. As always, we will continue to stress-test our core holdings and challenge our investment theses, focusing on companies with strong balance sheets, clear pricing power and structural tailwinds underpinning sustainable growth. We continue to rebalance our portfolio in response to market conditions and price moves, targeting superior risk-adjusted returns in our highest-conviction positions.

RESEARCH RATING



Contact Us

Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 9021 7701
info@ellerstoncapital.com

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.

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.

The report that included the rating was published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec) on 21 October 2026. Lonsec receives a fee from fund managers for the preparation of reports. The report / rating is general advice only. An investor should be aware that: a) the advice has been prepared without taking into account an investors' objectives, financial situation or needs; b) an investor should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs before acting on the advice; and c) an investor should obtain a PDS relating to the product, consider the PDS and seek independent financial advice before making any decision about whether to acquire the product. The rating is not a recommendation to purchase, sell or hold any product. Past performance is not a reliable indicator of future performance. Ratings are prepared based on information available at the time of preparation and may be subject to change by Lonsec without notice. Visit lonsec.com.au for important documents (FSG, Conflicts Statement). © 2026 Lonsec. All rights reserved.

Ellerston Capital