

Monthly NTA Statement

February 2019

Ellerston Global Investments Limited
ACN 169 464 706

13th March 2019

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 28 February 2019:

NTA per share	28 February 2019
NTA before tax [#]	\$1.0743
NTA after realised tax	\$1.0743
NTA after tax	\$1.0748

The NTA is based on fully paid share capital of 109,983,363.

- #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 February was 1.55%.



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)

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PERFORMANCE (%)

	1 Month	3 Months	6 Months	1 Year	3 Years p.a.	1 November 2014	Annualised Return*
Portfolio Net[^]	1.55	0.87	-7.83	-4.60	7.14	36.87	7.51
Portfolio Gross	1.63	1.15	-7.33	-3.58	8.17	44.57	8.88
Benchmark	3.34	2.11	-3.05	2.54	12.49	38.12	7.74

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

PORTFOLIO UPDATE

The EGI portfolio gained 1.55% net during the month of February. The NTA (before tax) at the end of February was \$1.0743.

EGI invests with a mid-small cap bias, defined as companies with a market cap of sub US\$10 billion. The month of February continued the positive market momentum experienced in January as generally positive (i.e. less bad than implied by share price moves in December) earnings reports supported equity risk assets.

Contributors to performance included **Interxion**, **Entertainment One** and **Keysight**. Detractors from performance included **Premier**, **Cellnex Telecom** and **Zayo Group**.

EGI had eight portfolio companies reporting results during the month with three highlights including:

Keysight is a global leader in electronic design and test measurement with leading positions in a number of secular themes including 5G, autonomous/electric vehicles and aerospace and defense modernisation. KEYS reported outstanding first quarter results to start its FY19 year with core revenues up 20% to over \$1bn and comparing well against its guidance for 13-15% growth. Operating leverage was a key feature of the result with 93cps of earnings coming in well above market expectations of 80cps. Customers continue to make strong investments in next generation technologies with KEYS benefiting from broad-based momentum across multiple end markets.

Cellnex Telecom is the largest independent owner of mobile tower assets in Europe and delivered a solid set of FY18 results with revenues ahead of consensus and Adjusted EBITDA above the high end of its indicated range. Organic growth of 5% continues to outperform Management medium term guidance of 3-4% with strong relationships with Telcos providing upside to results. CLNX sold off at the end of the month on the back of an announced €1.2bn capital raise through an 11 for 38 rights issue at €17.89 per share. Management indicated that it has identified a number of market opportunities representing an estimated aggregate size of €11bn with approximately €4bn in the medium to near term future. Substantial shareholders representing approximately 36% of outstanding shares have committed to participate in the offer as M&A optionality in tower assets across Europe remains very attractive.

Finally, **Premier** reported Q219 revenue and earnings which were above market expectations, however, indicated full year numbers would likely come in at the lower end of its previously indicated range. Operationally the business is performing well as it expands its relationships with current and new healthcare providers in the US. That said, second half comparisons will become tougher largely due to the timing related impact of new revenue recognition accounting standards, reimbursement pressures in its specialty pharmaceutical offering and integration expenses of its recently purchased Stanson business taken above the line. Additionally, PINC is investing in its ProvideGx platform which is aimed at helping to alleviate the chronic drug shortage problem in the US. As an integral player in helping to reduce healthcare costs in the US with data on close to 50% of US hospital patient discharges, we remain positive on PINC prospects.

Key Facts

Listing Date	October 2014
NTA (before tax)**	\$1.0743
NTA (after realised tax)	\$1.0743
NTA (after tax)	\$1.0748
Share Price at 28/02/2019	\$0.955
EGI Market Capitalisation	105m
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 28/02/19 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

In February, **global equity markets** continued to rally. Developed Markets, led by Australia, rose 3.4% and outpaced Emerging Markets, up 1.1%. Performance was supported by expectations of a positive outcome from the trade talks between the US and China. In fact, on 24 February, President Trump announced that the US would postpone an increase in tariffs on goods from China due from 1 March because of “substantial progress” in trade talks.

The **S&P 500 Index** and the Dow Jones Industrial Average Index delivered solid returns in February following on from a very strong January, ending the month up 3.2% and 4.0% respectively. The NASDAQ also returned a very credible +3.6%. In January, the Fed signalled that it would pause raising interest rates. Data will need to be monitored closely as minutes released in February suggested that the Fed is still modestly biased towards tightening, despite the statement having conveyed a neutral bias. Politics in the US continued to be unpredictable, with President Trump declaring a national emergency on 15 February over border security, in an effort to get more funding for his wall on the US-Mexico border. Markets, however, shrugged off the political noise from Washington and focused instead on a likely positive outcome from the US-China trade talks.

European equity markets also continued to deliver positive returns, with the Euro STOXX 50 Index up 4.4%. This was despite economic data continuing to moderate. The flash Eurozone manufacturing PMI for February disappointed with a reading of 49.2 (previous: 50.5; consensus: 50.3), but the composite PMI rose modestly to 51.4 (previous: 51.0). The major European indices were much stronger, catching the wave of optimism that a resolution between the US and China over trade would be positive for global growth: France’s CAC was up an impressive 5.0%, Germany’s DAX was up 3.1% and the FTSE 100 was up 2.3%.

Asian equities were mixed. The standout was the Chinese market, represented by the SSE Total Market Index, up a staggering 14.3%, as optimism on US-China trade talks firmed. The Hang Seng Index posted a more modest +2.7%, but Korea’s KOSPI Composite Index delivered a disappointing -0.4%. Questions still remain over the health of the Chinese economy. The February manufacturing PMI softened to 49.2 (previous: 49.5; consensus: 49.6) and the composite PMI also fell to 52.4 (previous: 53.2). Resolution and clarity on trade talks should provide some relief to a softening Chinese economy, which remains an area of concern and focus for markets, especially given the very strong rally in Chinese equity markets in February.

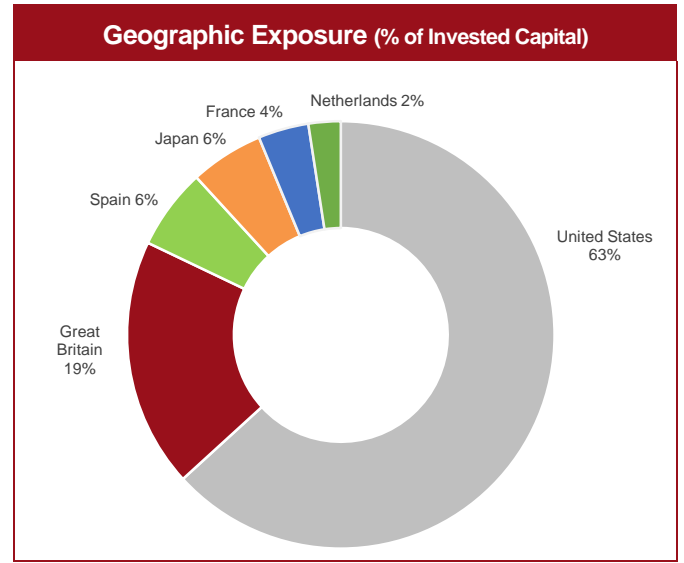
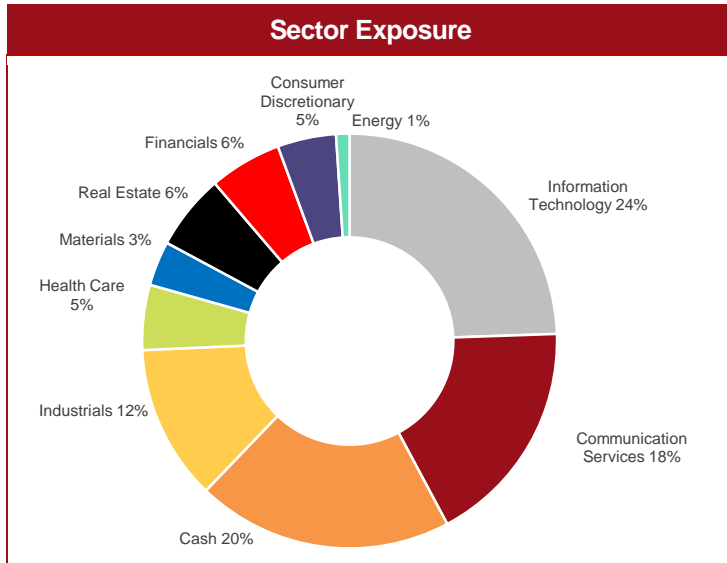
Australian shares performed best in the Developed Market. The **S&P/ASX 200 Accumulation Index** ended the month up 6.0%. In a surprise move, the RBA moved to a neutral bias and downgraded its GDP growth forecast modestly. The Australian dollar depreciated 2.4% against the US dollar to close the month at \$0.7094. In trade-weighted terms, the AUD depreciated 1.5%.

Regards,
 Bill Pridham and Arik Star
 EGI Co-Portfolio Managers

TOP HOLDINGS

Top 10 holdings as at 28 February 2019	Sector	%
Entertainment One Ltd	Communication Services	6.53
Equiniti Group Plc	Information Technology	6.04
Interxion Holding NV	Information Technology	5.93
Premier Inc.	Health Care	5.07
Cellnex Telecom SA	Communication Services	4.89
Graphic Packaging Holding Company	Materials	3.47
Zayo Group Holdings, Inc.	Communication Services	3.27
Keysight Technologies Inc.	Information Technology	3.25
DocuSign, Inc.	Information Technology	3.17
PVH Corp.	Consumer Discretionary	3.09

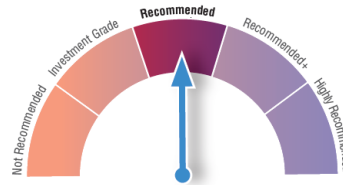
SECTOR & GEOGRAPHIC ALLOCATIONS



Source: Ellerston Capital

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](#)

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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