Ellerston Asia Growth Fund Complex ETF

Ellerston Capital

Monthly Report as at 31 March 2026

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^	-10.2%	-4.6%	-5.0%	12.0%	12.4%
Benchmark*	-10.4%	-4.1%	-0.8%	14.7%	12.0%
Alpha	0.2%	-0.5%	-4.2%	-2.7%	0.4%

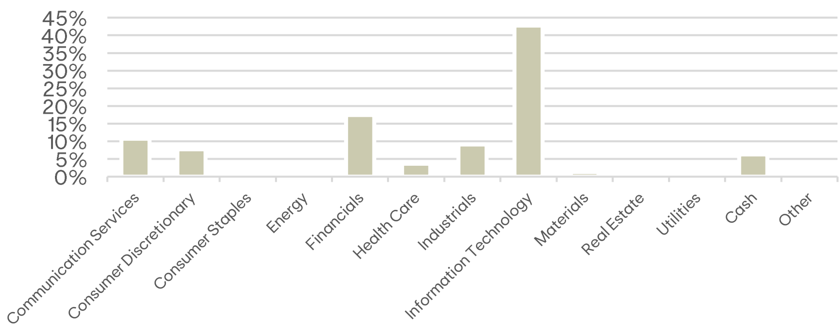
^ The net return figure is calculated after fees & expenses, assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.
** MSCI Asia Ex Japan (non-accumulation) Index in AUD.*
^^ Inception Date is 01/06/2023. The Ellerston Asia Growth Fund Complex 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[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 – $7.3117 Net Asset Value – $7.2935 Redemption – $7.2753
Fund Size	$34,233,792

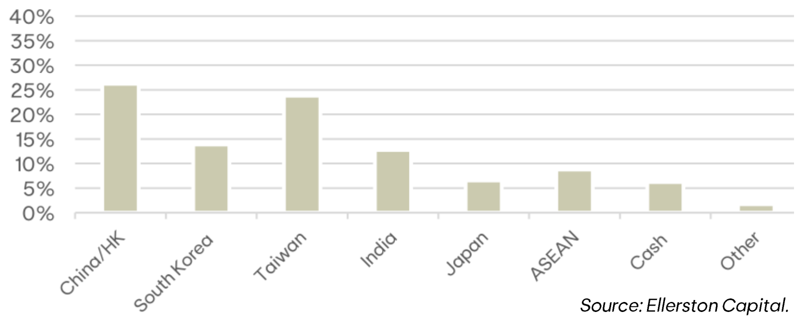
[1] Minimum number of units required for purchases made via the ASX will be dependent on each stockbroker.
[2] Of the investment return above the Benchmark after recovering any underperformance in past periods.
[3] Applicable only to investors buying and selling directly with the manager.

Sector Allocation



Source: Ellerston Capital.

Geographic Allocation



Source: Ellerston Capital.

Top Holdings*

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

*Source: Ellerston Capital. *In alphabetical order.*

PORTFOLIO COMMENTARY

The Ellerston Asia Growth Fund Complex ETF (EAFZ) delivered -10.2% (net) in March, slightly ahead its Benchmark (MSCI Asia Ex Japan (non-accumulation) Index (AUD)) which fell -10.4%. The Fund was down -4.6% for the quarter, slightly behind the Benchmark's -4.1%.

China held its 14th National People's Congress (NPC) where they lowered the 2026 GDP growth target to 4.5-5% and the fiscal deficit at 4.0% of GDP. What really matters is the drivers of growth, external or domestic demand. In recent years, strong external demand has reduced the urgency to boost domestic demand, causing persistent deflationary pressures. For this year, the size of stimulus will continue to largely depend on the severity of export slowdown. Given the Iran war and energy crisis, it's too early to be sure that exports will keep swinging the right way, however if not, it's likely that policymakers will step up domestic stimulus to defend their GDP target. With yoy 1Q GDP expected to grow towards 5%, the top end of China's target (from 4.5% yoy in 4Q 2025), the tone of the Politburo meeting in late April is not anticipated to be overly dovish. A weakening equity market looks like the only driver of possible further loosening. March official PMI data indicated strong activity growth and reflation, as both manufacturing and non-manufacturing PMIs actually rose above the 50% threshold. However, the data remains circumspect due to the reversal of Chinese New Year effects. This data volatility will unlikely drive a decisive policy stance change when the Politburo addresses the economy, as domestic growth looks likely to be viewed as "strong" and the outlook abroad remains highly uncertain. Given their reliance on oil, Asian markets fared poorly. The Hang Seng fell -6.6%, followed by China's SSE which finished down -8.3%, India's highly energy dependant SENSEX was 11.5% lower, as was Japan's Nikkei which fell -12.6%. South Korea's KOSPI was the clear laggard, doing a complete U-turn, with foreign buying which had pumped up the Kospi's memory chipmakers in the last few months, pulling their money out and fleeing to US dollars, resulting in a -19.1% collapse.

For the March quarter, Japan was the main relative outperformer for the Fund during the quarter, while China detracted. As part of our consistent self-review discipline, we have assessed whether we made any significant mistakes and where we can improve, following the Fund's underperformance versus the index over the past six months. The primary driver was that we underestimated the extreme momentum at both ends of the market and were partially caught by a rapid factor shift: non-AI quality growth was sold off aggressively just as the AI trade broadened to historical extremes. In Asia, the dominant factor pattern has effectively been "long Taiwan/Korea, short India, China and ASEAN", to which we were only lightly exposed. At the same time, many of our non-AI growth holdings were smaller-cap ideas that proved particularly vulnerable in a risk-off environment. We therefore see the bulk of the underperformance as the result of factor rotation, with our disciplined risk-management framework a smaller but deliberate headwind, as it naturally reduces portfolio beta when markets go near-vertical. We maintain strong conviction that this process remains appropriate for our investors, as it is designed to deliver superior risk-adjusted returns through the cycle in what has historically been a highly volatile region.

KEY MONTHLY CONTRIBUTOR

Anritsu's (6754 JP) share price strength in the March quarter 2026 reflects rising enthusiasm for the broader photonics theme, underpinned by their strong order book at the 3Q result. Anritsu is a Japanese test and measurement specialist whose instruments are the de facto standard for testing optical transceivers — the hardware that moves data across AI data centres using light rather than electricity, and which has become increasingly critical as AI clusters scale rapidly to meet surging inference demand. We think Anritsu is well positioned for the surge in optical transceiver demand as every transceiver that ships from a major manufacturer needs to be validated, and Anritsu's all-in-one BERTWave is one of the widely adopted tools on those production lines as it can cut test time by up to 65% versus multi-instrument alternatives. In addition, the AI buildout is forcing rapid technology transitions — 800G to 1.6T to CPO — where Anritsu's equipment is critical at each inflection point, and with data centre interconnect upside not yet reflected in guidance, we see a multi-year growth runway ahead.

KEY MONTHLY DETRACTOR

China Ruyi's (136 HK) share price has been weak in the March quarter 2026 because broader market appetite for non-AI, China consumer/growth stories is very poor and the stock is still seen as a speculative growth name, the Infinite Capital (one of Ruyi's largest shareholders) episode has created a perceived overhang and governance worries as investors fear block disposals or negative read-through from the investigation, and the 2025 results were disappointing at the operating level with game delays and the restructuring of the online streaming business weighing on core profitability, even though headline earnings improved. Against that backdrop, we have kept our position because we think the thesis remains intact: the business is structurally shifting away from a volatile, low-margin film model toward a more recurring, higher-margin gaming and platform model supported by Tencent, with a richer game pipeline and a leaner online streaming business that should support more sustainable growth. We see the Infinite stake more as a liquidity event than a fundamental change to the long-term story, and ongoing engagement with management, plus Tencent's refreshed strategic plan with the company, reinforces our confidence. At roughly 13x PE/5x EV/EBITDA/<1x book, the business is expected to grow earnings at a 15–20% CAGR over the next three years. We view the current valuation as undemanding and not reflective of the improving quality and visibility of the earnings base or the balance sheet optionality.

OUTLOOK

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 ongoing 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. Finally, we expect large Asian corporates to continue improving governance and shareholder returns which, combined with attractive starting valuations and under-owned positioning, should provide a robust foundation for Asia to generate superior risk-adjusted returns over the medium term.

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**

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

Contact Us

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Find out more:

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

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