

# ELVEST

The Elvest Fund

Monthly Report - February 2025

## Commentary

The Elvest Fund returned -0.6% for February, versus the Benchmark return of -2.8%. Since inception, the Fund has returned a total of 40.1% after fees, ahead of the benchmark return of 10.5%.

Results delivered during the 1HFY25 reporting season by portfolio constituents were encouraging, with a good majority of holdings meeting or exceeding earnings expectations. Geopolitical and macroeconomic concerns did however weigh on equity markets, with bonds and Gold rallying.

Key contributors for the month were Navigator Global Investments (NGI), Fiducian Group (FID) and Nanosonics (NAN). The main detractors were Block, Inc. (XYZ), Life360 (360) and Pinnacle Investment Management (PNI).

Diversified alternative asset management company NGI announced an excellent 1H result, with adjusted EBITDA up 16% to US\$41.1m.

Strong performance from wholly-owned Lighthouse Partners, coupled with consistent execution within NGI's Strategic division, drove the result and underpin management's guidance for FY25 earnings growth.

Despite the rally, NGI continues to trade at a double digit free cash flow yield and a substantial discount to our valuation.

FID rallied following the release of a strong 1H result. The integrated financial services provider again demonstrated operating leverage as its Funds under management, advice and administration (FUMAA, +11.6% to \$14.4b) continues to scale.

Revenue was up 14% to \$44.3m while underlying NPAT grew by 20% to \$9.9m. Earnings forecasts have since been upgraded, and yet the company still trades on an ex cash P/E of less than 12x FY26e earnings.

NAN's 1H result beat expectations, while full year revenue and margin guidance ranges were upgraded.

NAN's leading ultrasound probe reprocessing solution, Trophon, largely underwrites the company's valuation at current prices, and was the driver of a good first half.

With a cash rich balance sheet (\$144m), sound baseline of earnings growth and the imminent commercial launch of NAN's new endoscope cleaning technology (CORIS), the company appears well positioned for a lengthy period of sustainable growth.

XYZ fell sharply despite posting a solid Q4 result and guiding to operating income growth of at least 31% in CY25. The conviction around our thesis, initially detailed in the December 2024 report, remains unchanged.

Results from 360 and PNI beat expectations and led to earnings upgrades, yet both detracted in February.

360's result and outlook was headlined by 30% growth in its global monthly active user (MAU) base to 79.6m, whilst the company's advertising revenue is forecast to grow by about 70% in CY25. PNI offers similarly attractive growth, with investors potentially underestimating the company's ability to export its business model into very large addressable markets outside of Australia.

Founder-led, well capitalised and with substantial global growth opportunities, we remain attracted to the long term investment proposition offered by each company.

## Top Holdings (alphabetical order)

<b>360</b>	Life360
<b>NGI</b>	Navigator Global Investments
<b>RUL</b>	RPMGlobal
<b>XYZ</b>	Block, Inc
<b>ZIP</b>	Zip Co

Performance	1 Month	1 Year	2 Years p.a.	Since Inception p.a.*	Since Inception*
<b>The Elvest Fund</b>	<b>-0.6%</b>	<b>5.7%</b>	<b>14.6%</b>	<b>13.0%</b>	<b>40.1%</b>
<b>S&amp;P/ASX Small Ords TR Index</b>	<b>-2.8%</b>	<b>7.3%</b>	<b>7.6%</b>	<b>3.7%</b>	<b>10.5%</b>
<b>Relative Performance</b>	<b>2.2%</b>	<b>-1.6%</b>	<b>7.0%</b>	<b>9.3%</b>	<b>29.6%</b>

\* Inception date 1 June 2022. Performance after all fees & expenses. Cum distribution unit price (1/3/2025): MID (\$) 1.2596, ENTRY (\$) 1.2627, EXIT (\$) 1.2564.

This information refers to investments in The Elvest Fund (The Fund). Any person wishing to invest in the Fund should review the Information Memorandum and seek legal, financial and taxation advice. The trustee of the Fund is Fundhost Limited (ABN 69 092 517 087, AFSL No. 233 045). Elvest Co Pty Limited (ABN 65 657 018 614, AFSL 547262) is manager of The Fund. Only investors who are wholesale clients (as defined in s761G and s761GA of the Corporations Act 2001 (Cth)) may invest in the Fund. An investment may achieve a lower than expected return and investors risk losing some or all of their principal investment. Past performance is no indication of future performance.

## The Manager

Elvest Co is a boutique investment manager specialising in small and mid cap Australian equities. Independently owned and operated by managers with a strong track record, Elvest Co is the investment manager of The Elvest Fund.



**Adrian Ezquerro**  
Principal & Portfolio Manager

Adrian is a Portfolio Manager of the Elvest Fund, and a co-founder of investment management company Elvest Co Pty Limited. Adrian has over 15 years' experience in financial markets, with prior roles including Analyst, Senior Analyst, Portfolio Manager and Head of Investments.



**Jonathan Wilson CFA**  
Principal & Portfolio Manager

Jonathan is a Portfolio Manager of the Elvest Fund, and a co-founder of investment management company Elvest Co Pty Limited. Jonathan has over 10 years' experience in financial markets, with prior roles including Analyst, Senior Analyst and Portfolio Manager.

## Investment Approach

Our bottom-up research and company visitation program results in an actively managed portfolio of high-quality Australian businesses offering dynamic growth. We seek to own a part share of established emerging leaders that are still relatively early in their life cycle. We therefore expect to benefit from the earnings and dividend growth that often follows. We target companies that have emerging industry leadership, a strong balance sheet, healthy cash generation, aligned management teams and large opportunity sets.

## About The Fund

The Elvest Fund is a long-only Australian equities fund. The Fund invests in 20-40 companies that are typically outside of the S&P/ASX 100 at the time of initial inclusion. The objective is to provide strong absolute returns to investors, while also outperforming its Benchmark over the long term.

## Fund Information

<b>Name</b>	The Elvest Fund	<b>Investment Eligibility</b>	Wholesale only
<b>Structure</b>	Wholesale Unit Trust	<b>Minimum Investment</b>	\$250,000 (unless otherwise agreed)
<b>Investment Universe</b>	ASX-Listed small and mid caps	<b>Liquidity</b>	Monthly
<b>Benchmark</b>	S&P/ASX Small Ords Accum. Index	<b>Distributions</b>	Annually
<b>Number of Holdings</b>	20 to 40 securities	<b>Fees</b>	1.28% (incl. GST, net of RITC) 20.5% (incl. GST, net of RITC) of outperformance of the Benchmark, subject to a high water mark.
<b>Stock Limit</b>	10% at cost		
<b>Investment Timeframe</b>	5 years+		
<b>APIR Code</b>	FHT0540AU	<b>Administration</b>	Fundhost
<b>Platform Availability</b>	HUB24, Netwealth	<b>Custodian</b>	HSBC

## Contact

Elvest email: [info@elvest.com.au](mailto:info@elvest.com.au)  
Fundhost email: [admin@fundhost.com.au](mailto:admin@fundhost.com.au)

Phone: (02) 9093 0609  
Phone: (02) 8223 5400