

Level 11, 179 Elizabeth Street, Sydney NSW 2000

Ph: +61 2 90217701 E: info@ellerstoncapital.com W: ellerstoncapital.com

18 May 2023

Market Announcements Platform Australian Securities Exchange 20 Bridge Street Sydney NSW 2000

ELLERSTON ASIAN INVESTMENTS LIMITED (ASX: EAI) GENERAL & SPECIAL MEETINGS (GSM) – CHAIRMANS SPEECH & PRESENTATION

Please find attached the following documents to be delivered at EAI's General & Special Meetings (GSM).

- 1. Chairman's speech; and
- 2. GSM Presentation.

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

Authorised by Ian Kelly, Company Secretary.

EAI General & Special Meetings Thursday 18 May 2023

[Slide 2] Chairman's Welcome & Address

On behalf of the Board, I'd like to welcome all Ellerston Asian Investments (EAI) shareholders, invited guests and other visitors to the General and Special Meetings.

The General Meeting will be held first, followed by the Special Meeting. Both meetings are required to be held to consider the proposed transaction concerning Ellerston Asian Investmeents Limited today.

My name is Bill Best and I'm the independent Chairman of Ellerston Asian Investments Limited. The time is now [INSERT TIME] and a quorum is present. I, therefore, declare the General Meeting open.

Our Board and Management here today include Marian Carr and Sam Brougham. EAl's Portfolio Manager, Fredy Hoh is also present along with employees of the Manager. We also have our legal advisers Andrew Kim of Ashurst, our independent expert Sean Collins of KPMG and our tax advisers EY available to field in any technical questions pertaining to the restructure.

Copies of the Notice of Meeting which explain how shareholders may participate in the meeting were sent to shareholders on 19 April 2023 in advance of these meetings, and are also available on the Company website and on the ASX announcements platform.

[Slide 4] Transaction Summary

As we have previously communicated, a lack of liquidity and other structural issues in the marketplace inherent to a listed investment company have created a dislocation between the portfolio return and shareholder returns. As a result, the Company's Shares have traded at a discount to the value of the Company's net tangible assets.

The Board's main objective is to reduce the discount to the value of the Company's net tangible assets. A key way to achieve this is by improving liquidity through a mechanism that can access the liquidity of the Manager's portfolio more directly. In the past, the Board has implemented a range of strategies from regular NTA and other portfolio disclosure through to ongoing share buyback to reduce the discount to NTA. However, like most other listed investment companies, EAI continues to trade at an undesirable discount to net tangible assets, which the Board believes is an unacceptable outcome for EAI's shareholders.

Having considered a number of alternative structures, the Board believes that conversion of the Company structure into an exchange traded managed investment fund structure that is capable of providing liquidity on ASX or via the registry strikes the right balance between the needs of shareholders who wish to exit at a price closer to NTA with those who wish to remain invested in the strategy.

The Directors have considered the potential advantages and disadvantages of the Transaction and believe that the Transaction is in the best interests of Shareholders. The Directors recommend that Shareholders vote in favour of all Resolutions.

[Slide 5] Transaction Overview

On behalf of the directors of Ellerston Asian Investments Limited, I am pleased to provide you with details of the proposed restructure of your investment as we have outlined to shareholders in the Shareholder Booklet announced to the ASX on 19 April 2023. All the details of the Transaction are as outlined in the Shareholder Booklet dated 19 April 2023.

In summary, Ellerston Asia Growth Fund will acquire the current portfolio of Ellerston Asian Investments Limited and you will receive units in Ellerston Asia Growth Fund, which will be tradeable on the AQUA Market. The units will be provided to shareholders in proportion to their existing holdings by way of an in specie distribution taking the form of the Special Dividend and the Capital Reduction Distribution. Certain excluded shareholders in foreign jurisdictions may receive a cash payment instead of units.

You will thereafter cease to be an Ellerston Asian Investments shareholder and Ellerston Asian Investments will be delisted from ASX. Your investment will be in the form of Ellerston Asia Growth Fund units on and from the Implementation Date.

The total number of EAGF Units to be issued will be determined based on the value of the EAI Assets and the NAV per EAGF Unit, such values to be calculated as at the Implementation Date.

It is anticipated that Exiting Shareholders will have the equivalent value holding in the new EAGF structure as they used to have in the Company (adjusted for the EAGF Units which are currently on issue).

If the Transaction is approved, Ellerston Capital is intended to remain as the Manager and will continue to manage the merged Ellerston Asia Growth Fund. Substantially the same investment strategy as the Ellerston Asian Investments will be implemented with such changes as required so that the fund will meet the requirements of the ASX Operating Rules and its AQUA listing.

[Slide 6] Recommendation

The Directors have considered the potential advantages and disadvantages of the Transaction and believe that the Transaction is in the best interests of Shareholders.

KPMG, the independent expert appointed by the Directors for this Transaction, has opined that the Transaction is fair and reasonable and in the best interests of the Exiting Shareholders.

The Directors recommend that Shareholders vote in favour of all Resolutions.

[Slide 7] Q&A

Ladies and gentlemen, I will now allow an opportunity for questions or comments in relation to this transaction.

As there are no more questions, we will now turn to the formal business of the meeting.

[Slide 8] Resolutions

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

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

I would also like to highlight that 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.

When it comes to asking questions, would speakers from the floor please make themselves known to us and a microphone will be made available to you.

[Slide 9] The proxy and voting procedures for this meeting are as follows:

- Yellow cards are for shareholders and proxy holders who may speak and vote. If you are a
 shareholder and a proxyholder and have two yellow cards, it is important that you complete
 both yellow voting cards one in your own right and the second as a proxy. 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.
- Red cards are for shareholders who may speak but not vote as they have already lodged a vote or are a joint holder.
- All other persons holding Blue cards are welcome to attend but may not address the meeting or vote.

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

[Slide 10] Resolution 1 – Amendment to the Company Constitution

Resolution 1 seeks Shareholder approval to amend the Company Constitution to allow implementation of the Transaction.

Resolution 1 is conditional on the approval of all other Resolutions in the Notices. If all of the Resolutions are passed, the Company Constitution will be amended as set out in Section 5.3 of the Shareholder booklet with immediate effect.

Resolution 1 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. There are no voting exclusions applicable to this resolution.

Is there any discussion on this item?

[Slide 11] On the screen behind me are the details of the total valid proxies for this item.

[Slide 12] Resolution 2 – Approval to undertake the Capital Reduction Distribution

Resolution 2 seeks Shareholder approval to enable the Company to reduce its capital with the reduction to be effected against each Share held by each Exiting Shareholder at the Record Date by cancelling all such Shares in consideration for the Company making a pro rata distribution in-specie of EAGF Units to each Exiting Shareholder at the Record Date.

Resolution 2 is conditional on the approval of all other Resolutions in the Notices. If all of the Resolutions are passed, the Company's capital will be reduced by way of the Capital Reduction Distribution.

Resolution 2 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. The voting exclusions applicable to this resolution are set out in the notice of meeting.

Is there any discussion on this item?

[Slide 13] On the screen behind me are the details of the total valid proxies for this item. [Slide x]

[Slide 14] Resolution 3 – Removal from the Official List of the ASX

The Company has applied to ASX requesting that, subject to the successful implementation of the Transaction, ASX removes the Company from the Official List under ASX Listing Rule 17.11.

Resolution 3 is conditional on the approval of all other Resolutions in the Notices. If all of the Resolutions are passed, and subject to the successful completion of the Transaction and fulfilment of the conditions imposed by ASX, the Company will be removed from the Official List and the Company's Shares will cease to be traded on ASX.

If any of the Resolutions are not passed, the Company will retain its holding of the EAI Assets, the Transaction will not proceed, the Shareholders will not be transferred EAGF Units, the Company will not be delisted from the Official List of the ASX and EAGF will not proceed with its application for EAGF Units to be admitted to AQUA Trading Status on the ASX.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. There are no voting exclusions applicable to this resolution.

Is there any discussion on this item?

[Slide 15] On the screen behind me are the details of the total valid proxies for this item.

[Slide 16] Resolution 4 – Admission of EAGF Units to AQUA Trading Status

Resolution 4 seeks Shareholder approval for the Responsible Entity to seek admission of EAGF Units to AQUA Trading Status.

Resolution 4 is conditional on the approval of all other Resolutions in the Notices.

If all of the Resolutions are passed, and subject to the successful completion of the Transaction and fulfilment of any listing conditions imposed by ASX, EAGF Units will be admitted to AQUA Trading Status.

Resolution 4 is an ordinary resolution. There are no voting exclusions applicable to this resolution.

Is there any discussion on this item?

[Slide 17] On the screen behind me are the details of the total valid proxies for this item.

[Slide 18] Resolution 5 – Approval of the Transaction

Resolution 5 seeks Shareholder approval, for all purposes, to undertake the Transaction.

Resolution 5 is conditional on the approval of all other Resolutions in the Notices.

Resolution 5 is an ordinary resolution. There are no voting exclusions applicable to this resolution.

Is there any discussion on this item?

[Slide 19] On the screen behind me are the details of the total valid proxies for this item.

The formal business of the General Meeting is now concluded and I declare the General Meeting closed.

I now declare the Special Meeting open, so that the Existing Shareholders can consider the Special Meeting Resolution.

[Slide 20] Special Meeting Resolution – Approval to undertake the Capital Reduction Distribution

The Special Meeting Resolution seeks approval from Exiting Shareholders to enable the Company to undertake a selective reduction of capital with the reduction to be effected against each Share held by each Exiting Shareholder at the Record Date by cancelling all such Shares in consideration for the Company making a pro rata distribution in-specie of EAGF Units to each Exiting Shareholder at the Record Date.

The Special Meeting Resolution is conditional on the approval of all other Resolutions in the Notice of General Meeting. If all of the Resolutions are passed, the Company's capital will be reduced by way of the Capital Reduction Distribution.

The Special Meeting Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Exiting Shareholders present and eligible to vote. The voting exclusions applicable to this resolution are set out in the notice of meeting.

Is there any discussion on this item?

[Slide 21] On the screen behind me are the details of the total valid proxies for this item.

The results of today's meeting will be released to the market and made available on the ASX website as soon as possible, which should be later this afternoon.

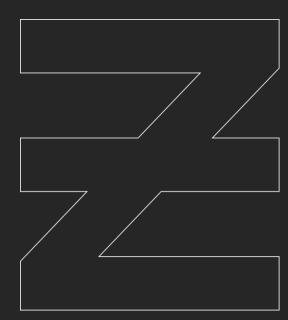
This now concludes the business section of the General and Special meetings. I declare the meeting closed.

[Slide 22] I will now hand over to the Portfolio Manager, Fredy Hoh for an update on the performance of the portfolio.

EAI Portfolio Update by Fredy

Ellerston Asian Investments (EAI) General & Special Meetings

18 May 2023



Chairman's welcome & address 01 Transaction overview 02 Resolutions & results 03 Portfolio update

Chairman's welcome & address Transaction overview 02 Resolutions & results 03 Portfolio update

Transaction summary



Why is the Board proposing the Transaction?

A lack of liquidity and other structural issues in the marketplace inherent to a listed investment company have created a dislocation between the portfolio return and shareholder returns.

Boards objective

- ✓ Reduce the discount to NTA.
- ✓ Improve liquidity

Proposal

A conversion of the Company structure into an exchange traded managed investment fund structure

Transaction overview



Shares held by each Shareholder (other than the Ellerston Shareholder) will be exchanged for new units in Ellerston Asia Growth Fund



Ellerston Asia Growth Fund will list on the AQUA Market as a dual-structure ETMF



Shareholders who receive Ellerston Asia Growth Fund Units will be able to trade them on ASX upon completion of the Transaction and the Company will be delisted from ASX

It is anticipated that Exiting Shareholders will have the equivalent value holding in the new EAGF structure as they used to have in the Company (adjusted for the EAGF Units which are currently on issue).

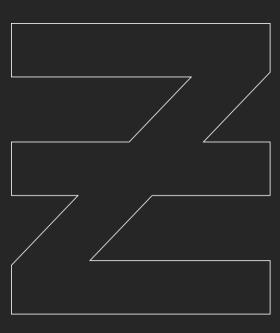
Recommendation



The Directors have considered the potential advantages and disadvantages of the Transaction and believe that the Transaction is in the best interests of Shareholders.

KPMG, the independent expert appointed by the Directors for this Transaction, has opined that the Transaction is fair and reasonable and in the best interests of the Exiting Shareholders

The Directors recommend that Shareholders vote in favour of all Resolutions.



Q&A

Chairman's welcome & address Transaction overview 02 03 Resolutions & results Portfolio update

The proxy and voting procedure





For shareholders and proxy holders who may speak and vote



For shareholders who may speak but not vote as they have already lodged a vote or are a joint holder



For attendees who may listen but not address the meeting or vote

Resolution 1 - Amendment to the Company Constitution



"That pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, the Company Constitution is amended with immediate effect by making the amendments specified in the Explanatory Memorandum which accompanied the Notice of General Meeting."





"That pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, the Company Constitution is amended with immediate effect by making the amendments specified in the Explanatory Memorandum which accompanied the Notice of General Meeting."

Proxies Received				
For				
Open				
Against				
Abstain				

Resolution 2 - Approval to undertake the Capital Reduction Distribution



"That, subject to and conditional on all other Resolutions and the Special Meeting Resolution being passed, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, approval is given for the Company to reduce its share capital, with the reduction to be effected against each Share held by each Exiting Shareholder at the Record Date by cancelling all such Shares in consideration for potentially some cash and the Company making a pro rata distribution in-specie of EAGF Units to each Exiting Shareholder at the Record Date on the terms and conditions set out in the Explanatory Memorandum which accompanied the Notice of General Meeting."





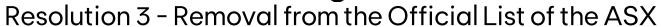
"That, subject to and conditional on all other Resolutions and the Special Meeting Resolution being passed, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, approval is given for the Company to reduce its share capital, with the reduction to be effected against each Share held by each Exiting Shareholder at the Record Date by cancelling all such Shares in consideration for potentially some cash and the Company making a pro rata distribution in-specie of EAGF Units to each Exiting Shareholder at the Record Date on the terms and conditions set out in the Explanatory Memorandum which accompanied the Notice of General Meeting."

Proxies Received				
For				
Open				
Against				
Abstain				

Resolution 3 - Removal from the Official List of the ASX



"That, subject to and conditional on all other Resolutions being passed and completion of the In Specie Distribution, pursuant to ASX Listing Rule 17.11 and for all other purposes approval is given for the Company to be removed from the Official List of the ASX on the terms and conditions set out in the Explanatory Memorandum which accompanied the Notice of General Meeting."





"That, subject to and conditional on all other Resolutions being passed and completion of the In Specie Distribution, pursuant to ASX Listing Rule 17.11 and for all other purposes approval is given for the Company to be removed from the Official List of the ASX on the terms and conditions set out in the Explanatory Memorandum which accompanied the Notice of General Meeting."

Proxies Received				
For				
Open				
Against				
Abstain				

Resolution 4 - Admission of EAGF Units to AQUA Trading Status



"That, subject to and conditional on all other Resolutions being passed and completion of the In Specie Distribution, pursuant to ASX Operating Rule 10A.3.1(ca), approval is given for the conversion of Shares admitted under the ASX Listing Rules to admission of EAGF Units to AQUA Trading Status on the terms and conditions set out in the Explanatory Memorandum which accompanied the Notice of General Meeting."





"That, subject to and conditional on all other Resolutions being passed and completion of the In Specie Distribution, pursuant to ASX Operating Rule 10A.3.1(ca), approval is given for the conversion of Shares admitted under the ASX Listing Rules to admission of EAGF Units to AQUA Trading Status on the terms and conditions set out in the Explanatory Memorandum which accompanied the Notice of General Meeting."

Proxies Received				
For				
Open				
Against				
Abstain				

Resolution 5 - Approval of the Transaction



"That, subject to and conditional on all other Resolutions being passed, approval is given for all purposes for the Company to undertake the Transaction described in the Shareholder Booklet and enter into all agreements and arrangements to give effect to the Transaction."





"That, subject to and conditional on all other Resolutions being passed, approval is given for all purposes for the Company to undertake the Transaction described in the Shareholder Booklet and enter into all agreements and arrangements to give effect to the Transaction."

Proxies Received				
For				
Open				
Against				
Abstain				

EAI Special Meeting

Resolution - Approval to undertake the Capital Reduction Distribution



"That, subject to and conditional on all other Resolutions being passed, for the purposes of sections 256B and 256C(2) of the Corporations Act and for all other purposes, approval is given for the Company to reduce its share capital, with the reduction to be effected against each Share held by each Exiting Shareholder at the Record Date by cancelling all such Shares in consideration for potentially some cash and the Company making a pro rata distribution in-specie of EAGF Units to each Exiting Shareholder at the Record Date on the terms and conditions set out in the Explanatory Memorandum which accompanied the Notice of Special Meeting."

EAI Special Meeting





"That, subject to and conditional on all other Resolutions being passed, for the purposes of sections 256B and 256C(2) of the Corporations Act and for all other purposes, approval is given for the Company to reduce its share capital, with the reduction to be effected against each Share held by each Exiting Shareholder at the Record Date by cancelling all such Shares in consideration for potentially some cash and the Company making a pro rata distribution in-specie of EAGF Units to each Exiting Shareholder at the Record Date on the terms and conditions set out in the Explanatory Memorandum which accompanied the Notice of Special Meeting."

Proxies Received				
For				
Open				
Against				
Abstain				

Chairman's welcome & address Transaction overview 02 Resolutions & results 03 04 Portfolio update

Ellerston Asia-Refresher

Concentrated, High growth, High quality and ESG Focused



- Asia remains the best long term structural growth story in the world. It is simply "too big to ignore" due to:
 - Demographics;
 - Rising wealth;
 - Ongoing investments;
 - Capital market maturation;
 - Technological leapfrogging;
- Asia provides diversification for global investors.
 - The volatility in Asia over the past 12 months has thrown up many exciting opportunities.
- Ellerston has an experienced and dedicated team strong connectivity to Asia.
- * We are invested in a small handful of high quality growth companies trading at reasonable valuations over a long term investment horizon:
 - We take a rigorous, disciplined and patient approach to investing we are owners of companies, not pieces of paper
 - Our investments are based on extensive bottom-up research and valuation work
 - We focus on risk control, not risk avoidance
 - We often invest in opportunities that may be temporarily out of favour, but provide good risk/reward (asymmetric payoffs)

Ellerston Asia Team



Ashok Jacob – Chairman Master of Accounting from UNSW, Bachelor of Economics from University of Sydney. Fredy Hoh • Previously at BAML, Macquarie Capital, E&Y. Portfolio Manager • Deputy Portfolio Manager of Ellerston Asia/India from 2017-2021. • Primary sector coverage is Technology and Financials and country coverage is Korea/Taiwan. (15) • Lived in Taiwan for 5 years. Fluent in Mandarin. **Dedicated Asia** MBA from IIM-Lucknow, Bachelor of Mechanical Engineering from Punjab Technical University. Gauray Pathak • Previously at Eastspring Investments and JN Asia Fund (GIC seeded fund). • Primary sector coverage will be Materials and country coverage is India. Senior Analyst (16) • Lived in India and Singapore for 40 years. Fluent in Hindi and Punjabi. • CFA, CA, Master of Commerce from ANU, Bachelor of Commerce from University of Melbourne. Dejia Li • Previously an equity analyst at CLSA. **Analyst** • Primary sector coverage will be Consumer and country coverage is China. (6) • Lived in China for 20 years. Fluent in Mandarin. **Global Equities Australian Equities VC/Private Equity Dedicated ESG Team**

All team members based in Ellerston's Sydney office. Numbers in parentheses indicate years of investment experience. .

Ellerston Asian Investments **Key Characteristics**





Current portfolio has 18% nedian EPS growth and ~18x median PE for a portfolio PEG of \sim 1.0x



High Quality

Average ROE ~16% Balance sheets net cash on average Screen outs for management & ESG





Concentrated

20-50 stocks (currently 36) ~50% in the Top 10 positions



High Conviction

Largest portfolio position = 9% Average overweight = 1.8% Market cap ranges from A\$4bn to A\$600bn



Strong ESG

Detailed, integrated ESG process Strict ESG knock outs ESG risk superior to benchmark

Dedicated Asia Team

Team members have lived in Asia Extensive Asian language capabilities 300+ company contact points per annum.

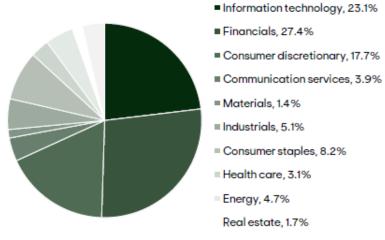


Ellerston Asia Portfolio Overview

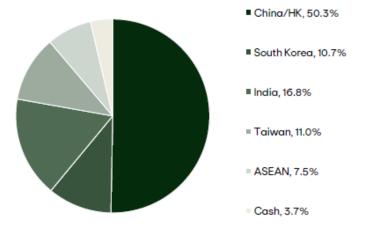
Current Positioning



SECTOR ALLOCATION



GEOGRAPHIC ALLOCATION



Top 10 Holdings	Portfolio Weight
TSMC	9.4%
Samsung Electronics	7.8%
AIA	5.1%
Reliance Industries	4.7%
Alibaba	4.2%
DBS	4.1%
HDFC Bank	4.1%
Tencent	3.9%
Kweichow Moutai	3.4%
Bank Mandiri	3.4%

Top Overweights/Underweights	Relative Weight		
HDFC Bank	4.1%		
Samsung Electronics	3.7%		
DBS	3.4%		
PT Bank Mandiri	3.2%		
Kweichow Moutai	3.1%		
China Construction Bank	-1.1%		
Housing Development Finance	-1.0%		
Infosys	-0.9%		
Tencent	-0.9%		
Hon Hai Precision	-0.7%		

Asia Market Outlook for 2023

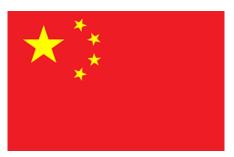
Key Areas of Focus





Developed Market Slowdown

China Rebound





India Growth

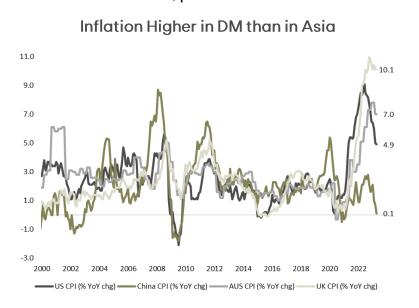
Factor Rotation

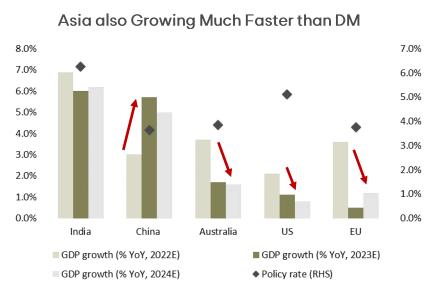


Global Growth Cracks Have Emerged



- Current risks to developed market (DM) growth: high inflation and interest rates, US regional bank turmoil, US debt ceiling and ongoing Ukraine/Russia conflict.
- Tightening of financial conditions could lead to a recession in the US and Europe over the next 12 months. This is a tough backdrop for equities with US and European exposure in particular.
- Growth equities (except mega-cap US tech) have been volatile in recent months. In a world where growth is becoming scarcer, Asia's structural story will look increasingly more attractive.
- Ellerston Asia continues to take a selective approach to portfolio construction with a preference for companies with pricing power, strong balance sheets, positive free cash flows that trade on reasonable valuation multiples.







China Rebound

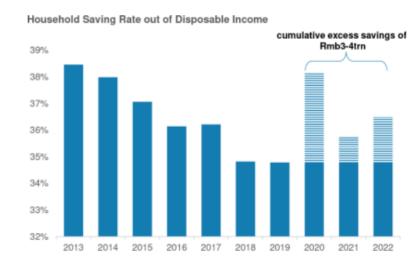
The Reopening Story Remains on Track



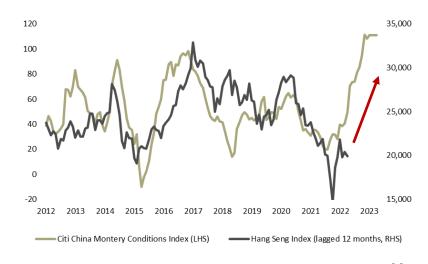
- Issues facing Chinese equities are mainly cyclical. Overhangs such as zero-COVID, strict regulatory policies and property sector deleveraging are largely gone.
- A sputtering economy with high unemployment, weak demand and property sector distress is inconsistent with 'common prosperity'. China remains committed to its growth ambitions (i.e. double GDP by 2035). Polices have returned to pro-growth (+5% GDP target in 2023), earnings forecasts have bottomed and valuations are historically cheap.
- Catalysts for outperformance of the Hang Seng and CSI300 over the next 12 months are:
 - (1) Acceleration of 'revenge' spending post zero-COVID;
 - (2) Further monetary and fiscal stimulus; and
 - (3) More benign regulatory and geopolitical environment.

Overhangs for Chinese Equities Have Been Removed Chinese Households Have Excess Savings to Deploy





Financial Conditions Remain Loose In China



Geopolitics US Superpower Status Being Tested



- The one major overhang on the China investment case is the ongoing geopolitical tension with the US.
- The US is in hegemonic decline and China is rising. Tensions between these two superpowers will not disappear and will ebb and flow.
- There have been developments on the crackdown on ADRs and controls on investment and technology. Ongoing restrictions will accelerate China's transition transition away from export related growth towards a more independent development path. This creates opportunities for companies that will benefit from strong Chinese government backing.
- The Russia/Ukraine situation could set a precedent for China/Taiwan. Our base case is that military conflict is unlikely given the wideranging ramifications for global growth.

Flashpoint Comment Taiwan Enforcing the 'One party, two systems' principle Implications for global supply chains. Fears of armed conflict.

Technology



- Ongoing sanctions on Huawei / ZTE, Hikvision and Chinese telecom and chip firms.
- Additions to US Entity List
- **Banning of Chinese Apps**

Capital Markets



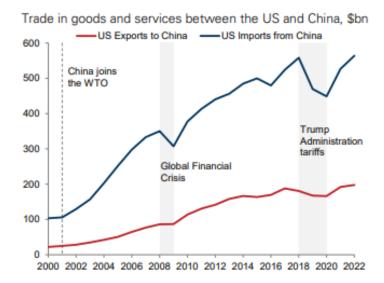
- Crack down on ADRs via the Accelerating Holding Foreign Companies Accountable Act
- Banning US investments into ADRs or in strategically important Chinese companies.

Trade



- No change to Trump era trade tariffs.
- Sanctions relating to human rights in Xinjiang.

US China Remain Relignt On Each Other

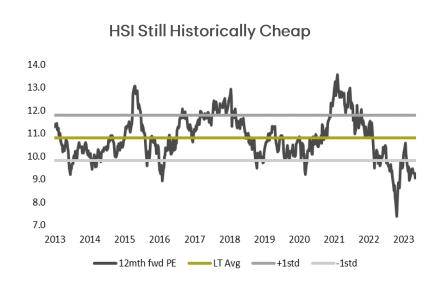


China Fundamentals Further Improvements Evidenced



- High frequency economic data has exhibited an improving trend since December. Property and unemployment remain areas of relative weakness. But a number of policies have been rolled out to support both the supply and demand side issues.
- Earnings forecasts for most companies have bottomed. Upgrades have been driven by improving demand and cost outs.
- Investing in China requires a selective and diversified approach. Traffic lights provide a useful guide. 70% of Ellerston Asia's China portfolio are in the first two areas.
 - (1) **Green (policy supported)**: electric vehicles, renewable energy, sportswear, dairy, semiconductors, tech hardware, factory automation, cybersecurity, infrastructure, logistics, trade;
 - (2) Yellow (policy neutral): liquor, home appliance, financials, traditional auto;
 - (3) Red (regulated but strategically important): internet, education, gaming, property, SOEs.





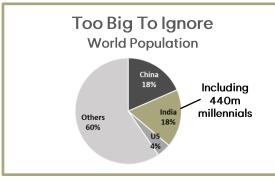
Regulated but Strategically Important 27% Policy Supported 41%

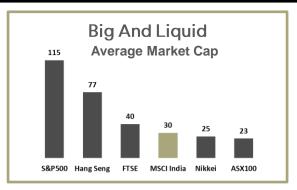
32%

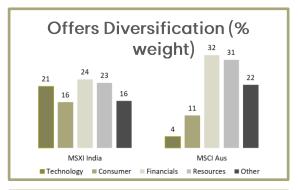
Ellerston Asia is Diversified in China

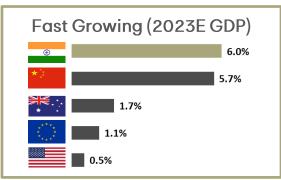
India: One of The Best Structural Growth Stories in the World



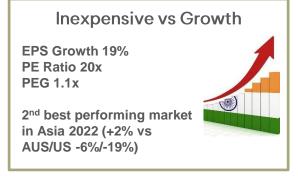


















Valuations and Positioning Asia Offers Much Better Risk/Reward

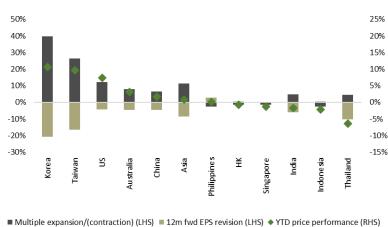


- MSCI Asia ex Japan fell 22% in 2022 and underperformed MSCI World and S&P500 by 3% respectively.
- Valuations in Asia continue to be more attractive than developed markets. HK and China are still trading at historically low levels and growth is likely to accelerate in 2023. The margin of safety for investing in Asia and in particular China/HK is attractive. Indian equities also offer reasonable risk/reward.
- Investor positioning in Asia, most notably China remain light.

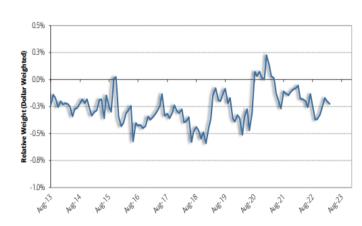
China/HK and India Cheap Relative to the World

INDEX	PE (12m fwd)	EPSg (12m fwd)	PEG	РВ	ROE
Hang Seng Index	9.1	10%	0.9	1.0	11%
CSI300	11.5	15%	0.8	1.5	13%
MSCI India	20.4	19%	1.1	3.0	15%
ASX 200	14.7	2%	7.3	2.0	13%
MSCI World	16.4	9%	1.8	2.6	15%
S&P 500	18.2	10%	1.8	3.6	18%

Performances YTD Driven by Multiple Expansion



Long Only Funds Remain Underweight China



Source: Ellerston Asia, Bloomberg, BofA Securities. As of 15 May 2023.

Factors Rotations

Mostly Transitory



- Asia is the fastest growing region in the world. China, India and Indonesia are forecast to grow GDP by 5%+ in 2023.
- Ellerston Asia's core philosophy is to own high quality growth companies trading at reasonable valuations. This strategy remains consistent irrespective of market conditions as we strongly believe that investing in businesses with high and structural growth is a sustainable long term strategy for generating positive absolute and relative returns
- Factor rotations have negatively impacted performance for Ellerston Asia. The factors driving these rotations are likely to prove temporary. "Babies get thrown out with the bathwater" during factor rotations = opportunities.

Drivers of Factor Rotations in 2022

Catalyst	Rotation To	Funded By	
War in Ukraine	Commodities and Energy (i.e. Bad ESG)	Good ESG	
US Interest Rates	Value	Growth	
China/US Tensions	SOEs	Private Enterprises (e.g. Internet, Renewables)	
All of the Above	Laggards	Leaders	

Growth Has Underperformed Value Since 2021



Top YTD winners (>\$35bn mkt cap)

Company	YTD	2022 perf	Country	Industry
Foxconn Industrial	+78%	-25%	China	AI
China Railway	+70%	-6%	China	SOE
CRRC	+63%	-7%	China	SOE
Petrochina	+59%	+2%	China	SOE, Energy
Sinopec	+55%	+4%	China	SOE, Energy
				34

Net Performance

As of 30 April 2023



Performance	1 Month	3 Months	6 Months	1Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)
Ellerston Asian Investments*	-2.07%	-2.90%	12.98%	-6.99%	-2.42%	-0.82%	2.71%
Benchmark^	-0.87%	0.34%	16.47%	-1.26%	0.78%	-0.02%	4.36%
Alpha	-1.20%	-3.24%	-3.49%	-5.74%	-3.20%	-0.80%	-1.64%

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. Inception is Sept 2015. Past performance is not a reliable indication of future performance.

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

Disclaimer



This presentation is issued by Ellerston Capital Limited (ACN 110 397 674) (Manager or Ellerston Capital). The Manager have made every effort to ensure that the information in this presentation is accurate. However, its accuracy, reliability or completeness cannot be assured. To the maximum extent permitted by law, neither the Company nor the Manager accepts any liability for any error or omission or for any loss or damage suffered as a result of others acting on the basis of the information contained in this presentation. Copyright in this document is owned by the Company and the Manager. Its contents may not be copied, reproduced or embodied in any other document or distributed to a third party without the prior written consent of the Company and the Manager.

This presentation does not constitute an offer of interests in the Company. You should not rely on this presentation if or when deciding whether or not to make an investment in the Company. This document must not be circulated and is confidential in nature. By accepting this document you are agreeing to comply with such confidentiality requirements.

This presentation has been prepared without taking into account any investor's objectives, financial situation or needs. An investment in the Company carries potential risks and fees which are described in the relevant documentation. This presentation is for general informational purposes only and is not intended to be a definitive statement on the subject matter.

Neither the Company, the Manager nor any other person guarantees the investment performance, earnings or return of capital invested in the Company. The information provided in this document is current only as at the date indicated on this document and is subject to change without notice. This document is not necessarily exhaustive of the relevant subject matter. This material has been prepared based on information believed to be accurate at the time of publication, including actual and estimated returns. Past performance of the Manager is not indicative of future performance. Assumptions and estimates may have been made which may prove not to be accurate. The Company undertakes no responsibility to correct any such inaccuracy. Subsequent changes in circumstances may occur at any time and may impact the accuracy of the information. To the fullest extent permitted by law, none of the Company, the Manager or any member of the Ellerston Capital Group of companies makes any warranty as to the accuracy or completeness of the information in this document and disclaims all liability that may arise due to any information contained in this document being inaccurate, unreliable or incomplete.

This presentation is not available to persons for which it would be a contravention of a law to provide or offer interests in the Company. By attending this presentation, or reading this document, you are representing that you are not such a person.

The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that Ellerston Asian Investments adheres to the strict disclosure practices required under the Responsible Investment Certification Program for the category of Product Provider. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol, EAI's methodology, performance and stock holdings can be found at www.responsible investment.org, together with details about other responsible investment products certified by RIAA.1 1 The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Ellerston Capital

Thank you

Level 11, 179 Elizabeth Street Sydney, NSW 2000

info@ellerstoncapital.com +612 9021 7701