

# Ellerston Asia Growth Fund Complex ETF

Monthly Report as at 31 December 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^	0.8%	-0.3%	8.9%	16.3%	15.8%
Benchmark*	0.9%	3.4%	12.7%	20.4%	15.0%
Alpha	-0.1%	-3.7%	-3.8%	-4.1%	0.8%

^ 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

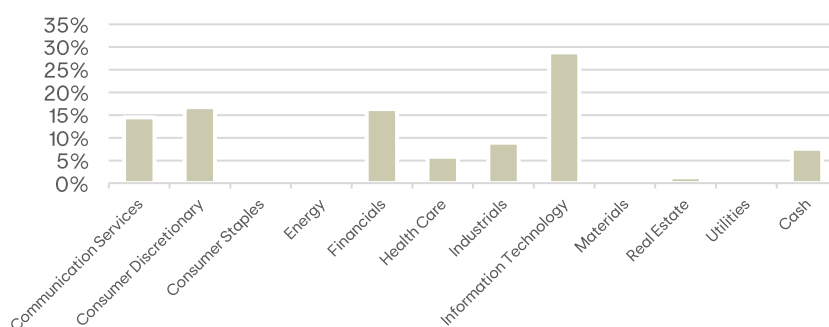
Investment Objective	To outperform the Benchmark on a net of fees basis, with a focus on capital growth and downside protection.
Benchmark	MSCI Asia Ex Japan (non-accumulation) Index in AUD.
Liquidity	Daily
Target Number of Holdings	20-50
Minimum Investment for Applications Direct with Unit Registry <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 - \$7.6947 Net Asset Value - \$7.6755 Redemption - \$7.6563
Fund Size	\$ 36,542,539

<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.

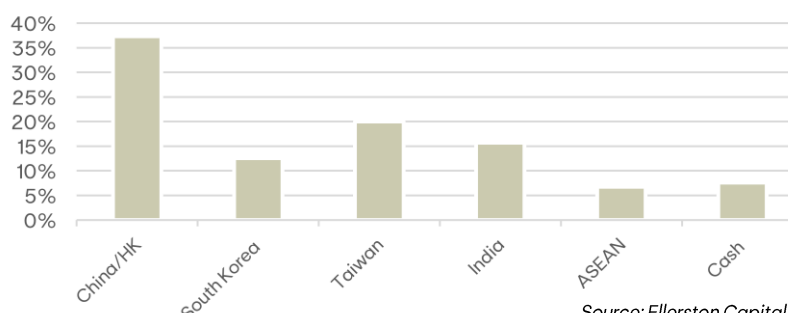
<sup>3</sup> Applicable only to investors buying and selling directly with the manager.

## Sector Allocation



## Geographic Allocation

Source: Ellerston Capital.



Source: Ellerston Capital.

## Top Holdings\*

Company	Sector
Alibaba Group Holding	Consumer Discretionary
DBS Group Holdings	Financials
Samsung Electronics Co	Information Technology
Taiwan Semiconductor Manufacturing Co	Information Technology
Tencent Holdings	Communication Services

Source: Ellerston Capital. \*In alphabetical order.

## PORTFOLIO COMMENTARY

The Ellerston Asia Growth Fund Complex ETF (The Fund) increased +0.8% in December, underperforming the MSCI Asia Ex-Japan (non-accumulation) Index (AUD) (The Benchmark) which increased +0.9%. The Fund delivered -0.3% in the December quarter, underperforming the Benchmark which was up +3.4%.

China will maintain economic support, but refrain from ramping up stimulus next year, according to an official readout from the Central Economic Work Conference. The leadership intends to "flexibly and efficiently" use interest rates and reserve requirement cuts to ensure sufficient liquidity and maintain a "necessary" level of budget deficit and government spending in 2026. Officials vowed to address several growth headwinds, including stemming the sharp slump in investment, steadying the deteriorating housing market and stabilising dwindling new births. It appears China's leadership is giving itself plenty of room to be reactive to both internal conditions and external forces, largely the latter's impact on the strong economic track record of exports (helping to offset weak housing). Investors can expect to see larger deficits and more rate cuts. South Korea's KOSPI rallied by +7.3% in the month of December (led by foreign buying and its semiconductor stocks), the Taiwan market rose +4.8%, led by the optoelectronics sector, up +10.3%, while its semiconductor sector rose +9.4%. China's SSE followed +2.9%, supported by stronger than expected PMI data and Japan's Nikkei rose a more modest +0.3%. The Hang Seng and India's SENSEX, both of which fell -0.6%, were clear laggards in the Asian region.

China was the biggest relative detractor during the quarter, while Southeast Asia was the key outperformer. The portfolio faced headwinds in China and India as bullish sentiment faded and small/mid-cap stocks sold off sharply, against a backdrop of global liquidity tightening and a muted risk appetite amid ongoing geopolitical uncertainty. In hindsight, we misjudged the setup by positioning for more aggressive Fed cuts and easing US-China tensions, and our top three detractors, despite earnings upgrades and undemanding valuations, still suffered significant de-rating under the current market conditions.

### KEY QUARTERLY CONTRIBUTOR

**HD Hyundai Electric (601888 CN)**'s share price remained strong in the December quarter as investors continued to price in a multi-year power-equipment "super-cycle" supported by record order backlogs and rising

AI/data-centre and grid investment. The stock had already re-rated on earlier earnings surprises and a rapidly expanding high-voltage transformer backlog, which kept technical momentum and fund flows constructive into year-end despite broader Korean macro volatility. At the same time, more than half of its backlog and new orders coming from higher-margin overseas projects reinforced expectations of above-market earnings growth into 2026 and cemented the view that HD Hyundai Electric is a structural beneficiary of AI-driven power demand, grid renewal and electrification rather than a short-term cyclical trade.

### KEY QUARTERLY DETRACTOR

**China Ruyi (136 HK)**'s share price was weak in the December quarter as the stock digested earlier gains and equity placements, with sizeable year-end issuances and block trades weighing on sentiment and liquidity. Despite a solid earnings turnaround and strong growth in gaming and streaming, the name remained caught in a volatile China internet/entertainment complex, where macro concerns, policy noise, and weak southbound flows kept valuation and risk appetite capped. We remain constructive after meeting management in December, as the company is shifting from a volatile, low-margin film business toward a more recurring, high-margin gaming and platform model supported by Tencent, and we believe the current valuation of c.15x NTM EPS for roughly 20% earnings growth is undemanding and does not fully reflect the quality of its evolving earnings base or its balance sheet optionality.

### OUTLOOK

Going into 2026, we believe Asia is well positioned to outperform, supported by a weaker U.S. dollar, easing geopolitical and tariff risks, and still-light global investor positioning. We are particularly positive on four themes: (a) AI tech infrastructure, (b) cyclical industrials, (c) base metals such as copper and aluminium, and (d) continued corporate governance reform in Asia. We expect a significant capex cycle in the global semiconductor industry and progress in China's semiconductor sector to underpin tech optimism, while expansionary fiscal policies and data-centre build-outs should support industrials and base metals. Lastly, we expect large Asian corporates to continue improving governance and shareholder returns.

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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