

Monthly NTA Statement

August 2018

Ellerston Global
Investments Limited
ACN 169 464 706

14th September 2018

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

Ellerston Global Investments Limited (**ASX: EGI**) advises the unaudited Net Tangible Asset backing (**NTA**) per share of the company as at 31 August 2018:

NTA per share	31 August 2018
NTA before tax [#]	\$1.1816
NTA after realised tax	\$1.1802
NTA after tax	\$1.1559

The NTA is based on fully paid share capital of 109,845,725.

- #NTA before tax** - Includes taxes that have been paid.
NTA after realised tax - Includes a provision for tax on realised gains from the Company's Investment Portfolio.
NTA after tax - Includes any tax on unrealised gains and deferred tax.

The company's net performance before tax for the month of August was 1.19%.



Ian Kelly
Company Secretary

Important Note

Should investors have any questions or queries regarding the company, please contact our Investor Relations team on 02 9021 7797. All holding enquiries should be directed to our share registrar, Link Market Services on 1300 551 627 or EGI@linkmarketservices.com.au.

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Ellerston Global Investments (ASX: EGI)

Investment Update | August 18

PERFORMANCE SUMMARY

Returns (%)	Net [^]	Gross	Benchmark
1 Month	1.19%	1.28%	1.34%
3 Months	3.30%	3.58%	4.87%
6 Months	3.50%	4.05%	5.76%
1 Year	14.53%	15.83%	14.07%
3 Years p.a.	9.03%	10.12%	11.89%
1 November 2014	48.48%	55.98%	42.46%
Annualised return*	10.86%	12.30%	9.67%

[^] Net Return (before tax) and excluding option dilution. *1 November 2014

PORTFOLIO UPDATE

The EGI portfolio increased 1.19% net during the month of August. The NTA (before tax) at the end of August was \$1.1816.

Contributors to performance included, **Ciena, Premier** and **Keysight**. Detractors from performance included **The Stars Group, Huntsman**, and **Zayo**. It was a very busy reporting month for EGI with thirteen of our portfolio companies releasing earnings results during August.

Overall, our portfolio companies indicated economic activity remains generally healthy and while inflation is feeding through the system, our focus on companies with pricing power in this environment is bearing fruit. Despite all the noise around tariffs, our portfolio companies are seeing limited impacts on current operations and forward earnings expectations. EGI is benefiting from exposure to strategic assets enjoying the continued growth in data consumption, increased scarcity of independent content and nascent technologies such as 5G.

Ciena reported a very strong quarter with revenues well above the top end of its guided range. Earnings came in some 30% ahead of market expectations as margins expanded nicely. Ciena's diversification, global scale and technology leadership delivered increased market share globally (around 2%) as it benefited from robust demand across a broad spectrum of customers and applications.

Premier was also a standout this reporting season, reporting revenues and earnings above Management guidance. Premier expanded its customer base and now does business with >4,000 US hospitals and health systems or c83% of the nation's community hospitals. Additionally, it has relationships with 165,000 other providers and organizations. Purchase volume running through its GPO increased from \$56bn last year to >\$60bn this year with a 98% retention rate in its GPO business and 97% SaaS renewal rate underpinning earnings certainty.

The Stars Group reported quarterly results ahead of expectations however forward guidance (which now includes the Sky Betting & Gaming acquisition) came in lighter than expected. Poker will experience some near-term headwinds associated with increased competition in its Southern European markets and absence of FX tailwinds. The company also indicated that the UK Government recently announced that it was exploring an increase to the gaming duty charged on poker, casino and bingo products and the Italian government enacted a law that restricts advertising and sponsorships associated with gambling. While the net impact is yet unknown, these regulatory developments add a layer of uncertainty going forward.

Key Facts

Listing Date	October 2014
NTA (before tax)**	\$1.1816
NTA (after realised tax)	\$1.1802
NTA (after tax)	\$1.1559
Share Price at 31/8/2018	\$1.085
EGI Market Capitalisation	118.9m
Management Fee	0.75%
Performance Fee***	15%
Annualised Fully Franked Dividend FY19^^	3.0cps
Benchmark	MSCI World Index (Local)

**NTA (before tax) - Includes taxes that have been paid. NTA after realised tax - Includes a provision for tax on realised gains from the Company's Investment Portfolio. NTA after tax- Includes any tax on unrealised gains and deferred tax

^^Annualised dividend is a financial term of analysis based on the total shares on issue at 31/08/18 and on the 1.5cps dividend paid on FY18 interim results (excluding special dividend). Any actual dividend declared by the Company is subject to Board discretion and may vary. Past performance is not an indicator of future performance

***15% of the investment return over the Benchmark return (MSCI World Index Local), after recovering any underperformance in past period

MARKET COMMENTARY

August saw **global equity markets** deliver mixed performances. The MSCI World Index, however, was up 1.34% for the month on the back of another strong month in US equities. This was despite both an emerging market sell-off causing a panic in risk assets and tit-for-tat responses in the ongoing trade dispute between the US and China.

The **S&P 500 Index** and the Dow Jones Industrial Average Index ended August up 3.3% and 2.6%, respectively. The tech-heavy NASDAQ ended the month up 5.9%, with gains in Amazon and Apple propelling the sector to a new record high level. In early August, President Trump doubled tariffs on Turkish steel and aluminium which triggered a sell-off in the Turkish Lira and risk assets generally. The Trump administration also confirmed that it remained committed to imposing tariffs on an additional \$200 billion worth of Chinese goods, and President Trump threatened to remove the US from the World Trade Organisation. Stocks however, remained resilient as economic data continued to support the Federal Reserve's view on the strengthening economy and the upward trajectory of interest rates. The US dollar rose as currency markets were in *'risk off'* mode after being spooked by ongoing emerging market jitters.

European equity markets were very weak in August, with the Euro STOXX 50 Index down 3.7%. All the major markets were weaker with France's CAC 40 down 1.9% (despite manufacturing PMI beating expectations), Germany's DAX returning -3.5% (despite a survey of business climate surprising positively) and the UK's FTSE 100 returning a soggy -3.7%. The UK market was hit by the prospect of a *'no-deal Brexit'* as the government released papers on its preparations for such an eventuality, including in extreme scenarios, the need to stockpile medicines and having barges with floating electricity generators for Northern Ireland.

The prospect of an ongoing trade war and emerging market contagion saw **Asian equities** deliver mixed returns for the month. Korean equities rebounded, with the KOSPI Composite Index up 1.2% and Japan's Nikkei 225 also in positive territory, returning +1.4%. However, Chinese equities were badly hit, with the SSE Total Market Index down 4.9% in August and down 14.6% calendar year to date.

The **S&P/ASX 200 Accumulation Index** closed the month up 1.4%, a credible effort in light of the political circus that played out in Canberra during the backend of the month. Australia had its seventh prime minister in eleven years after Malcolm Turnbull was challenged in the party room, stood down and was replaced by Scott Morrison, Australia's 30th Prime Minister.

Regards,

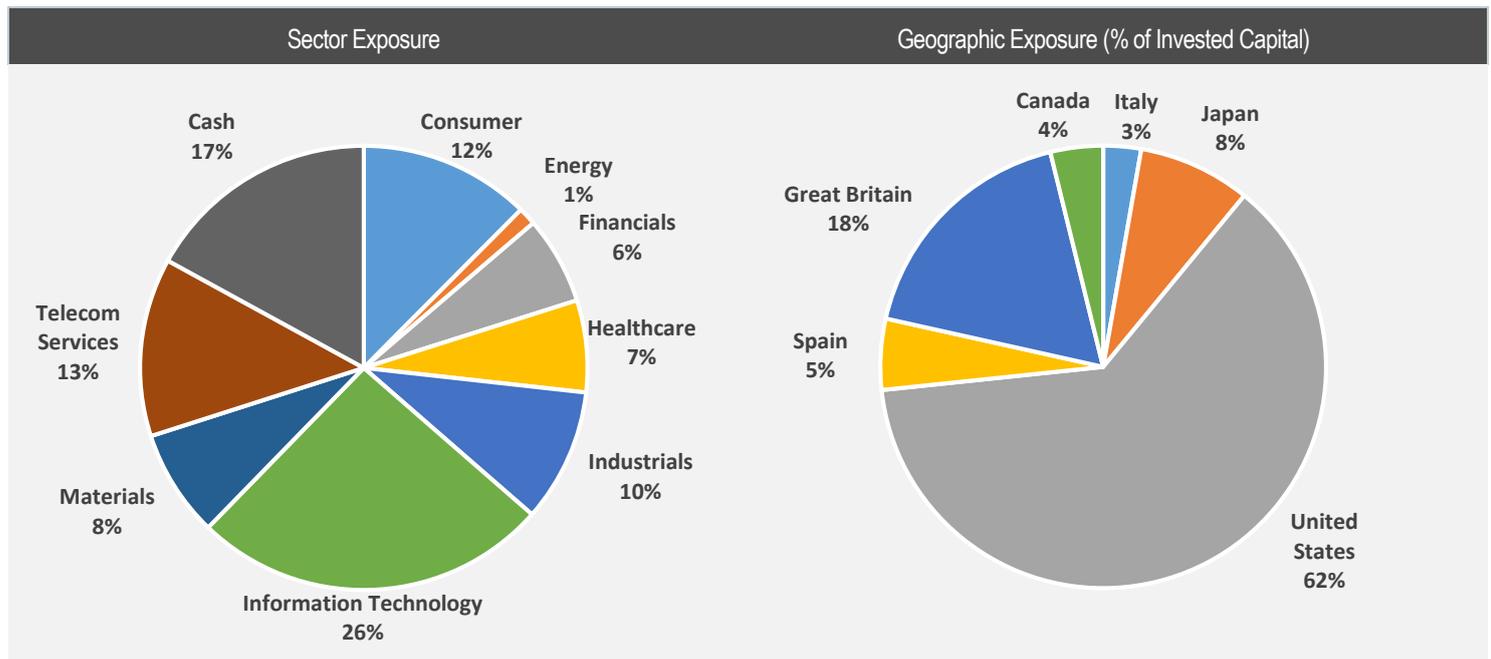
Arik Star and Bill Pridham,

EGI Co-Portfolio Managers

ELLERSTON GLOBAL INVESTMENTS TOP HOLDINGS

Top 10 holdings as at 31 August 2018	Sector	%
Equiniti Group Plc	Information Technology	6.76
Zayo Group Holdings Inc	Telecommunications Services	6.42
Interxion Holding NV	Information Technology	5.64
Huntsman Corp	Materials	5.12
Entertainment One Ltd	Consumer Discretionary	4.92
Cellnex Telecom SA	Telecommunications Services	4.31
Premier Inc	Health Care	4.10
Keysight Technologies Inc	Information Technology	4.02
Comerica Inc	Financials	3.50
Ciena Corp	Information Technology	3.23

SECTOR & GEOGRAPHIC ALLOCATIONS



Research Ratings

Independent Investment Research (IIR) is an independent investment research house based in Australia and the United States. IIR conducted research in December 2017 and has assigned Ellerston Global Investments Limited (ASX code: EGI) a **Recommended** rating.



Dividends

If you would like to have dividends re-invested under the Company's Reinvestment Plan, click [here](#)

For further information, please contact:

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