ELLERSTON ASIAN
INVESTMENTS LIMITED
ACN 606 683 729

14 December 2022

Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

MONTHLY NTA STATEMENT - November 2022

Ellerston Asian Investments Limited (**ASX: EAI**) advises the unaudited Net Tangible Asset backing (**NTA)** per share of the Company as at 30 November 2022 is:

NTA per Share	30 November 2022
NTA before tax	$0.8721
NTA after realised tax *	$0.8721
NTA after tax ^	$0.9082

These figures are unaudited and indicative only
The NTA is based on fully paid share capitial of 124,168,061.

* NTA after realised tax - Includes a provision for tax on realised gains from the Company's Investment Portfolio.
^ NTA after tax - Includes a Tax Asset of 3.21 Cents per share relating to recoupable realised and unrealised losses.

On 23 September 2022, EAI announced a renewal of its on-market buy-back of up to 10% of its shares, commencing 27 September 2022 and continuing for twelve months.Since 27 September 2022 a total of 717,031 shares had been bought back.

Ian Kelly
Company Secretary

Contact Details
Should investors have any questions or queries regarding the company, please contact our Investor Relations team on 02 9021 7701.
All holding enquiries should be directed to our share registrar, Link Market Services on 1300 551 627 or EAI@linkmarketservices.com.au.

Ellerston Asian Investments Limited (ASX: EAI)

Monthly Newsletter, November 2022

Key Information

Listing Date^^	4 September 2015
NTA (before tax)*	$0.8721
NTA (after realised tax)^	$0.8721
NTA (after tax)**	$0.9082
Share Price at 30/11/2022	$0.790
EAI Market Capitalisation	$98.1 Million
Average Management Fee	0.82%
Performance Fee	15%

* NTA (before tax) – Includes taxes that have been paid.

^ NTA (after realised tax) - Includes a provision for tax on realised gains from the Company's Investment Portfolio.

** NTA (after tax) - Includes a Tax Asset of 3.21 Cents per share relating to realised and unrealised losses.

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Performance Summary

Performance	1 Month	3 Months	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception^^ (p.a.)
Net^	12.28%	-1.03%	-4.93%	-20.45%	-2.97%	-0.16%	2.78%
Benchmark*	13.33%	-0.71%	-3.21%	-15.61%	-0.98%	0.25%	4.22%
Alpha	-1.05%	-0.32%	-1.72%	-4.84%	-1.99%	-0.41%	-1.44%

Ellerston Asian Investments (EAI) was up 12.3% (net) in November versus the MSCI Asia ex Japan (MXASJ) Index which was up 13.3%.

EAI aims to have a sustainable dividend policy based on multiple years of profit reserves. The dividend profit reserve as at the end of November 2022 was approximately 11 cents per share.

November provided some welcome relief for equity investors as global markets rallied on softer than expected US inflation data and positive policy developments coming out of China. It remains unclear whether the US Federal Reserve has been done enough to bring inflation back to its 2% target (vs 7.7% in October). The outlook for China on the other hand has turned significantly more positive in recent weeks and this drove strong equity market performances during November with the Hang Seng Index and CSI300 up 27% and 10% respectively.

China Inflection Point

Over the past few months, we have written extensively about the prospects for China to outperform heading into 2023. This view was predicated on our belief that the Chinese government would turn more pragmatic post the 20th National Congress and re-focus on economic growth.

Indeed since the end of October, the Government has rolled out a number of measures to address the two biggest issues currently facing the economy, namely property and COVID. On property, regulators released a 16 point package which included bank loan extensions and looser down-payment conditions in order to support the sector. This together with a further 25bps RRR cut and major SOE banks pledging to extend credit lines to property developers are strong signals of the Government's intent to rescue the sector.

On COVID, the Government announced 20 measures which effectively pave the way for a reopening in the coming months. The measures included a reduction in quarantine times, a ramp up in elderly vaccinations, easing of mass testing requirements and prioritizing home treatment of COVID. There has also been a material change in the local media narrative around COVID with key health and government officials downplaying the severity of the Omicron variant. We view these actions as an informal pivot away from the zero-COVID policy. Although loosening COVID restrictions will help to relieve a major overhang for the Chinese economy, the path of recovery will likely be bumpy given the expected increase in case and mortality numbers and the resultant impact on companies and supply chains. This suggests that Chinese equities could remain volatile in the coming months as near term earnings pressure are offset by improving sentiment.

Nonetheless, we believe a major cyclical turning point has been reached in the policy and growth direction for China. A renewed focus on growth along with depressed valuations and elevated investor skepticism provides an ideal setup for Chinese equities outperformance heading into 2023. As such, we remain overweight Chinese equities and will look to selectively add to our portfolio.

India Growth Story

In recent newsletters, we have written extensively about our views on China and the opportunities that exist in that region. EAI however also has a sizeable exposure to India, representing 16% of our portfolio.

India has been one of the best performing markets in Asia throughout 2022, with the MSCI India (MXIN) Index up in excess of 5% in local currency terms. The driver of the outperformance has been the resilience of the domestic economy in the face of high inflation, rising interest rates, elevated commodity prices and strengthening USD.

During the month, we visited India for the first time since late 2019 in order to get a better understanding of the drivers behind the outperformance of the domestic equities market in 2022. Our discussions with corporates and government organisations along with various field trips reaffirmed India's structural growth story with favourable demographics, rising penetration, technology leapfrogging and infrastructure/manufacturing buildout playing out in unison. A big driver of this has been the stable, pro-growth political environment since Prime Minister Modi came into power in 2014. The recent state election result in Gujarat points to continuing political stability beyond the 2024 federal elections. Near term, the domestic demand outlook remains surprisingly strong particularly in urban areas driven by rising household incomes from positive real wage growth. Meanwhile, we believe India is well placed to manage near-term risks such as elevated inflation and weakness in rural demand.

We note, however, that valuations look a little stretched with the MSCI India Index trading on 22x forward earnings, which is one standard deviation above the historical average. This suggests that the margin of safety for investing in Indian equities is not high currently. In this environment, we will continue to focus on owning high-quality structural compounders trading at reasonable valuations such as Reliance Industries and the Indian banks.

Portfolio Performance Summary

India and Hong Kong were the largest contributors to alpha during the month. Whilst, Singapore and Indonesia were the major detractors. At a sector level, Consumer Staples and Healthcare were the biggest contributors to relative performance. Meanwhile, Real Estate and Industrials were the worst performers. Our cash position also contributed to some of the underperformance during the month given the rally in equity markets and the AUD. We however believe that dry powder is necessary to take advantage of any opportunities that arise in volatile markets.

At a company level, Mengniu Dairy, China Merchants Bank and AIA were the biggest contributors to relative performance during the month. All three names participated in the broader China/HK market rally but had corrected materially in recent months on negative sentiment and concerns over the near term earnings outlook. We believe all three are high quality companies that had been unfairly sold off amid COVID uncertainties and are well placed to benefit from a China reopening.

Bank of Mandiri, DBS Group and Longi were the biggest drags on alpha. Bank of Mandiri saw some profit taking after rallying post a strong 3Q22 result where pre-provision operating profit grew by 26%yoy. DBS meanwhile corrected in-line with the pull back in the US 10 year yield. The underlying fundamentals for DBS remain unchanged however with loan and fee income growth and NIM expansion driving double digit profit growth, ROE expansion and higher dividends. Finally, Longi's share price pull back during the month was driven by concerns over elevated polysilicon prices and a potential step up in competition. We believe both these issues are overplayed and continue to like the company for its global leadership position in solar wafers. The company is therefore well placed to benefit from the global push to decarbonise.

As always, if you have any questions regarding any aspect of the Fund or the portfolio, please feel free to contact us at info@ellerstoncapital.com.

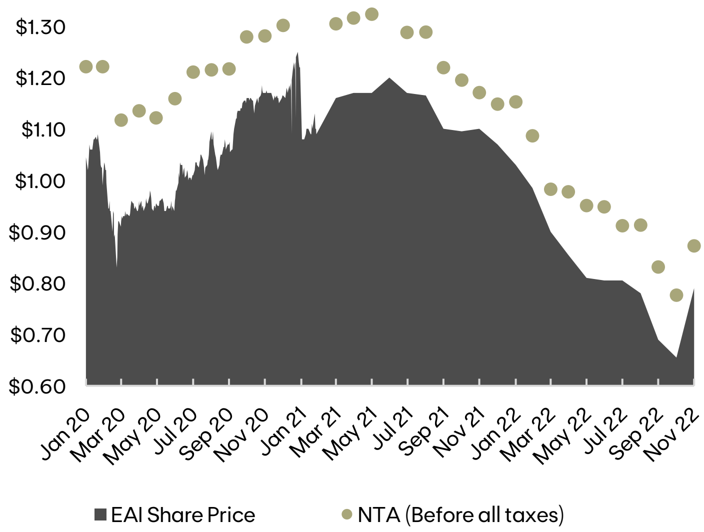
Kind Regards,
Fredy Hoh

PORTFOLIO CHARACTERISTICS

TOP 10 HOLDINGS

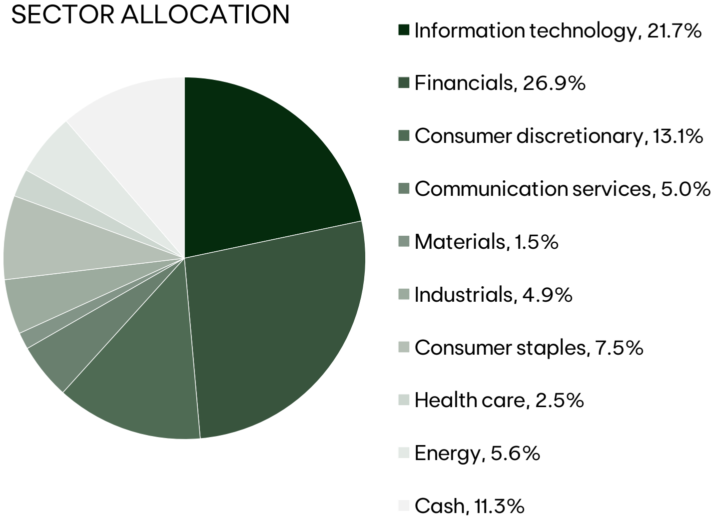
TSMC	9.2%
Samsung Electronics	7.0%
Reliance Industries	5.6%
Tencent	5.0%
AIA Group	4.7%
DBS Group Holdings	4.5%
ICICI Bank	4.0%
Alibaba Group Holding	4.0%
China Mengniu Dairy	3.1%
PT Bank Mandiri	2.9%

EAI SHARE PRICE VS NTA



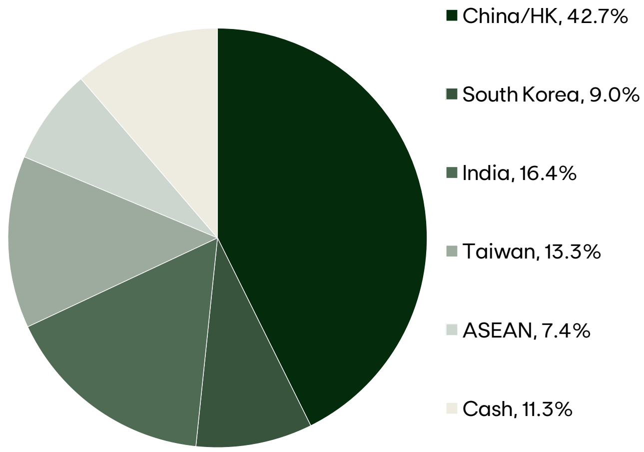
Source: Ellerston Capital.

SECTOR ALLOCATION



Source: Ellerston Capital.

GEOGRAPHIC ALLOCATION



Source: Ellerston Capital.

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Find out more

All holding enquiries should be directed to our register, Link Market Services on **1300 551 627** or EAI@linkmarketservices.com.au

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