

Commentary

The Elvest Fund returned -4.7% for November, versus the Benchmark return of -1.5%. Since inception, the Fund has returned a total of 72.4% after fees, ahead of the benchmark return of 33.9%.

Renewed macro uncertainty translated to a risk off environment for global markets. In a continuation of recent trends, generally positive AGM and Q1 updates delivered by fund holdings weren't necessarily rewarded.

The Fund's focus on quality compounders means the portfolio typically tilts towards the technology, financials, and consumer sectors, and away from commodity related businesses. This broadly defined outcomes for November, with the ASX technology and financial sectors delivering -11.6% and -6.5% returns for the month. In contrast, the small resources index rallied 3.1%. The latter was again led by the Gold sub-sector, which was up 10%.

The key contributor for the month was Navigator Global Investments (NGI). The main detractors were Life360 (360) and Zip Co (ZIP).

NGI extended its recent rally following a series of successful investor day presentations, the highlight of which was management's aspiration to double group EBITDA to over US\$200m by 2030. This implies a growth rate that is well in excess of consensus expectations, and led to further earnings upgrades during the month.

360 delivered a sound Q1 update that was ahead of expectations. Management upgraded full year earnings guidance, while also announcing an acquisition that will enhance its rapidly scaling advertising offering. Monthly Active User (MAU) growth of 19% missed consensus expectations of 22%, and was the reason for the sell off.

With record growth in paying subscribers, new revenue streams related to advertising and pet tracking, and a long global growth runway, we remain constructive on the opportunity set for 360.

ZIP detracted in November, despite an excellent Q1 update in the prior month, with falls reflecting concerns about the US consumer. To us this is noise, as ZIP's short duration installment products allow tight control over loss rates. ZIP is on track to deliver strong EPS growth this half.

Despite recent bearish headlines generally focused on the AI capex cycle, we see reasonable value on offer in key pockets of the Australian market.

Most notable to us is the emerging value in quality stocks, which have experienced 15-30% drawdowns from peak levels. In fact, according to E&P, the global quality factor has experienced one of its most severe underperformance periods in three decades, with MSCI World Quality trailing the broad index by approximately 10% on a one-year basis. Historically, such periods have preceded material outperformance over the subsequent two to three years.

The ASX tech sector reflects the above dynamic, which is now down -25% from recent highs, despite offering a three-year forward EPS CAGR of 24%. This stands in stark contrast to offshore markets, with the Nasdaq only ~7% below its recent highs, highlighting the disproportionate pressure on Australian tech names (Source: Wilsons).

Volatile periods often bring opportunities to deploy capital into sensibly priced quality, which has continued to be the focus for Elvest in recent weeks.

Top Holdings (alphabetical order)

360	Life360
NGI	Navigator Global Investments
NWS	News Corporation
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	-4.7%	17.6%	17.8%	16.8%	72.4%
S&P/ASX Small Ords TR Index	-1.5%	19.4%	11.5%	8.7%	33.9%
Relative Performance	-3.2%	-1.8%	6.3%	8.1%	38.5%

* Inception date 1 June 2022. Performance after all fees & expenses. Cum distribution unit price (1/11/2025): MID (\$) 1.5405, ENTRY (\$) 1.5444, EXIT (\$) 1.5367.

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 outperformance of the Benchmark, subject to a high water mark.
Investment Timeframe	5 years+	Administration	Fundhost
APIR Code	FHT0540AU	Custodian	HSBC
Platform Availability	HUB24, Netwealth, Mason Stevens		

Contact

Elvest email: info@elvest.com.au

Fundhost email: admin@fundhost.com.au

Phone: (02) 9093 0609

Phone: (02) 8223 5400