

ELLERSTON ASIAN INVESTMENTS LIMITED

ACN 606 683 729

29TH November 2019

Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ELLERSTON ASIAN INVESTMENTS LIMITED (ASX: EAI) 2019 AGM – CHAIRMANS SPEECH & PRESENTATION

Please find attached the following documents to be delivered at EAI's 2019 Annual General Meeting (AGM) in Melbourne today:

1. Chairman's speech; and
2. AGM Presentation.

The results of the AGM will be communicated to the ASX shortly after the conclusion of the AGM.

Yours sincerely



Ian Kelly
Company Secretary

Chairman's Welcome

On behalf of the Board, I'd like to welcome all Ellerston Asian Investments (EAI) shareholders, invited guests and other visitors present to our 2019 Annual General Meeting. As we have a quorum, I now declare the annual general meeting open.

Before we start may I ask members of the audience to please switch off their mobile phones.

To begin, let me introduce myself and the people with me on the floor.

My name is Ashok Jacob and I'm Chairman of Ellerston Asian Investments Limited. Our Board and Management here today include Sam Brougham, Paul Dortkamp and Bill Best. Ellerston Finance Director, Brian O'Sullivan is also present together with EAI's Portfolio Manager, Mary Manning.

Also present today is our auditor for the 2019 financial year, Rohit Khanna from Ernst & Young. Rohit is available to take questions relevant to the conduct of the audit and the preparation and content of the Independent Audit Report. The Corporations Act requires that the Company make copies of relevant questions of the Company's auditors received available. No written questions were received. Please direct any questions that you have of our auditor through me.

Chairman's Address

We believe that Asia represents the best structural growth story in the world. This remains the case today with average GDP growth in Asia at approximately 5% and major economies like China and India growing at approximately 6% or higher.

Since Ellerston Asian Investments began in 2015, the scarcity of growth both domestically and globally has increased. The American economy is growing at approximately 2.3%, the Australian economy is struggling to grow at 2% and Europe and Japan are well below 2% annual GDP growth. This deceleration in growth in developed markets is occurring despite ultra-loose monetary policy in many key markets.

Asia however is a different story. While some economies have slowed due to the direct or indirect impacts of the trade war, Asian growth is largely structural - driven by demographics, the rise of the middle class, infrastructure build and technology leapfrogging. This makes Asian growth more sustainable in the long term.

As the growth differential between developed markets and Asia persists, we believe that more funds will flow into the region and the valuation differentials between Asia and developed markets will narrow.

The immediate outlook for Asian stocks lacks visibility given the unknowns surrounding the outcome of the trade war and the outcome of the US election. However, we believe that the Asian investment thesis is intact regardless of these outcomes. The ongoing rise of China will continue to be a factor in the Asian investment landscape for decades to come. Contrary to popular opinion, this dynamic is not a reason to avoid Asian markets but rather proof that Asia and the companies listed there are gaining importance on the world stage. We continue to see exciting thematic play out in

Asian markets, particularly in the technology sector, and stocks are at attractive valuations. We look forward to the year ahead.

Now we will turn to the results for the fiscal year ending 30 June 2019.

Results for the year ended 30 June 2019

The first item of business is the results for the period to 30 June 2019. The Company recorded a pre-tax profit of \$6,381,160 and a net profit after income tax expense of \$4,540,345.

As at 30 June 2019 the Company's Net Tangible Assets was \$1.1219 per share before all taxes and \$1.1117 per share post all taxes.

The Directors have declared a fully franked dividend of 1.5 cents per fully paid ordinary share, which was paid to shareholders on the 4th of October 2019 from the Company's dividend profit reserve account. During FY19, EAI paid a 1 cent fully franked maiden dividend in September 2018 and another 1 cent fully franked interim dividend in March 2019. After the payment of the 2019 final dividend the Company had a dividend profit reserve of 6.3 cents per share, based on the number of shares on issue at 30 June 2019. This provides the Company with three years of capacity to pay future shareholder dividends as we currently intend to pay 2 cents per annum (1 cent per half) fully franked going forward, subject to various factors.

We are pleased to report that for the 12-month period to 30 June 2019, the Portfolio returned 4.44% net of fees, outperforming its benchmark the MSCI Asia Ex Japan (AUD) index by 2.22%. Included also is the performance to October 2019 which Mary will address during her portfolio commentary.

Resolutions

We will now turn to the formal business of the meeting.

The Notice of Meeting was posted to shareholders and copies are available from the registration desk. I propose that the Notice of Meeting be taken as read. Is there anyone who objects to this?

[If no one objects] Thank you

[If someone objects, Company Secretary to read the Notice].

The proxy and voting procedures for this meeting are as follows: A show of hands will be taken for the two resolutions proposed.

When shareholders vote can they please raise their yellow card. If you hold a blue card you have already voted or are a joint holder. If there are any shareholders who are eligible to vote at the meeting and who have not received their yellow voting card, please see a representative from Link Market Services at the registration desk. If you hold a red card you are a visitor and not eligible to vote or speak at the meeting.

Following discussion on each item, the proxy results will be displayed on the screen behind me.

I would also like to highlight that Ellerston Asian Investments directors and executives identified as key management personnel will not be voting undirected proxy votes given to them for item 1, the Remuneration Report.

On all other items of business, where undirected proxies have been given in favour of the Chairman, I will be voting those proxies in favour of all items. I have been informed by my fellow directors and the company secretary that they will also vote any undirected proxies given to them in the same manner with the exception of item 1, the Remuneration Report.

When it comes to asking questions, would speakers please make themselves known by raising their hands.

Please note that only persons holding yellow or blue admission cards are entitled to ask questions at this meeting. Visitors holding a red card are not eligible to vote or speak but are most welcome to listen.

We will now move onto the items of business for this meeting as set out in the Notice of Meeting.

RESOLUTION 1 - REMUNERATION REPORT

The Corporations Act requires that a resolution that the remuneration report be adopted must be put to the vote at the Company's annual general meeting. The vote on this resolution is advisory only and does not bind the directors of the Company. The Remuneration Report to shareholders is contained on pages 8 to 11 of the 2019 Annual Report.

This item gives you the opportunity to ask questions about or make comment on EAI's remuneration policies.

Is there any discussion on this item?

On the screen behind me are the details of the total valid proxies for this item.

All those in favour, please raise your yellow voting cards.

All those against, please raise your yellow voting cards.

RESOLUTION 2 – ELECTION OF DIRECTOR

The next item of business to consider and if thought fit to pass the following resolution

"That Bill Best, who retires as a Director pursuant to the requirement in ASX Listing Rule 14.5 and section 63 of the Company's Constitution and being eligible be elected as a Non-executive Director".

The Board (with Mr Best abstaining in respect of this resolution) recommends the election of Mr Best.

Is there any discussion on this item?

On the screen behind me are the details of the total valid proxies for this item.

All those in favour, please raise your yellow voting cards.

All those against, please raise your yellow voting cards.

This now concludes the business section of the AGM and I declare the meeting closed.

I will now hand over to the Portfolio Manager for EAI, Mary Manning.

Q&A

We now call for general questions from the audience. Following question time, I welcome you to join the Board for tea and coffee.



Ellerston Asian Investments ANNUAL GENERAL MEETING

November 2019

Annual General Meeting November 2019

ELLERSTON **ASIA**

AGM AGENDA

- Chairman's Welcome & Address
- Results
- Resolutions
- Portfolio Commentary



Chairman's Welcome and Address

Ellerston Asian Investments Introduction

ELLERSTON ASIA

EAI

Feature	Description
Investment Strategy	Concentrated Asian equities portfolio Highest conviction ideas Large Cap
Benchmark	MSCI Asia ex Japan (non-accumulation) Index in AUD
Listing Date	15 September 2015
Shares on issue	139.4 million*
Market Capitalisation	139.4 million*

*as at November 26th

Board

Name	Position
Ashok Jacob	Chairman & Non-Executive Director
Sam Brougham	Independent, Non-Executive Director
Paul Dortkamp	Independent, Non-Executive Director
Bill Best	Independent, Non-Executive Director

Personnel

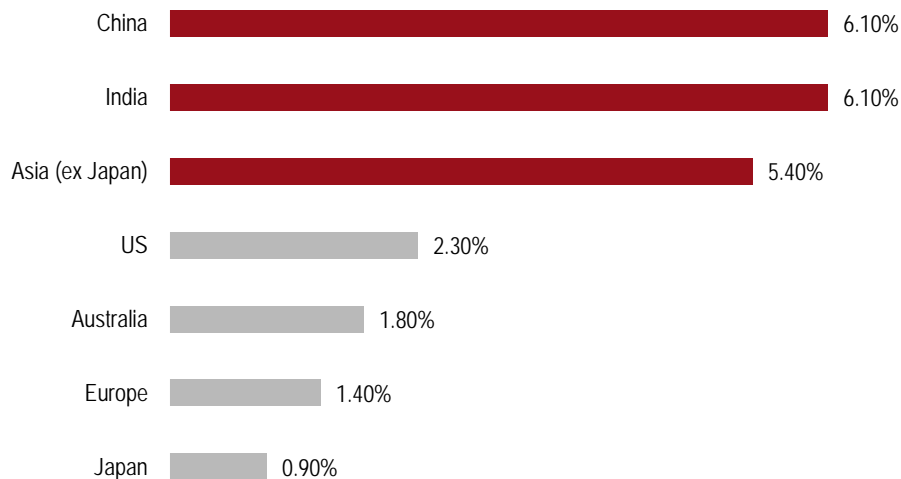
Name	Position
Mary Manning	Portfolio Manager
Brian O'Sullivan	Finance Director Ellerston Capital Limited

Chairman's Address

THE BEST STRUCTURAL GROWTH STORY IN THE WORLD

- Asia is the best structural growth story in the world driven by strong demographics, a rising middle class, infrastructure build and technological leapfrogging.
- Asian growth is not driven by ultra-loose monetary policy or fiscal stimulus, therefore it is more sustainable in the long term.
- As the growth differential between developed markets and Asia persists, we believe that more funds will flow into the region and the valuation differentials between Asia and developed markets will narrow.

Real GDP Growth (2019)





Results

Financial Results

ELLERSTON ASIA

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019
Pre Tax Profit	\$6,381,160
After Tax profit	\$4,540,345
Pre Tax Net tangible asset backing per share	\$1.1219*
Post Tax Net tangible asset backing per share	\$1.1117
FY 30 June 2019 full year dividend	2.5 cents, fully franked (1 cent interim & 1.5 cents final)
Dividend profit reserve per share	6.3 cents

* The EAI return calculation for 1 year to 30 June 2019 is as follows: Closing NTA before all taxes 1.1219 + tax paid 0.0495 + dividends (including return on investment) 0.0207 and the impact of option dilution 0.0336 = 1.2257 less Opening NTA before all taxes 1.1737 = 4.44%

PERFORMANCE TO 30 JUNE 2019

%	1 Month	6 Months	CYTD	1 Year	2 Year (p.a.)	Since Inception (p.a.)
EAI Portfolio Net Returns	5.02%	13.86%	13.86%	4.44%	8.13%	6.42%
Benchmark*	4.72%	9.74%	9.74%	2.22%	6.80%	8.18%

PERFORMANCE TO 31 OCTOBER 2019

- Most recent weekly pre-tax NTA is estimated \$1.1628 (as of 22 November 2019). The current share price is \$1.00 (as of 22 November 2019)

%	1 Month	6 Months	CYTD	1 Year	2 Year (p.a.)	Since Inception (p.a.)
EAI Portfolio Net Returns	2.53%	1.07%	16.81%	19.39%	4.06%	6.54%
Benchmark*	2.29%	-2.41%	10.56%	13.72%	1.89%	7.70%

* Benchmark is MSCI Asia ex Japan (non-accumulation) Index in AUD.



Resolutions

Annual General Meeting November 2019

ELLERSTON **ASIA**

RESOLUTION 1 REMUNERATION REPORT

“To adopt the Remuneration Report of the Company for the year ended 30 June 2019”

Annual General Meeting November 2019

ELLERSTON **ASIA**

RESOLUTION 2 ELECTION OF DIRECTOR

“That Bill Best, who retires as a Director pursuant to the requirement in ASX Listing Rule 14.5 and section 63 of the Company’s Constitution and being eligible be elected as a Non-executive Director”



Portfolio Commentary

Asia Market Outlook for 2020

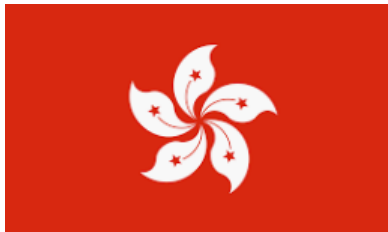
ELLERSTON ASIA

KEY DRIVERS



Trade War

India Growth



Hong Kong
Protests

Rotation













Global Growth
and USD

5G

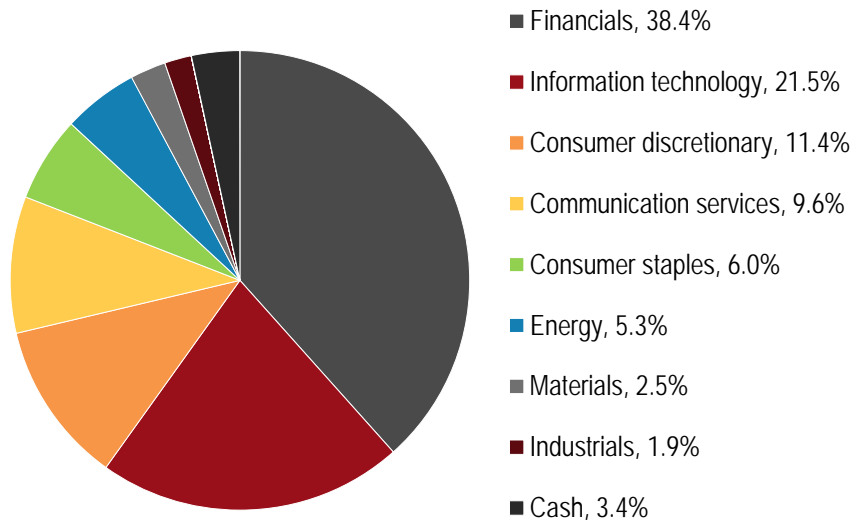


TOP 10 HOLDINGS AS OF 31 OCTOBER 2019

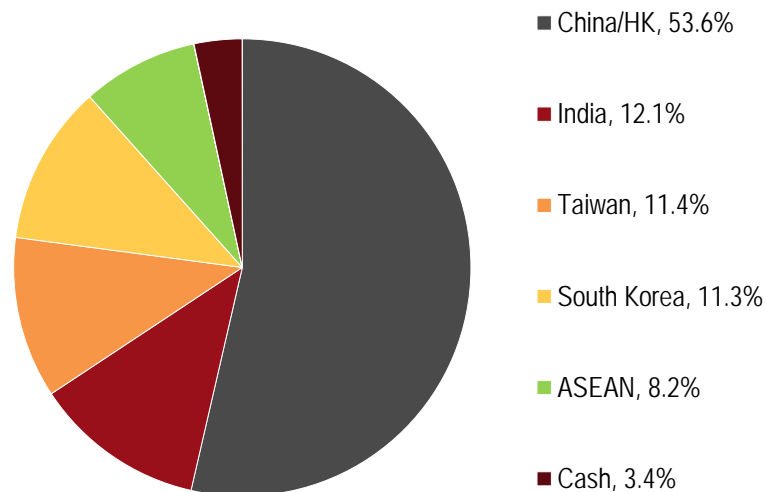
Company	Portfolio Weight (%)	Country	Sector
 Tencent 腾讯	8.3%	China	Communication Services
 tsmc	8.1%	Taiwan	Information Technology
 SAMSUNG ELECTRONICS	8.0%	Korea	Information Technology
 Alibaba Group 阿里巴巴集团	7.7%	China	Consumer Discretionary
 中国建设银行(亚洲) China Construction Bank (Asia)	5.2%	China	Financials
 中国平安 PING AN 保险 · 银行 · 投资	5.1%	China	Financials
 ICICI Bank	4.6%	India	Financials
 中国人寿 CHINA LIFE	4.3%	China	Financials
 DBS	4.1%	Singapore	Financials
 HKEX 香港交易所	3.8%	Hong Kong	Financials

PORTFOLIO CHARACTERISTICS AS OF 31 OCTOBER 2019

Sector Allocation



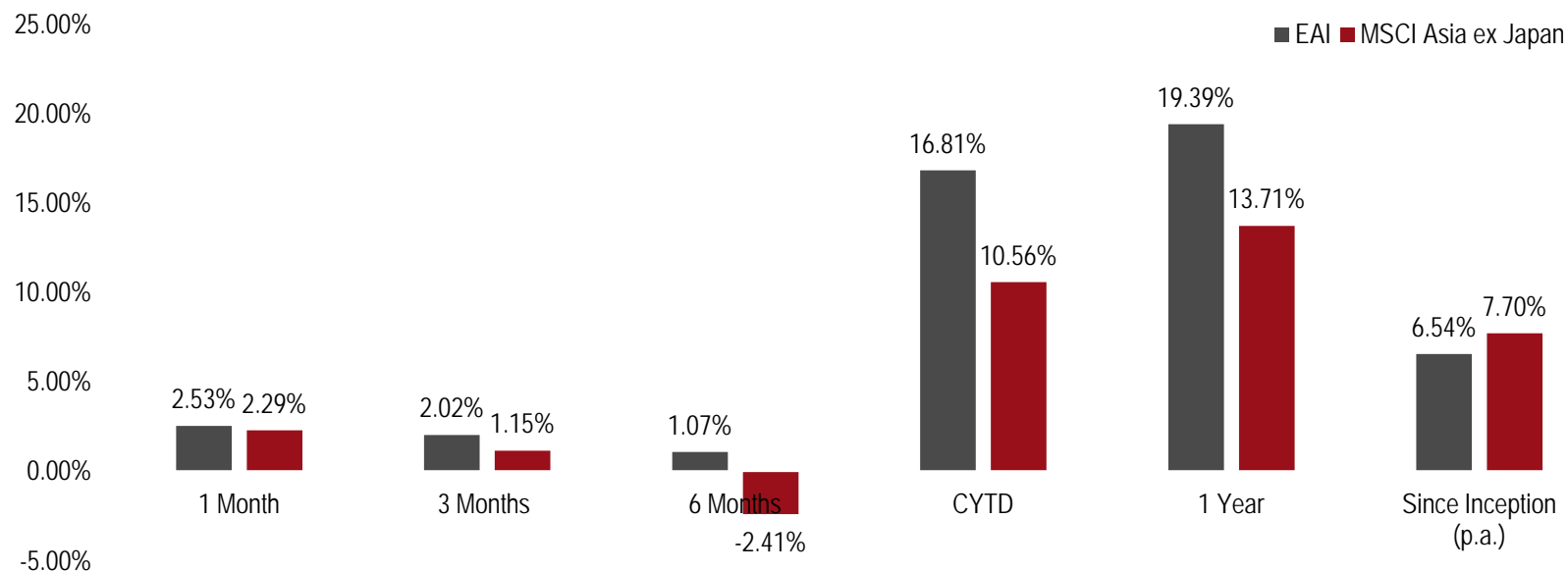
Geographic Allocation



Ellerston Asian Investments Performance

ELLERSTON ASIA

NET PORTFOLIO PERFORMANCE TO 31 OCTOBER 2019



%	1 Month	3 Months	6 Months	1 Year	CYTD	Since Inception (p.a.)
EAI Portfolio Net Returns	2.53%	2.02%	1.07%	19.39%	16.81%	6.54%
Benchmark*	2.29%	1.15%	-2.41%	13.71%	10.56%	7.70%
Alpha	0.24%	0.87%	3.48%	5.68%	6.25%	-1.16%

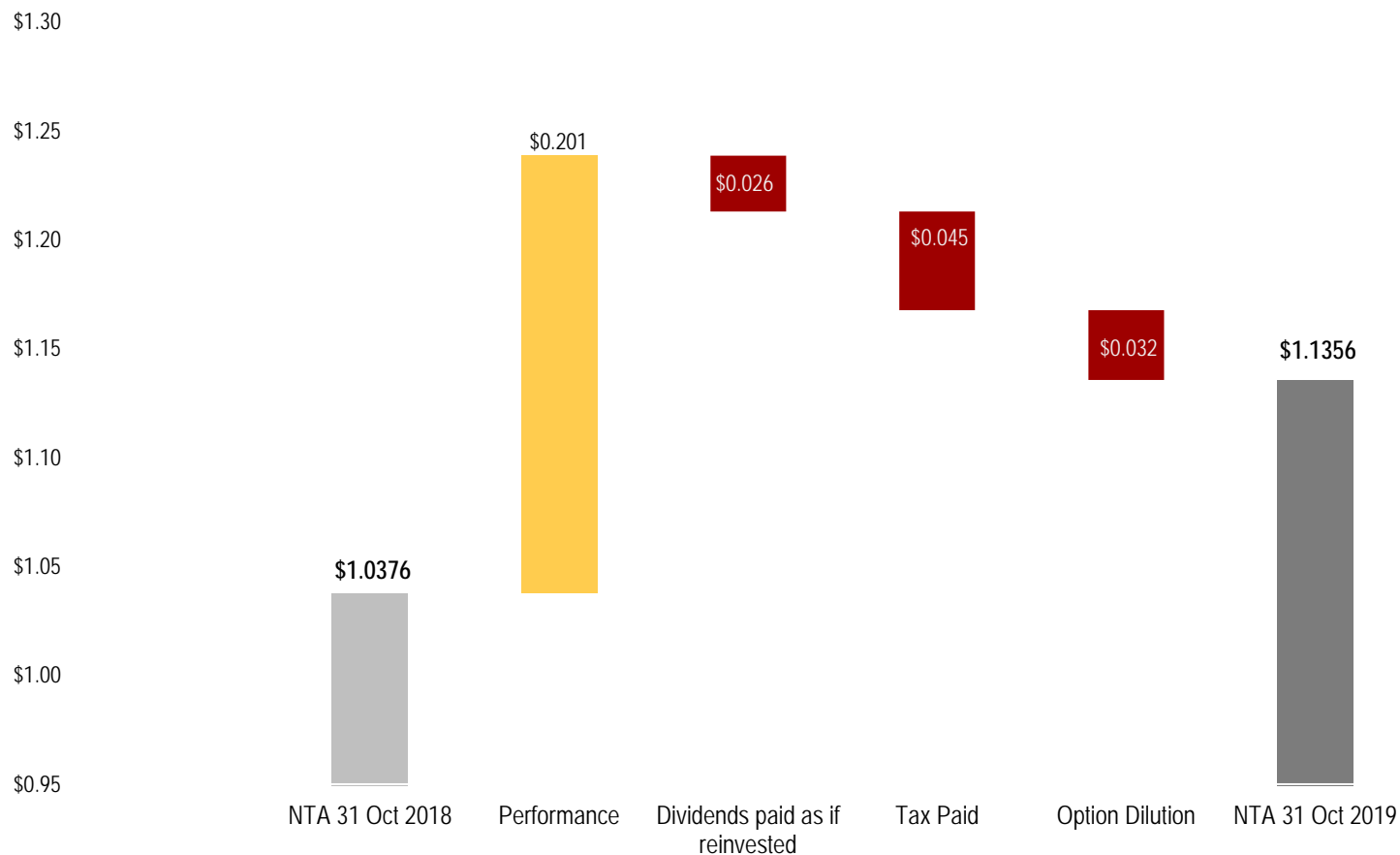
Source: Ellerston Capital

[^] The net return figure is calculated before all tax provisions, after fees & expenses, includes the effects of the share buyback, and excluding the effects of option exercise dilution. Past performance is not a reliable indication of future performance

Benchmark is MSCI Asia ex Japan (non-accumulation) Index in AUD.

EAI NTA Performance

NTA PERFORMANCE 31 OCTOBER 2018 TO 31 OCTOBER 2019



Source: Ellerston Capital

Past performance is not a reliable indication of future performance.

Marketing and Distribution Activities

ELLERSTON **ASIA**

BUILDING RELATIONSHIPS WITH SHAREHOLDERS AND POTENTIAL INVESTORS

- Investor Roadshow will be held in early 2020
- Numerous 'LiveWire' posts, videos, outlook reports for stockbrokers and consumer publications
- 'Your Money' and nabtrade podcasts on Asia and India
- Both Asia Growth and India Funds rated by Lonsec
- Numerous TV appearances including Bloomberg, CNBC Asia, Channel 9
- Weekend AFR Chanticleer Profile "India is the best growth option in Asia"
- India piece for Australian Shareholders Association (ASA)
- Increasing number of subscribers

FINANCIAL REVIEW



Will trade war history repeat itself?



MARY MANNING
Ellerston Capital

Once upon a time there was an Asian country that had a large trade deficit with the United States. The US said this country manipulated its currency, engaged in unfair trade practices, stole intellectual property and threatened American jobs. The US responded by starting a trade war.

You probably think... [Read More](#)





Q&A

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