

ELVEST

The Elvest Fund

Monthly Report - May 2026

Commentary

The Elvest Fund returned 3.3% for May, versus the Benchmark return of 2.0%. Since inception, the Fund has returned a total of 41.8%, versus the Benchmark return of 27.6%.

Equities continued to rebound from lows earlier in the year, against a backdrop of surging AI investment and little progress in the Middle East. Domestically, the materials sector led the way (+10.5%), somewhat offset by the healthcare sector (-9.2%).

May was headlined by an RBA rate hike to 4.35% and the release of the Federal Budget. Concurrently, the 10 year Australian Government bond yield fell by 23bps to close the month at 4.84%.

April CPI and labour data was softer than expectations, lowering the likelihood of an imminent rate hike. Meanwhile, house prices fell again in Sydney and Melbourne. Should this dynamic continue, it will likely reduce consumer sentiment from already low levels.

Key contributors for the month were Develop Global (DVP), Tasmaea (TEA), Lycopodium (LYL) and Dicker Data (DDR). The main detractor was Nanosonics (NAN).

DVP rallied on positive recent execution in bringing its flagship Woodlawn copper mine beyond nameplate production (850k tonnes p.a.). The stock was generally buoyed by strengthening copper and lithium prices over the month.

The mining services division announced an effective transition from its Bellevue Gold contract to a newly won \$274m Core Lithium contract for underground mining services.

In what has been treated as a free option in recent years, DVP's Pioneer Dome Lithium project looks to be progressing towards a December quarter commencement. If executed successfully, this has the potential to materially increase group free cash flow in the coming years.

TEA and LYL both rose during May, yet still trade at material discounts to peers. We remain positive on both companies, with each providing exposure to accelerating infrastructure and resources capex.

Immediately post month-end, TEA announced the acquisition of specialist electrical contractor Maxim Group, in a deal that will be 31% EPS accretive to group earnings.

Leading IT distributor DDR delivered a strong AGM update, with CYTD results driven by favourable margin outcomes on the sale of existing inventory. In the four months to 30 April 2026, PBT was up 45.5% to \$47.3m, on 13.3% gross revenue growth (to \$1.27bn). This dynamic hasn't fully played out, which bodes well for full year earnings growth.

NAN fell during May despite announcing various milestones relating to the commercialisation of its new flexible endoscope cleaning technology, CORIS.

With \$160m of net cash and a valuation comfortably underwritten by its existing core product set, Trophon, we continue to see good value on offer.

Given deep discounts to our assessments of value across the portfolio and large parts of the small and mid cap industrial market, we remain constructive on the portfolio's forward return potential from here.

Top Holdings (alphabetical order)

360	Life360
DVP	Develop Global
NGI	Navigator Global Investments
PNI	Pinnacle Investment Management
ZIP	Zip Co

Performance	1 Month	1 Year	3 Years p.a.	Since Inception p.a.*	Since Inception*
The Elvest Fund	3.3%	-1.1%	8.8%	9.1%	41.8%
S&P/ASX Small Industrials TR	1.7%	-2.4%	5.6%	3.6%	15.3%
S&P/ASX Small Ordinaries TR	2.0%	11.2%	10.6%	6.3%	27.6%

* Inception date 1 June 2022. Performance after all fees & expenses. Cum distribution unit price (1/6/2026): MID (\$) 1.2672, ENTRY (\$) 1.2703, EXIT (\$) 1.2640.

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, Mason Stevens	Custodian	HSBC

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