

Ellerston Asia Growth Fund (Hedge Fund)

Monthly Report as at 30 April 2024

APIR Code: ECL1411AU | ARSN 626 690 686



Portfolio of 20-50 Asian Companies built through a distinctive high conviction and benchmark independent investment approach.



Focus on high quality companies with superior growth characteristics, sustainable earnings, and quality management.



Aims to outperform the Benchmark with a focus on capital growth and downside protection.

Performance Summary

Performance	1 Month	3 Months	6 Months	Since Inception ^{^^}
Net [^]	2.35%	14.37%	11.57%	8.88%
Benchmark [*]	1.62%	11.17%	11.13%	6.91%
Alpha	0.73%	3.20%	0.44%	1.97%

[^] The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.

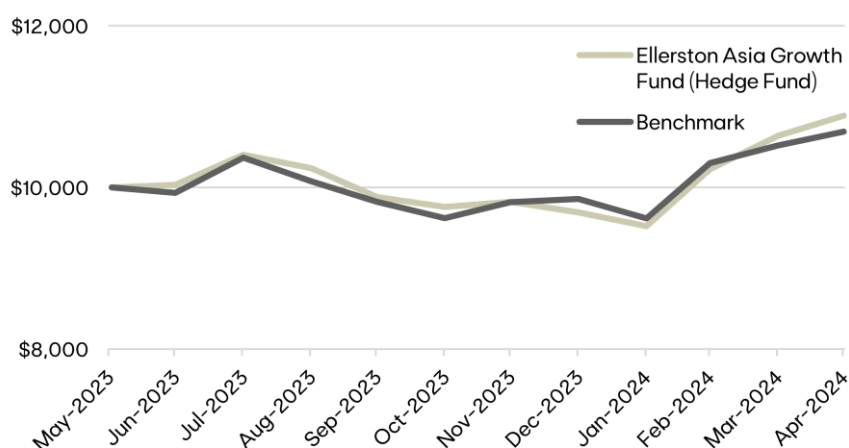
^{*} MSCI Asia Ex Japan (non-accumulation) Index in AUD.

^{^^} Inception Date is 01/06/2023. The Ellerston Asia Growth Fund (Hedge Fund) was formerly known as the Ellerston Asia Growth Fund, with a strategy inception date of 04/01/2017. The performance was reset following a restructure of the fund into an exchange traded managed fund which took effect on 01/06/2023. Cumulative return since inception.

Key Information

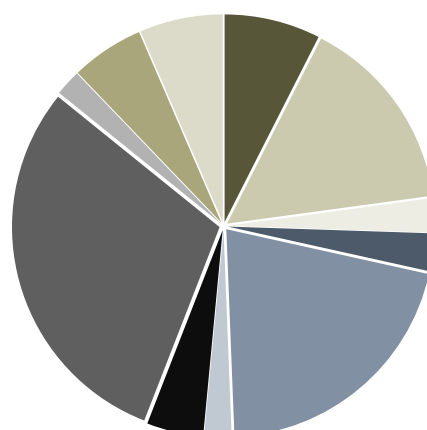
Investment Objective	To outperform the Benchmark on a net of fees basis, with a focus on capital growth and downside protection.
Benchmark	MSCI Asia Ex Japan (non-accumulation) Index in AUD.
Liquidity	Daily
Target Number of Holdings	20-50
Number of Holdings at Month End	35
Minimum Investment for Applications Direct with Unit Registry ¹	Initial investment - \$10,000
Distribution Frequency	Half-Yearly (where available)
Management Fee ²	0.75% p.a.
Performance Fee ³	10%
Buy/Sell Spread ⁴	0.25% / 0.25%
Unit Prices	Application - \$6.7013 Net Asset Value - \$6.6846 Redemption - \$6.6679
Fund Size	\$40,934,569

Growth of \$10,000 Investment



Fund Performance shown is net of fees, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance. Source: Ellerston Capital.

Sector Allocation



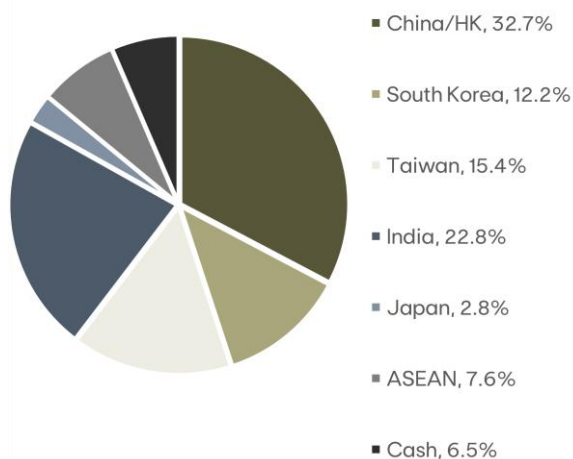
¹ Minimum number of units required for purchases made via the ASX will be dependent on each stockbroker.

² The Manager is waiving the management fee for the first year following quotation of units on the ASX.

³ Of the investment return above the benchmark, after recovering any underperformance in past periods.

⁴ Applicable only to investors buying and selling directly with the manager.

Geographic Allocation



Source: Ellerston Capital.

Top Holdings

Company	Sector	Portfolio Weight	Benchmark Weight
Taiwan Semiconductor Manufacturing	Information Technology	12.5%	9.5%
Samsung Electronics	Information Technology	8.1%	4.3%
Tencent Holdings	Communication Services	7.2%	4.7%
ICICI Bank	Financials	3.6%	1.1%
AIA Group	Financials	3.5%	1.3%
SK Hynix	Information Technology	3.2%	1.1%
PT Bank Mandiri (Persero) Tbk	Financials	3.2%	0.3%
Reliance Industries	Energy	2.9%	1.7%
MediaTek	Information Technology	2.9%	0.7%
Phoenix Mills	Real Estate	2.8%	0.0%

Source: Ellerston Capital.

MARKET COMMENTARY

The Ellerston Asia Growth Fund (Hedge Fund) (EAFZ) was up 2.4% (net) in April versus the MSCI Asia ex Japan (non-accumulation) (AUD) (MXASJ) Index, which was up 1.6%.

Market Summary

The global equities market experienced a downturn this month, ending its longest winning streak since 2021. This reversal in stock market sentiment was attributed to several factors, including geopolitical tensions, particularly the escalation of conflicts in the Middle East, and a reassessment of expectations for interest rate cuts in the US. Despite these challenges, the latter half of April saw some recovery in stock prices, albeit not enough to offset the earlier losses. In the US, rising inflation and a strong job market have led investors to delay their expectations for a Federal Reserve interest rate cut. A rate cut in June now seems unlikely, and the market anticipates only one or two cuts this year, down from six at the start of the year.

The MSCI World Index was down 3.2% in April in local currency terms. US (Dow Jones Industrial Average) and European equities (MSCI Europe) were down 4.9% and 2.3%, respectively. Asian markets were relative outperformers, with MXASJ up 0.4%. Within Asia, the Hang Seng Index was the standout performer, up 7.4% for the month. Japan, on the other hand, was the relative underperformer with the Nikkei 225 down 4.9%.

PORTFOLIO PERFORMANCE SUMMARY

China and India were the largest contributors by country to alpha during the month, while Taiwan and Indonesia were the relative drags. At the sector level, Real Estate was the biggest contributor to relative performance. Meanwhile, Information Technology was the largest detractor.

At a company level, **Phoenix Mills**, **Tencent**, and **Trip.com** were the largest contributors to alpha, adding a combined 73bps. Meanwhile, **MediaTek**, **Samsung Electronics**, and **Bank Mandiri** detracted 104bps to alpha during the month.

Our China positions have generally outperformed, with Tencent and Trip.com being two of the top three contributors to alpha. **Tencent** operates the largest social media platform in China (WeChat) and is also a leading game developer in the country. **Trip.com** is China's largest OTA platform.

Phoenix Mills, India's premier luxury shopping mall developer and operator, is one of the best proxies for India's urban consumption growth and rising income stories. Although there was no stock-specific news during the month, there were strong inflows into property-related companies, with the Nifty Realty index up 8% in April.

MediaTek is the largest chip designer house in Asia. The company specializes in multimedia and wireless IP for SoC design. MediaTek's Q1 2024 results were ahead of street expectations; however, the share price was down as cautious FY24 guidance was provided, which reset market expectations on global smartphone growth. Despite share price weakness, we continue to like MediaTek's strong position in both cloud and edge AI.

Bank Mandiri, the second largest bank in Indonesia, reported weaker than expected earnings for Q1 2024, driven by higher interest expenses and operating costs. NIM contracted in the quarter, and management lowered its FY24 guidance. Bank Mandiri has been an outperformer for the portfolio in the last 12 months, and we have reduced our position on the back of a downgraded growth outlook.

Samsung Electronics is the global leader in smartphones, home appliances, display panels, and the production of memory chips. Despite reporting a strong quarterly result with an improved memory market outlook, Samsung's share price has been weak in the month due to the broader global market softness.

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.

Regulatory Guide (RG240) Fund Disclosure Benchmark – Periodic Reporting (monthly)

- **Net Asset Value of the Fund and Redemption Price of Units**

Please refer to details on page one.

- **Any changes to key service providers including any change in related party status.**

There have been no changes to key service providers, including any change in related party status.

- **Net returns after fees, costs and relevant taxes**

Please refer to details on page one.

- **Any material changes to the Fund's risk profile and strategy**

There have been no changes to the Fund's risk profile and strategy.

- **Any material changes related to the primary investment personnel responsible for managing the Fund.**

Please refer to details on page one; there have been no changes to the primary investment personnel responsible for managing the Fund.

Find out more:

Contact Us

Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 9021 7701
info@ellerstoncapital.com

Should investors have any questions or queries regarding the Fund, please contact our Investor Relations team on 02 9021 7701 or info@ellerstoncapital.com or visit us at ellerstoncapital.com.

All holding enquiries should be directed to our register, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

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