

ELVEST

The Elvest Fund

Monthly Report - May 2025

Commentary

The Elvest Fund returned 10.1% for May, versus the Benchmark return of 5.8%. Since inception, the Fund has returned a total of 43.4% after fees, ahead of the benchmark return of 14.7%.

While equities continued their rebound from the lows of early April, the environment remains volatile, reflecting the stop-start nature of US tariff policy.

May saw a broad-based rally in Australian small caps, which were again led by double digit gains in the Gold sub-sector. The Small Industrials index returned 4.0%.

Domestically, inflation continues to moderate, which led the RBA to cut the cash rate by 25bps to 3.85%. At 2.9%, annual trimmed mean inflation was below 3% for the first time since 2021 and headline inflation, at 2.4%, remained within the RBA's target band of 2–3%.

The RBA's dovish tone suggests more cuts are likely through the balance of 2025.

Key contributors for the month were Life360 (360), Australian Finance Group (AFG) and Zip Co (ZIP). Despite upgrading during the month, the main detractor was Navigator Global Investments (NGI).

Leading family-tracking application 360 delivered a strong quarterly result that beat consensus expectations, with the composition of CY2025 guidance also improving. Global monthly active users (MAUs) were up 26% to 83.7m, while paying family circles were up 43% year on year.

The breadth of 360's monetisation opportunity is becoming more extensive over time, and now includes subscription services, physical tracking devices, partnerships, advertising and a growing number of adjacencies.

May's rally perhaps suggests growing investor belief that 360 can execute effectively into much of this still nascent opportunity.

AFG is involved in mortgage broking, as well as the manufacture and distribution of its own branded home loan products.

Changes in the cash rate cycle are expected to support both distribution volumes and manufacturing margins for AFG, which in turn will likely drive solid earnings growth in the coming years.

ZIP reconfirmed upgraded guidance at the Macquarie Conference and continued buying back stock at pace. In Australia, rate cuts will provide an earnings tailwind for Zip's longer duration Australian book over the financial year ahead.

In the US, strong BNPL sector growth persisted in May, which bodes well for a further upgrade or positive surprise at ZIP's FY25 result.

NGI fell despite upgrading its FY25 earnings forecast, with the company now expecting to deliver EBITDA of between US\$106-\$110m, representing growth of 17-22% on the pcp. NGI now trades at a free cash flow yield of 15%+, and at a level that we believe warrants initiation of a buyback.

May marks the 3 year anniversary for the Fund. Although markets have been volatile since Fund inception, it's been a solid start to what is a longer term journey. Thank you for investing your capital alongside ours in The Fund.

Top Holdings (alphabetical order)

360	Life360
NGI	Navigator Global Investments
PNI	Pinnacle Investment Management
RUL	RPMGlobal
ZIP	Zip Co

Performance	1 Month	1 Year	2 Years p.a.	Since Inception p.a.*	Since Inception*
The Elvest Fund	10.1%	1.7%	14.1%	12.8%	43.4%
S&P/ASX Small Ords TR Index	5.8%	9.8%	10.3%	4.7%	14.7%
Relative Performance	4.3%	-8.1%	3.8%	8.1%	28.7%

* Inception date 1 June 2022. Performance after all fees & expenses. Cum distribution unit price (1/6/2025): MID (\$) 1.2891, ENTRY (\$) 1.2923, EXIT (\$) 1.2858.

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