Ellerston Mid Cap Opportunities Fund

Monthly Report as at end of October 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^	-7.1%	-3.0%	-1.0%	-25.2%	-4.3%
Benchmark*	-2.8%	-0.4%	-0.2%	-8.0%	4.0%
Alpha	-4.3%	-2.6%	-0.8%	-17.2%	-8.3%

^ 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%

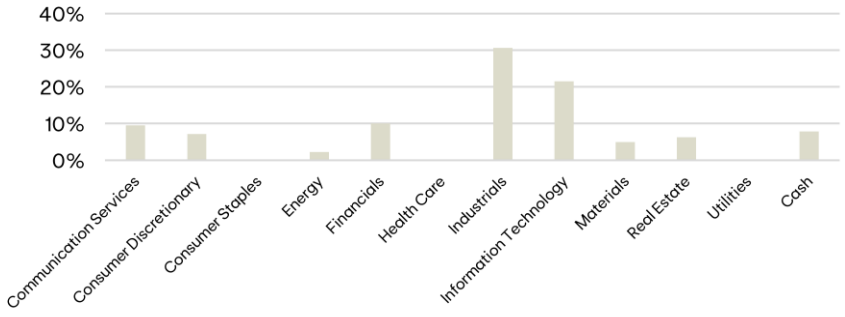
[1]*Of the investment return above the benchmark, after recovering any underperformance in past periods.*

Top Holdings*

Company	Sector
Bravura Solutions Limited	Information Technology
MAAS Group Holdings Ltd.	Industrials
Megaport Ltd.	Information Technology
SKS Technologies Group Limited	Industrials
Wagners Holding Co. Ltd.	Materials

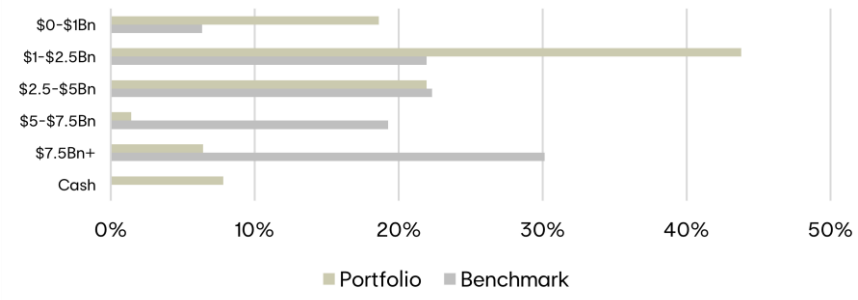
**In alphabetical order.*
Source: Ellerston Capital.

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 -7.1% (net) in October, underperforming the Benchmark return of -2.8%. 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

Seek (SEK AU) was the Fund's top contributor in October, with the share price rising 13% over the month. Seek has been penalised on three fronts over the last 12 months: 1) softening job advertisement volumes amid a weakening Australian economy; 2) concerns over the valuation and monetisation of its Growth Fund (venture capital assets); and 3) concerns over increasing competition from AI-enabled rivals or substitution via consumer-focused AI. In October we saw broad-based support for economically cyclical stocks on the view that the RBA rate-hiking cycle is nearing a peak. Additionally, Seek released an update on its Growth Fund monetisation plan which showed an accelerated path to cash return to Seek shareholders (or debt reduction) as compared to prior expectations. We continue to believe the current share price offers an attractive risk/reward should Seek manage AI disruption effectively.

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



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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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