

ELVEST

The Elvest Fund

Monthly Report - March 2025

Commentary

The Elvest Fund returned -9.5% for March, versus the Benchmark return of -3.6%. Since inception, the Fund has returned a total of 26.7% after fees, ahead of the benchmark return of 6.5%.

Monthly returns were heavily influenced by macro events, headlined by US trade policy announcements, leading to a softening of US consumer sentiment, business investment intentions, and economic growth forecasts.

In turn, this led to a sharp correction in equity markets, which particularly impacted the share prices of our US facing holdings. The technology-heavy Nasdaq and small cap focused Russell 2000 led the pullback, recording intra month peak to trough drawdowns of about -14%.

Domestically, industrials were particularly affected, with the technology and financial sectors leading the declines. The ASX Small Industrials and ASX All Technology Indices fell by -7.5% and -10.3%, respectively, mirroring the Fund's monthly return.

A continued flight of capital to cash and safe-haven assets drove strong performance in the Gold sector and also impacted relative returns, with the ASX Gold Index rallying a further 13% in March. The Gold sector now represents a substantial exposure for the benchmark, being the ASX Small Ordinaries.

Despite the monthly drawdown, no negative stock-specific announcements were made by any portfolio constituent during the month. Thus, receding share prices were more reflective of negative investor sentiment (fear), ostensibly related to potential changes to future economic conditions, and how these may or may not impact the earnings profiles of portfolio companies.

The key contributor for the month was Smartpay (SMP). While most holdings fell during the month, the main detractors were Zip Co (ZIP), Pinnacle Investment Management (PNI), Life360 (360) and Block, Inc. (XYZ).

SMP received two indicative takeover offers in March, which may provide a path for its significant value to be realised in the months to come.

Despite receding during the month, March news flow for ZIP, 360 and XYZ was still constructive. ZIP management were hosted by several brokers, and expressed confidence in the continuation of strong recent operational trends. App ranking data for 360 strengthened in all key markets, and bodes well for further growth in its global user base.

XYZ announced that, following receipt of requisite licenses, it will use its own bank, SFS, to fund loan originations within Cash App. This change gives Cash App Borrow access to 15 additional US States, bringing the total to 50, and also captures fees on loans previously paid away to a third party bank. Importantly, this represents a key underpinning of XYZ's CY25 growth forecast.

Looking ahead, given the influence of macroeconomic factors, it's difficult to determine how this correction unfolds in the immediate term. That said, the productive capacity of our portfolio constituents remains immense.

We hold a collection of quality businesses growing into deep pools of long term opportunity, all with strong balance sheets, and all available at sensible prices. Ultimately, we expect this to translate to sound longer term returns for patient investors, so we intend to stay the course with a portfolio emphasis on quality compounders.

Top Holdings (alphabetical order)

360	Life360
FID	Fiducian Group
NGI	Navigator Global Investments
RUL	RPMGlobal
XYZ	Block, Inc.

Performance	1 Month	1 Year	2 Years p.a.	Since Inception p.a.*	Since Inception*
The Elvest Fund	-9.5%	-10.2%	9.6%	8.7%	26.7%
S&P/ASX Small Ords TR Index	-3.6%	-1.3%	6.0%	2.2%	6.5%
Relative Performance	-5.9%	-8.9%	3.6%	6.5%	20.2%

* Inception date 1 June 2022. Performance after all fees & expenses. Cum distribution unit price (1/4/2025): MID (\$) 1.1396, ENTRY (\$) 1.1424, EXIT (\$) 1.1367.

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

Name	The Elvest Fund	Investment Eligibility	Wholesale only
Structure	Wholesale Unit Trust	Minimum Investment	\$250,000 (unless otherwise agreed)
Investment Universe	ASX-Listed small and mid 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
Investment Timeframe	5 years+		outperformance of the Benchmark, subject to a high water mark.
APIR Code	FHT0540AU	Administration	Fundhost
Platform Availability	HUB24, Netwealth	Custodian	HSBC

Contact

Elvest email: info@elvest.com.au
Fundhost email: admin@fundhost.com.au

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