

# Ellerston Asia Growth Fund Complex ETF

Monthly Report as at 31 May 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.) <sup>^^</sup>
Net <sup>^</sup>	4.5%	2.8%	8.2%	19.8%	13.4%
Benchmark <sup>*</sup>	4.4%	1.8%	8.5%	16.2%	10.8%
Alpha	0.1%	1.0%	-0.3%	3.6%	2.6%

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

<sup>\*</sup> MSCI Asia Ex Japan (non-accumulation) Index in AUD.

<sup>^^</sup> 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

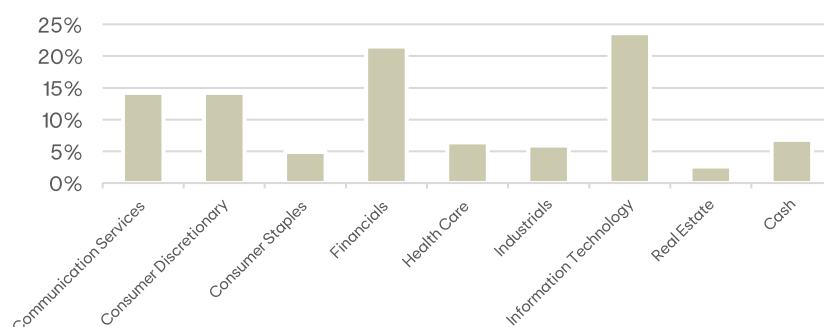
Investment Objective	To outperform the Benchmark on a net of fees basis, with a focus on capital growth and downside protection.
Benchmark	MSCI Asia Ex Japan (non-accumulation) Index in AUD.
Liquidity	Daily
Target Number of Holdings	20-50
Minimum Investment for Applications Direct with Unit Registry <sup>1</sup>	Initial investment - \$10,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	0.75% p.a.
Performance Fee <sup>2</sup>	10%
Buy/Sell Spread <sup>3</sup>	0.25% / 0.25%
Unit Prices	Application - \$7.5988 Net Asset Value - \$7.5799 Redemption - \$7.5610

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

<sup>2</sup> Of the investment return above the Benchmark after recovering any underperformance in past periods.

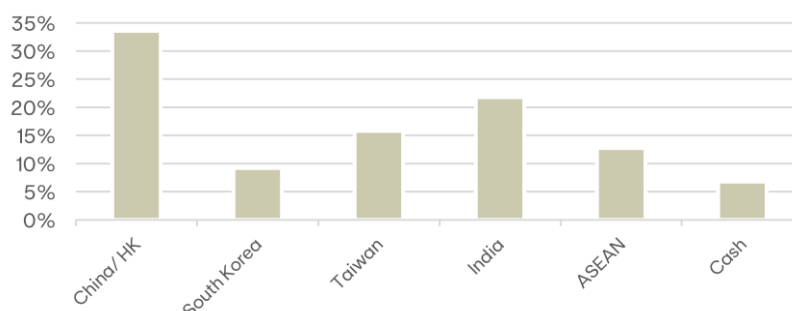
<sup>3</sup> Applicable only to investors buying and selling directly with the manager.

## Sector Allocation



Source: Ellerston Capital.

## Geographic Allocation



Source: Ellerston Capital.

## Top Holdings\*

Company	Sector
Accton Technology Corp.	Information Technology
Agricultural Bank of China Limited Class H	Financials
Samsung Electronics Co., Ltd.	Information Technology
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology
Tencent Holdings Ltd	Communication Services

Source: Ellerston Capital. \*Alphabetical Order

The Ellerston Asia Growth Fund Complex ETF (EAFZ) delivered +4.5% (net) for the month, compared to the MSCI Asia ex Japan (non-accumulation) (AUD) (MXASJ) Index, which delivered +4.4%.

## MARKET COMMENTARY

Equity markets recovered sharply from their maximum drawdown levels of early April, with global indices closing higher in May, fuelled by a de-escalation in the Trump Administration's US trade policy, especially the much larger than expected material lowering of tariff rates on Chinese goods. The MSCI World Index rose +5.9% and the MSCI Emerging Markets Index posted a return of +3.2%, with the S&P 500 rising +6.3% in local currency terms. Information Technology (+10.6%) and Communication Services (+9.0%) topped the global sector tables, with Health Care (-3.6%) the major laggard.

In Asia, under the surprise trade truce struck in May at a meeting in Geneva, the US lowered tariffs imposed on goods from China from 145% to 30% and China's retaliatory tariffs on US goods dropped from 125% to 10%. This raised the hopes of less extreme economic outcomes after sensible negotiations, although agreements may take some time. Asian equity markets reacted positively, with the Hang Seng outperforming (+5.9%), followed by Korea's KOSPI (+5.5%) and Japan's Nikkei (+5.3%), with China's SSE and India's SENSEC both up 1.7%.

## 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 **Financials** was the relative underperformer. The portfolio delivered strong alpha throughout the month, but performance was impacted in the final week due to an unexpected surge of the Korean market, coupled with a broader retreat in Southeast Asian equities as overall risk appetite weakened.

At a company level, **Accton Technology**, **HD Hyundai Electric** and **Shanghai Pudong Development Bank** were the largest contributors to alpha, adding a combined 91 bps. Meanwhile, **Meritz Financial Group**, **SM Investments** and **GDS Holdings** detracted 50 bps from alpha during the month.

**Accton Technology** is a Taiwan-based networking equipment manufacturer that specializes in the design and development of enterprise-grade and data center network switches, white-box network equipment, and edge computing devices. The company's share price surged after reporting a 123% year-over-year increase in consolidated sales revenue for May 2025, driven by strong demand for its networking solutions. **HD Hyundai Electric**, a subsidiary of HD Hyundai (formerly Hyundai Heavy Industries Group), is a South Korean company engaged in the manufacturing and servicing of electrical equipment. Its core business includes power transformers, gas-insulated switchgear (GIS), circuit breakers, and other high-voltage equipment used in power generation, transmission, and distribution systems. There was no company-specific news during the month, but an improvement in general market sentiment towards global power equipment sector supported a rally in the share price from previously depressed levels. **Shanghai Pudong Development Bank** is a major Chinese commercial bank headquartered in Shanghai, providing a full suite of financial services including corporate banking, retail banking, wealth management, and investment banking. The stock rose during the month as China-domiciled mutual funds began to reduce their underweight positioning in the financials sector, following regulatory guidance calling for reduced tracking error across the funds management industry.

On the negative side, **Meritz Financial Group** is a South Korean financial conglomerate headquartered in Seoul, offering a diverse range of services including property and casualty insurance, securities brokerage, asset management, and real estate leasing. The stock traded weakly after the company reported slightly weaker-than-expected first-quarter results. **SM Investments**, one of the Philippines' largest conglomerates with businesses spanning retail, property development, and banking, saw a modest share price decline in May. This followed a period of profit-taking by investors despite the company reporting first-quarter earnings growth, reflecting cautious sentiment after a recent rally. **GDS** is a Chinese company specializing in the development and operation of high-performance data centers across China. The stock declined after the company announced a private placement at a discount to its prevailing share price, which raised concerns among investors about dilution and capital needs.

## Outlook

Asian markets are experiencing some of the most volatile times to navigate. Market expectations are messy and therefore makes it hard to have a strong call on country/sector allocation. As a result, our focus remains on bottom-up stock picking while reducing beta exposure to mitigate the risk of being wrong on macro direction. We maintain a constructive view on India and Southeast Asia, where expectations appear more rational and valuations remain attractive relative to historical levels. We are neutral on China as we acknowledge the structural challenge of the country but also think there are plenty of alpha opportunities as liquidity environment continues to be accommodative. On the other hand, we remain cautious on South Korea and Taiwan, where valuations have exceeded the pre-"tariff liberation day" levels, despite ongoing concerns around semiconductor cycle, tariff and FX risks.

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](mailto: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.**

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

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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](mailto:info@ellerstoncapital.com) or visit us at [ellerstoncapital.com](http://ellerstoncapital.com).

All holding enquiries should be directed to our registry, Automic Group on 1300 101 595 or [ellerstonfunds@automicgroup.com.au](mailto:ellerstonfunds@automicgroup.com.au).

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