

ELVEST

The Elvest Fund

Monthly Report - March 2024

Commentary

The Elvest Fund returned 6.5% for March, versus the Benchmark return of 4.8%. Since inception, the Fund has returned a total of 41.2% after fees, ahead of the benchmark return of 7.9%. The Fund closed the month with approximately 7% of assets held in cash.

Domestically, headline inflation was stable at 3.4% for the third consecutive month, with price pressures in housing largely offsetting declines in the cost of household staples.

The Australian 10 Year Government bond yield softened marginally during the month while broader equity markets performed solidly. Most sectors benefited, however it was the Gold sub-sector that led the way. The S&P/ASX All Ords Gold Index was up 16.7% in March, a relative headwind for an industrials focused fund with no Gold exposure.

Key contributors for the month were Task Group (TSK), Life360 (360) and Webjet (WEB). The main detractor was Aussie Broadband (ABB).

TSK, a provider of digital technology and POS solutions to the hospitality sector, entered into a scheme agreement with NYSE listed PAR Technology (PAR) during the month.

The good news is that we held TSK at the time of the takeover offer, which was pitched at a 103% premium to the prevailing market price. The bad news is that, pre-bid, TSK was our smallest position, largely reflecting its smaller market capitalisation and limited liquidity.

Nonetheless, our thesis was laid on typical foundations. TSK is founder-led with heavy insider ownership, has a strong net cash balance sheet, is cash generative and is executing into an attractive global growth opportunity. Given the support of the Board and founding family, deal completion is highly probable.

Leading family tracking application 360 rallied strongly following the release of a result and outlook that were both well ahead of expectations.

Management also announced the creation of a new advertising revenue stream. We expect advertising to become a powerful incremental earnings driver for 360, a platform with more than 61 million monthly active users.

Digital travel specialist WEB tightened its FY24 EBITDA guidance towards the top half of its \$180m - \$190m range during March. The impressive trajectory of the WebBeds business unit was also highlighted at a strategy day.

WebBeds' aspirational 2030 TTV target of \$10b was received positively, a figure that implies a CAGR of 17% over the next 6 years. WEB's attractive growth profile is complemented by a rock solid balance sheet, with net cash reserves approaching \$500m. This provides further optionality for the business in coming years.

Challenger telco ABB fell following the unexpected loss of its white label agreement with Origin Energy (ORG) during the month. In an interesting twist, ABB's most recent target, Superloop (SLC), picked up the contract on terms that included the issuance of SLC stock to ORG.

These events have likely scuppered any near term chance of ABB and SLC getting together, a deal that would have realised immense synergies. While a blow, ABB is still left with a sound growth engine encompassing its Residential, Business, and Enterprise and Government segments.

Top Holdings (alphabetical order)

FID	Fiducian Group
JIN	Jumbo Interactive
JLG	Johns Lyng Group
NGI	Navigator Global Investments
RUL	RPMGlobal

Performance	1 Month	1 Year	Since Inception p.a.*	Since Inception*
The Elvest Fund	6.5%	33.8%	20.7%	41.2%
S&P/ASX Small Ords TR Index	4.8%	13.8%	4.2%	7.9%
Outperformance	1.7%	20.0%	16.5%	33.3%

* Inception date 1 June 2022. Performance after all fees & expenses. Cum distribution unit price (1/4/2024): MID (\$) 1.3451, ENTRY (\$) 1.3485, EXIT (\$) 1.3417.

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 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 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, small cap Australian equities fund. The Fund typically invests in 20-40 companies that are 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

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

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