

Monthly Report as at 30 April 2025

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	1 Year	Since Inception (p.a.)^^
Net^	-1.1%	-1.7%	1.9%	12.9%	11.4%
Benchmark*	-2.1%	-1.2%	0.9%	10.0%	8.8%
Alpha	1.0%	-0.5%	1.0%	2.9%	2.6%

^ 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 Complex ETF was formerly known as the Ellerston Asia Growth Fund (Hedge 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.

Key Information

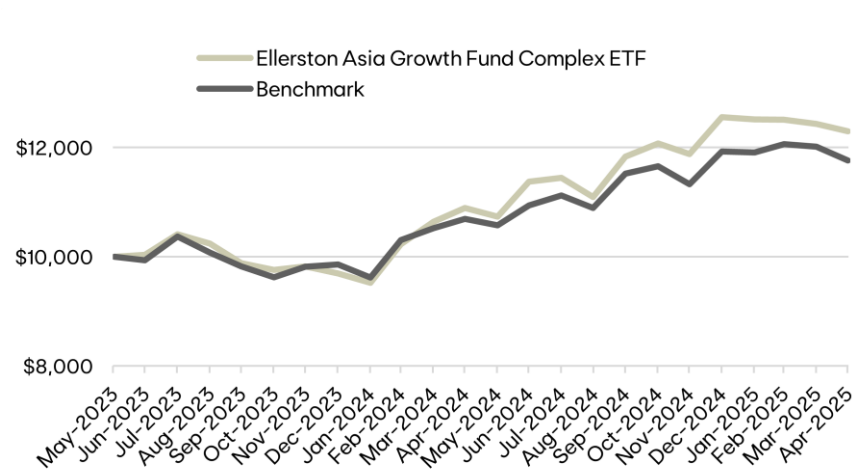
Investment Objective	To outperform the Benchmark on a net of fees basis, with a focus on capital growth and downside protection.
Benchmark	MSCI Asia Ex Japan (non-accumulation) Index in AUD.
Liquidity	Daily
Target Number of Holdings	20-50
Number of Holdings at Month End	48
Minimum Investment for Applications Direct with Unit Registry ¹	Initial investment – \$10,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	0.75% p.a.
Performance Fee ²	10%
Buy/Sell Spread ³	0.25% / 0.25%
Unit Prices	Application – \$7.2688 Net Asset Value – \$7.2507 Redemption – \$7.2326
Fund Size	\$34,342,359

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

² Of the investment return above the Benchmark after recovering any underperformance in past periods.

³ Applicable only to investors buying and selling directly with the manager.

Growth of \$10,000 Investment

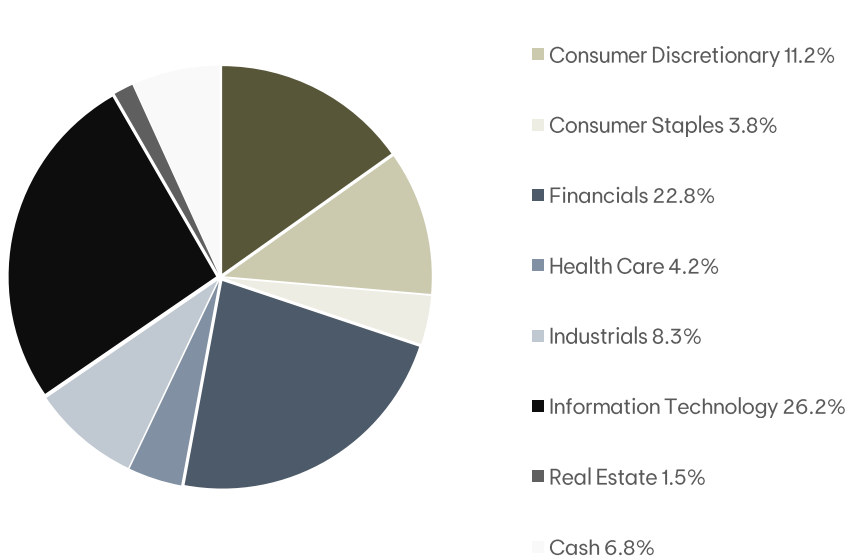


Fund Performance shown is net of fees, assuming all distributions are reinvested.

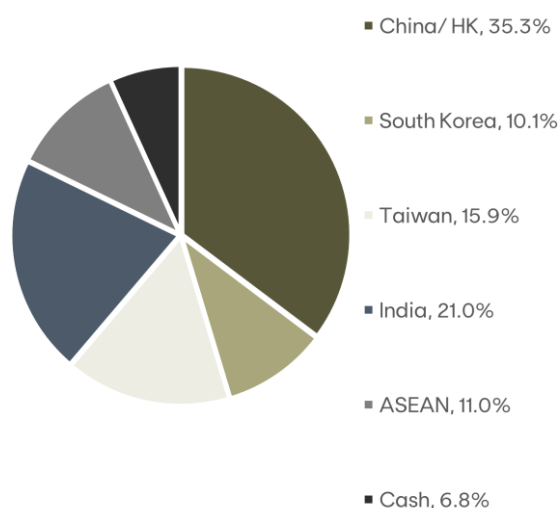
Past performance is not a reliable indication of future performance.

Source: Ellerston Capital.

Sector Allocation



Geographic Allocation



Source: Ellerston Capital.

Top Holdings

Company	Sector	Portfolio Weight	Benchmark Weight
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	12.7%	10.1%
Tencent Holdings Ltd	Communication Services	6.1%	5.7%
Alibaba Group Holding Limited	Consumer Discretionary	3.1%	3.5%
Agricultural Bank of China Limited Class H	Financials	3.1%	0.2%
Samsung Electronics Co., Ltd.	Information Technology	3.0%	2.7%
SM Investments Corporation	Industrials	2.8%	0.0%
HDFC Bank Limited	Financials	2.8%	1.9%
DBS Group Holdings Ltd	Financials	2.6%	0.9%
Netease Inc	Communication Services	2.3%	0.6%
Shanghai Pudong Development Bank Co., Ltd. Class A	Financials	2.2%	0.0%

Source: Ellerston Capital.

MARKET COMMENTARY

The Ellerston Asia Growth Fund Complex ETF (EAFZ) declined by 1.1% (net) in April, compared to the MSCI Asia ex Japan (non-accumulation) (AUD) (MXASJ) Index, which fell 2.1%.

MARKET SUMMARY

The 2 April "Liberation Day" shock, when President Trump announced his "reciprocal tariff" strategy, unleashed major havoc upon bond, currency and equity markets, however as the month progressed, a major reversal saw risk assets starting to behave more orderly. In the wash up after a huge swing towards month end, the MSCI World Index fell 0.3% and the MSCI Emerging Markets Index posted a return of -0.2%, with the S&P 500 falling -0.7% in local currency terms. Consumer Staples (+2.1%) and Utilities (+2.1%) topped the global sector tables, with Energy (-12.4%) the major laggard.

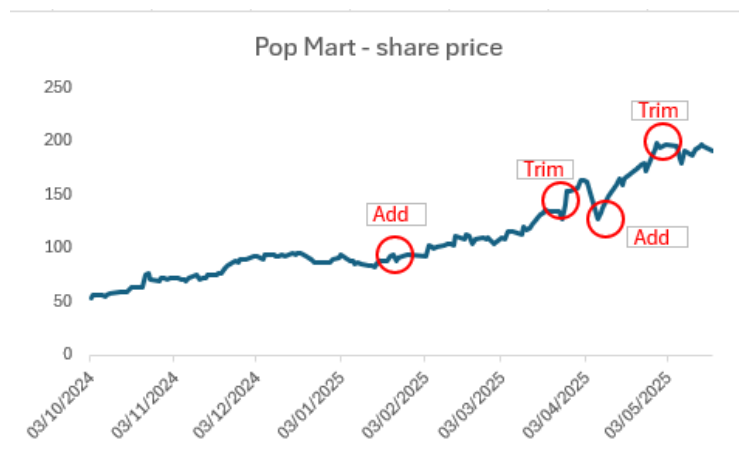
In Asia, despite China's robust Q1 growth print (+5.4%), the unprecedented tariff shock is seen by investors as likely to slow economic growth, mainly from key exports, while domestic consumption and fixed investments are expected to improve from the NPC stimulus plan. Likely further fiscal expansion on top should also help. Fiscal support would be used to alleviate the challenges of exporters and manufacturers, boost local government finances and infrastructure spending, and lift consumption and social spending. But it's still early days in the trade war. Asian equity markets were mixed with India's SENSEX continuing to outperform (+3.7%), both Korea's KOSPI (+3.0%) and Japan's Nikkei (+1.2%) bounced back and not surprisingly, China's SSE ended 1.8% lower, with the Hang Seng the clear laggard, down 4.0%.

PORTFOLIO PERFORMANCE SUMMARY

At the country level, **China** was the largest contributor to alpha, while **South Korea** was the relative underperformer. On the sector level, **Consumer Discretionary** made the biggest contributions to relative performance, whereas **Industrials** was the relative underperformer.

At a company level, **Pop Mart**, **Tata Consumer Products** and **Bharti Hexacom** were the largest contributors to alpha, adding a combined 112 bps. Meanwhile, **Lexin Fintech**, **DiDi Global** and **FinVolution** detracted 68 bps from alpha during the month.

Pop Mart is a Chinese designer toy company known for its blind-box collectibles and popular IP characters such as LABUBU. It was an existing position in the portfolio (refer to last month's newsletter for the investment thesis). During the month, we took advantage of share price volatility—buying on a 22% decline triggered by renewed China-U.S. trade tensions—and benefited from the subsequent rally of over 50%. The company reported strong 1Q25 results and successfully launched new global products, including a top-ranking series in the U.S. App Store.



Source: Ellerstion Capital, Factset

Tata Consumer Products is a leading Indian FMCG company with a portfolio spanning food and beverages, including well-known brands such as Tata Tea and Himalayan Water. The stock rose following strong Q4 FY25 results (+17.4% revenue, +59% profit) and a broker upgrade, which highlighted an improved margin outlook in its tea business. **Bharti Hexacom** is a regional telecom operator in India and a subsidiary of Bharti Airtel, providing mobile services in Rajasthan and Northeast circles. Its share price climbed near its 52-week high in April, supported by robust quarterly earnings (net profit +110% YoY) and sustained investor momentum.

On the negative side, the share prices of **Lexin Fintech**, **DiDi Global**, and **FinVolution** declined during the month due to renewed concerns over the potential delisting of Chinese ADRs in the U.S. ([source](#)). We have previously outlined our investment theses for these names (refer to the March newsletter). We believe the core fundamentals remain intact, and the recent weakness reflects market volatility rather than a change in business outlook. We are unconcerned about the prospect of U.S. delisting for our holdings, for the following reasons:

- We reached out to several ADR-listed companies in our portfolio and received feedback suggesting that the comments made by U.S. Treasury Secretary Scott Bessent were largely a negotiation tactic within the broader context of U.S.-China trade discussions. In fact, delisting these stocks could be more detrimental to U.S. investors, given their significant ownership of Chinese ADRs.
- During the month, we engaged with the Hong Kong Stock Exchange and several U.S. legal experts, who confirmed that the process for dual-listing Chinese companies in Hong Kong is significantly faster than the timeline required for delisting from U.S. exchanges.
- Many of the ADRs we hold already trade at discounted valuations due to their low liquidity. One of the concerns on delisting is it might trigger a potential liquidity overhang. However, we believe this liquidity discount is well reflected in current market multiples.

During the month, we took advantage of market volatility to add to our positions in technology (e.g., TSMC, Accton Technology) and consumer names (e.g., Techtronic, Pop Mart), as we believe the market has turned unrealistically bearish. These additions were funded by trimming our exposure to defensive holdings that have performed well, such as Singapore Telecom and SK Telecom.

From a geographic perspective, we remain constructive on China, India, and Southeast Asia. China and India represent a "tale of two cities"—providing a strategic balance amid ongoing geopolitical turbulence. Each country's economic strengths offset the other's risks, helping to neutralize beta at the portfolio level. Conversely, we are relatively cautious on Taiwan—the AI and semiconductor hub—as we see signs of a cycle peak in the semiconductor industry. Additionally, Taiwan faces rising geopolitical, currency, and tariff-related risks. We are bullish on Southeast Asia, where equity markets have been significantly oversold due to a strong U.S. dollar. As the dollar weakens, we believe these markets are poised for a rebound. An underappreciated upside catalyst is the potential for political reform: as trade negotiations between the U.S. and Southeast Asian nations progress, we anticipate steps to remove non-trade barriers, which could meaningfully enhance the region's long-term outlook.

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.

- **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.**

There have been no changes to the primary investment personnel responsible for managing the Fund.

Find out more:

Contact Us

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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 registry, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

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