ELLERSTON GLOBAL INVESTMENTS LIMITED
ACN 169 464 706

12 April 2019

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

MONTHLY NTA STATEMENT - March 2019

Ellerston Global Investments Limited (**ASX: EGI**) advises the unaudited Net Tangible Asset backing (**NTA)** per share of the Company as at 31 March 2019 is:

NTA per Share	31 March 2019
NTA before tax	$1.0706
NTA after realised tax *	$1.0706
NTA after tax ^	$1.0679

These figures are unaudited and indicative only
The NTA is based on fully paid share capitial of 109,983,363.

* 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 was 1.04%.

Please note EGI went ex dividend on 6 March 2019, paying a 1.5c fully franked dividend.

Ian Kelly
Company Secretary

Contact Details
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.a

ELLERSTON CAPITAL

Ellerston Global Investments (ASX: EGI)

Investment Update | March 19

PERFORMANCE (%)

	1 Month	3 Months	6 Months	1 Year	3 Years p.a.	1 November 2014	Annualised Return*
Fund Net^	1.04%	9.53%	-8.33%	-1.90%	6.39%	38.30%	7.62%
Fund Gross	1.14%	9.82%	-7.83%	-0.83%	7.53%	46.21%	8.98%
Benchmark	1.61%	12.61%	-2.19%	6.66%	11.17%	40.35%	7.98%

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

PORTFOLIO UPDATE

The EGI portfolio increased 1.04% net during the month of March. The NTA (before tax) at the end of March was $1.0706, however when adjusting for the **fully franked 1.5cps dividend paid during the month**, the underlying NTA would have been $1.0856.

EGI invests with a mid-small cap bias, defined as companies with a market cap of sub US$10 billion. The month of March continued the favourable market backdrop we have experienced since the start of the calendar year with the MSCI World Index (Local) up 1.61% during the month.

Contributors to performance this month included **Cellnex Telecom**, **Zayo Group** and **Entertainment One**. Detractors from performance included **Resideo, Webster** and **Premier**.

EGI had a relatively busy reporting month with nine portfolio companies reporting results. We would characterise the reports as generally solid, however, also noted that strong beats and raises were met with muted share price reactions while any misses were harshly punished.

WillScot is the #1 provider of modular space and portable storage solutions across North America with c40% market share following its recent acquisition of ModSpace. It generates over 90% of gross profit from recurring lease revenues with average terms >30 months from its 50k+ customer set. WillScot reported strong Q418 revenues and EBITDA which were in line with previously upgraded full year guidance and reaffirmed FY19 guidance in its release. As the bulk of revenues are derived from relatively long-term leases, it has very high revenue visibility which is being augmented by its "Value Added Product" initiative which will drive pricing for some time. WillScot is trading a couple of EBITDA turns below its best comparable company and this discount will narrow as its impressive execution offsets its relatively short time listed in the market.

Resideo is a recent spin off from Honeywell and is the #1 global provider of thermostat and security systems with components installed in >150m households in the US. It is predominately distributed in the professional service channel (Do-It-For-Me) with more than 100k contractors installing its products. Resideo reported FY18 revenues and EBITDA above market expectations however disappointingly guided FY19 well below market as it accelerates spending to gain share in the residential IoT market. Additionally, it embedded the full 25% tariffs into its cost structure while taking a conservative view on new home build in the US. While the current share price is marginally below our initial entry price, we consider the business on 9.5x PE and 6.2x EBITDA as good value, while mindful that it is now a show me story.

TKH Group is based in Amsterdam and is a leading player in machine vision technology (both 2D and 3D camera sensor technology), specialty cable systems for wind, medical and robotic industries as well as the dominate global provider of next generation tyre manufacturing systems. TKH reported 10.2% organic growth in the fourth quarter taking full year 2018 organic growth to 9.4% with corresponding EBITA increasing 22% on pcp. With >20% of revenues from new innovations, EGI's recent investment should benefit from past R&D spend now bearing fruit as new products are now being monetised.

Key Facts

Listing Date	October 2014
NTA (before tax)**	$1.0706
NTA (after realised tax)	$1.0706
NTA (after tax)	$1.0679
Share Price at 29/03/19	$0.93
EGI Market Capitalisation	102.3m
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 31/12/18 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.

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MARKET COMMENTARY

The rally in **global equity markets** continued in March, capping off a very strong period, with the MSCI World Index up an impressive 12.6% for the quarter. In March, Developed Markets outperformed Emerging Markets by 0.4%. But the notable feature of the month was the strong rally in global bonds in response to more dovish overtures from the Federal Reserve. The US yield curve inverted for the first time in more than a decade, sparking a debate on the likelihood of a pending US recession and slowing global growth.

The **S&P 500 Index** and the Dow Jones Industrial Average Index were again in positive territory with returns of 1.9% and 0.2% respectively in March. The NASDAQ had a stronger month and was up 2.7%. This crowned a very impressive 3-months from each of the S&P 500, Dow Jones Industrial Average and NASDAQ, with returns of 13.7%, 11.8% and 16.8% respectively. On 19 March, the yield on the US 10-year Treasury note fell to 2.44%, below the yield on the 3-month Treasury note of 2.45%. The inversion of the yield curve followed more dovish commentary from the Fed (with no hikes in rates expected in 2019 now) and a moderation in global activity indicators. This also raised concerns with investors over a likelihood of a recession, given prior inverted yield curves have generally preceded US recessions in the post-war period. The Fed has signalled patience in assessing the outlook beyond 2019 and now has no bias to tighten or ease.

European equity markets also continued to deliver positive returns, with the Euro STOXX 50 Index up 1.8%. Economic data continued to moderate. Euro area composite PMI fell 0.6 points to 51.3 in March, reversing the increase in February. Brexit indecision and uncertainty continued to dominate the headlines in the UK, which proved to be a major distraction for Europe too. However, most key European indices continued to trend upwards. Despite the chaos of Brexit, the FTSE 100 was up 3.3%, while France's CAC was up 2.3%, but Germany's DAX was roughly flat with a return of +0.1%.

Asian equities were mixed. The Indian market, as represented by the BSE Sensex, was the standout performer, up 7.9%. It was followed by the Chinese market - the SSE Total Market Index - which was up 5.5%, as optimism on the rebound in the Chinese economy saw investors continue to bid up local shares. The Hang Seng Index posted a more modest 1.6%, but Korea's KOPSI Composite Index (-2.5%) was again in negative territory.

The **S&P/ASX 200 Accumulation Index** ended the month up 0.7%. In Australia, GDP was very soft for the second consecutive quarter in 4Q, at 0.2% quarter-on-quarter, while 2H18 annualised print of 0.9%, was the worst reading since the GFC. Australia has technically entered a per-capita recession. GDP growth was saved from turning negative by booming public demand which offset flat private demand, as consumption dropped to a near 6-year low. National CoreLogic dwelling prices fell 0.6% month-on-month in March, which brought the year-on-year decline to -6.9%, the worst fall since February 2009. Not surprisingly, the RBA left rates unchanged at 1.5% in March. The Australian dollar was unchanged against the US dollar. In trade-weighted terms, the AUD depreciated -0.3%.

Regards,

Bill Pridham and Arik Star

EGI Co-Portfolio Managers

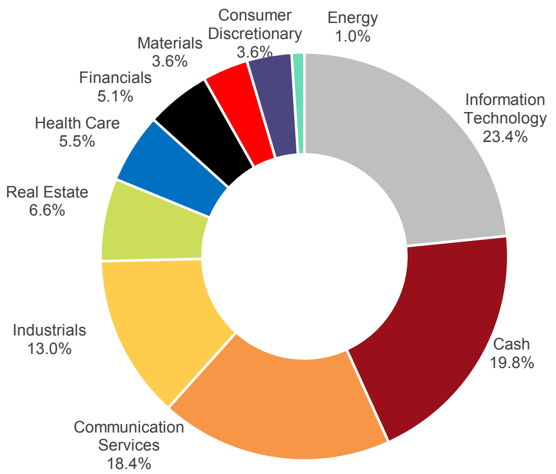
TOP HOLDINGS

Top 10 Holdings as at 31 March 2019	Sector	%
Cellnex Telecom SA	Communication Services	6.16
Premier Inc.	Health Care	5.53
Entertainment One Ltd.	Communication Services	5.48
Interxion Holding N.V.	Information Technology	5.03
Zayo Group Holdings, Inc.	Communication Services	3.77
Graphic Packaging Holding Company	Materials	3.62
Keysight Technologies Inc	Information Technology	3.37
WillScot Corporation	Industrials	3.28
JC Decaux SA	Communication Services	3.03
TKH Group N.V. Cert	Industrials	3.00

Source: Ellerston Capital

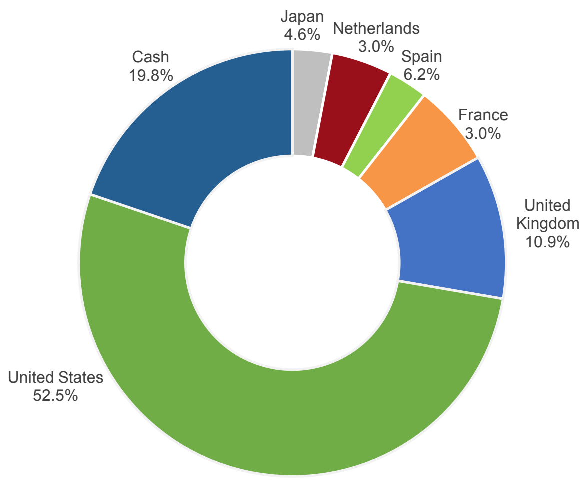
SECTOR & GEOGRAPHIC ALLOCATIONS

Sector Exposure



Source: Ellerston Capital

Geographic Exposure (% of Invested Capital)



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.

INDEPENDENT INVESTMENT RESEARCH

DIVIDENDS

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

QUARTERLY STOCK SPOTLIGHT

Cellnex Telecom (Market Cap €7.8bn, Share Price €26.00)

Cellnex has successfully become the leading independent European telecommunications infrastructure operator with more than 25k infrastructure assets located in Italy, Spain, France, the Netherlands, the UK and Switzerland, including sites and nodes. Cellnex thus provides services, through its customers, to more than 200 million throughout Europe.

Essential Infrastructure with Significant Growth Optionality

Since its IPO in 2015, Cellnex has amassed an enviable position as the leading independent owner of highly strategic mobile tower infrastructure assets across Europe, with the best yet to come. Based on its run rate exiting 2018, Cellnex has **a contracted backlog equivalent to 20 years of revenue** with these contracts generally benefiting from CPI escalators to minimise inflation risk. **We consider tower assets as essential infrastructure** in facilitating our insatiable demand for data and Cellnex has demonstrated a best-in-class infrastructure roll-up strategy in Europe which is about to accelerate.

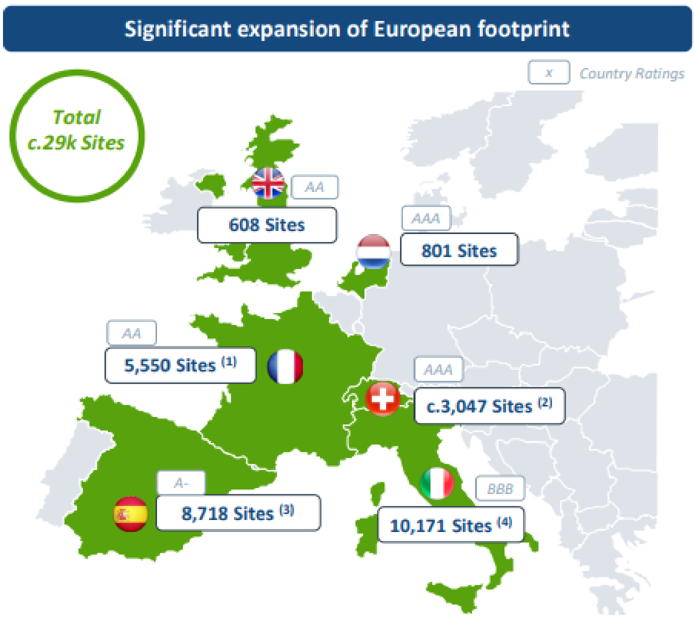
Independent operators own approximately 15% of European towers compared with c80% in the US – we believe the outsourcing trend in Europe will emulate that of the US over time. Management has identified a number of market opportunities representing an estimated aggregate value of €11bn with approximately €4bn of near to medium term assets under evaluation. To provide balance sheet flexibility, Cellnex recently raised €1.2bn in an 11 for 38 rights issue priced at €17.89 and following conversations with the company, **EGI participated and received its full allocation**.

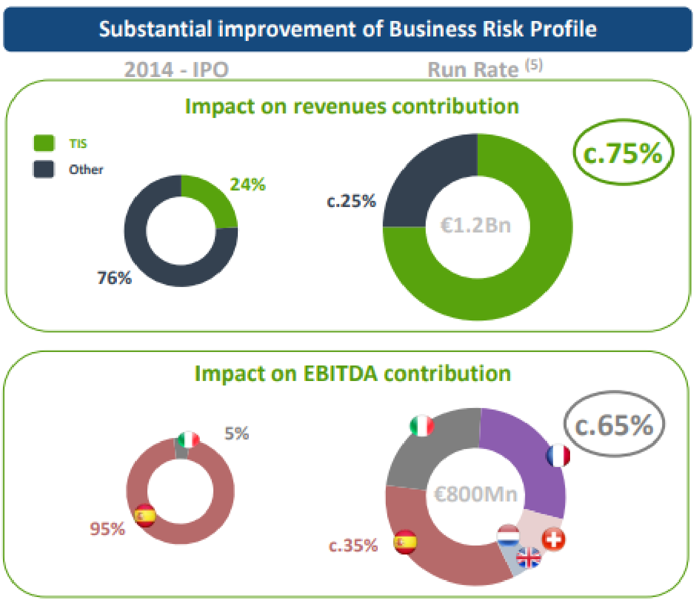
We consider the growth opportunities associated with mobile data traffic growth, tower ownership outsourcing and new applications associated with 5G as powerful secular trends for Cellnex with our investment underpinned by a 20 year revenue backlog indexed to inflation. Despite its solid share price performance following the completion of the rights issue, **Cellnex's tower assets still trade at a significant discount to its US counterparts and as such EGI will continue to benefit from further capital appreciation.**

Cellnex Overview

Cellnex is the largest independent owner of mobile tower assets in Europe with strong market positions in Spain, Italy, the Netherlands, UK, France and Switzerland. It owns and operates over 25k infrastructure assets in these regions and controls roughly 30% of the independently owned towers in Europe. Barriers to entry are incredibly high due to the high level of capital required to replicate its portfolio even if you could navigate the intensive regulation process in deploying new structures across Europe.

Its business model is focused on providing carrier neutral infrastructure and services to mobile network operators (MNO) such as Iliad in Italy and Bouygues in France. It provides a broad range of integrated network infrastructure services which provides access to its essential infrastructure in its regions of operation and has dramatically expanded its operating footprint while concurrently reducing its single country risk since its IPO in 2015:





Reporting Lines

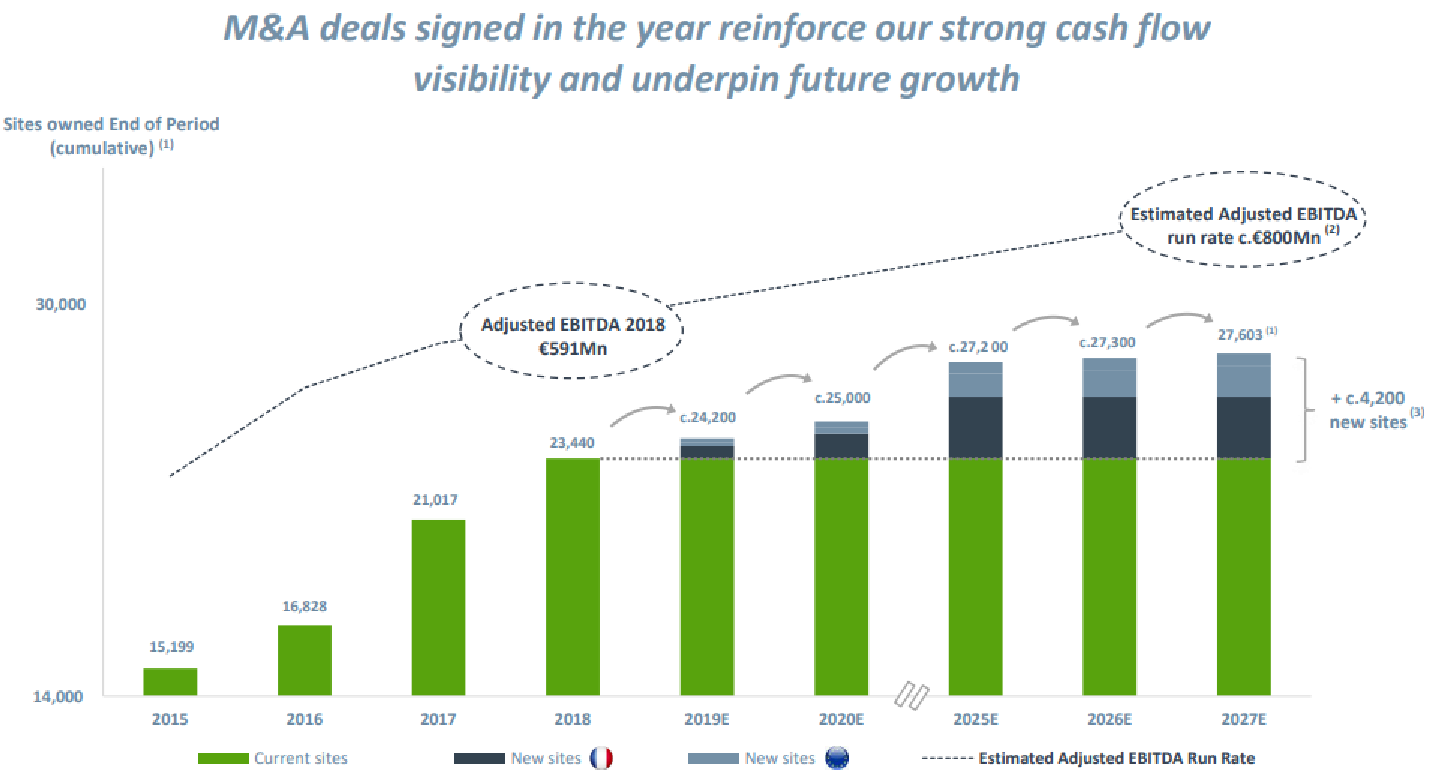
Telecom Infrastructure – Leading carrier neutral operator in Europe with dominate market shares in Spain, Italy and Switzerland. The majority of earnings and even a greater proportion of intrinsic value lies in Cellnex's mobile tower assets which are highly strategic given the essential infrastructure nature of its portfolio.

Broadcast – Cellnex provides broadcast services from more than 3,000 transmission centres, distributing and broadcasting multiple DTTs (Digital Terrestrial Television) with nationwide coverage and FM radio signals for many broadcasters in Spain. It is the #1 TV distribution platform in Spain with >78% audience share (source: CNMC Apr 2017) and it expects to remain the main TV delivery platform in Spain for the foreseeable future.

Other – Providing the infrastructure required to develop a connected society by providing the following network services: data transport, security and control, smart communication networks including IoT, smart services and managed services and consulting.

Cellnex benefits from incredibly strong revenue visibility as the largest portion of its revenue is associated with long term contracts which are generally indexed to inflation. Its Telecom Infrastructure business is underpinned by anchor customers which have **10-20-year initial contract maturities** with potential for renewals. Broadcasting and Other Network Services typically have 3-10-year contract maturities. As such, Cellnex's revenue backlog at the end of December 2018 stood at €13.9bn or >15yrs of revenue based on its existing FY18 business. **If we include infrastructure already committed to be acquired and built, this backlog increases to €18bn or close to 20yrs of FY18 revenue.**

Management has highlighted the earnings benefits associated with recently agreed transactions including a 1,200 site build to suit deal with Bouygues Telecom, a 500-600 site build to suit deal in Switzerland as well as an Edge Computing deal in France where it has signed a long term contract with Bouygues Telecom to build 88 new strategic edge data centers with additional capacity available for other Telcos. **The in-hand agreements are expected to add >$200m of EBITDA over the coming years and will occur regardless of any further M&A activity:**



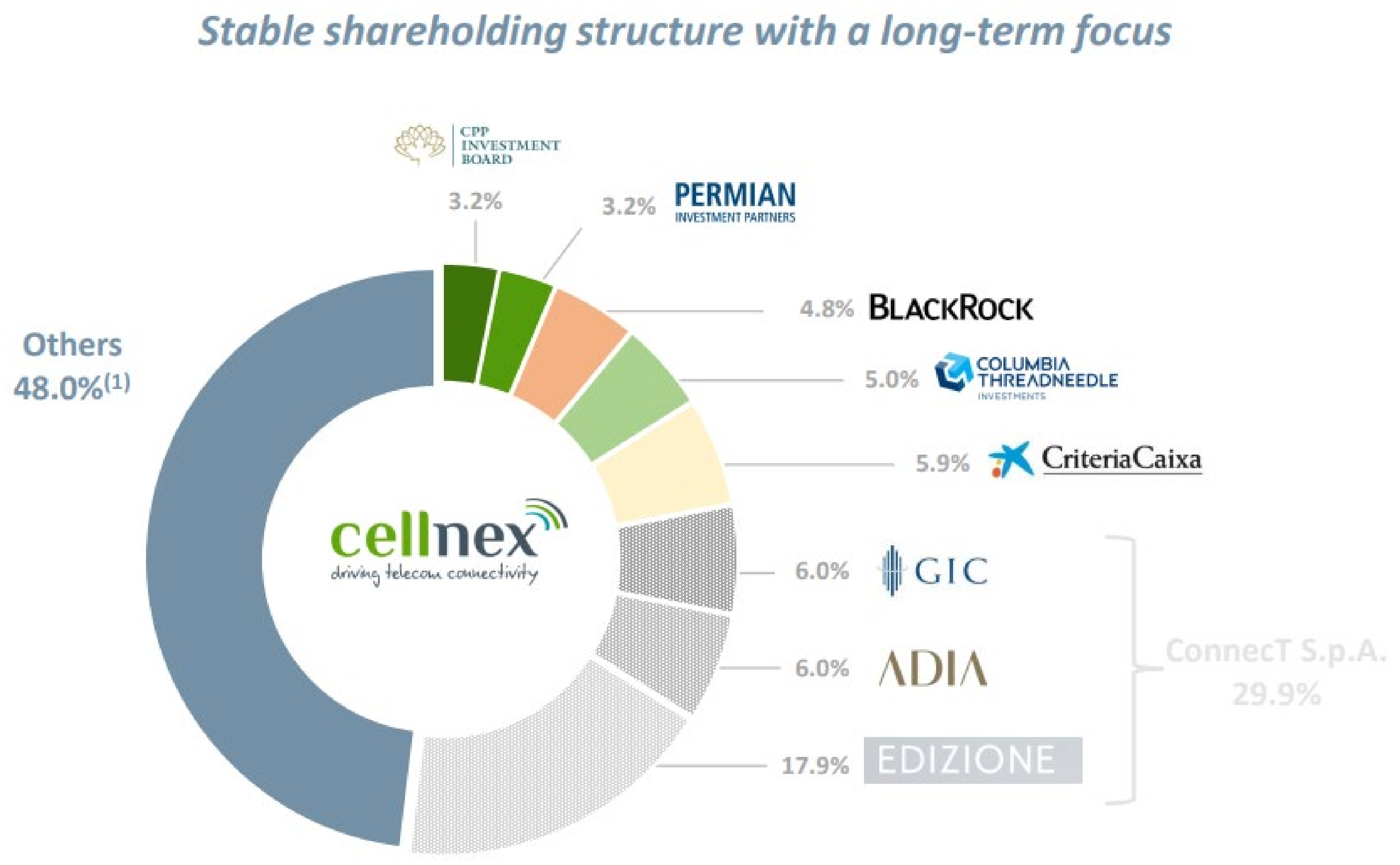
(1) Excludes DAS nodes and sites managed but not owned
(2) Represents potential run rate metrics on the assumption that all sites that may, subject to certain conditions, to be transferred or built under our M&A contracts are actually transferred to or built by us, as applicable, by each relevant date. Run rate EBITDA and other run rate adjustments are based on management's estimates and are subject to assumptions that could cause actual adjusted EBITDA and other adjustments to differ from those reflected in this forward looking metric. Please note this figure does not consider further potential organic growth component from the initial base perimeter (2018 = €16Mn)
(3) Assumes that all sites to be transferred or built under our M&A contracts are actually transferred to or built by us, as applicable, by each relevant date

Secular Growth Drivers

- **Mobile data traffic growth** - Cisco estimates that European mobile data traffic will grow at a 47% compound growth rate between 2016 and 2021.
- **Population coverage** – Mobile network operators are expected to achieve minimum population coverage as part of recent spectrum auctions, and this will drive strong demand for infrastructure.
- **Outsourcing** – There is an increasing trend across Europe of mobile network operators outsourcing infrastructure assets to carrier neutral third-party operators such as Cellnex. As mentioned earlier, only 15% of European towers are independently owned by passive operators (carrier neutral) compared with 80% in the US.
- **5G:** Regulators, Governments and MNOs globally recognise 5G as the key next step of mobile network evolution. While the specific industrial standard of 5G networks is currently being developed, it is clear that 5G will trigger the deployment of Macro and Small Cells due to expected densification requirements. Such deployment will entail heavy investments for operators, placing them in a position to reconsider their traditional rollout strategy. Carrier neutral tower operators such as Cellnex will take advantage of the situation, promoting new sharing agreements and extending existing ones.
- **Small Cell and DAS (Distributed Antenna Systems):** Traffic is expected to outgrow the available capacity of current network infrastructures creating an increasing need for new technologies such as Small Cells and DAS in order to further densify MNOs' networks. In order to offer higher traffic speeds, solutions combining Macro cells and Small Cells/DAS.
- **Fiber optic:** The adoption of 5G standards and the forecasted growth in IoT will also increase the need of fiber optics to connect the infrastructures and edge computing systems. The increase in data traffic will also drive the need for more and better long haul backhaul.

Aligned with True Long-Term Shareholders

EGI's investment in Cellnex is aligned with other long-term holders who also took up full rights associated with the raising. Edizione is a holding company for the Benetton family who recently included GIC and Abu Dhabi Investment Authority in its ConnecT S.p.A holding company.



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