Ellerston Capital

Ellerston Overlay Australian Share Fund (OASF)

Performance Report | May 19

PERFORMANCE SUMMARY

Gross %	1 Month	3 Months	FYTD	1 Year	3 Years p.a.	5 Years p.a.	Strategy Since Inception p.a.
OASF	-5.40	-2.67	-7.58	-7.87	4.83	5.79	9.68
Benchmark	1.71	4.88	7.57	11.08	10.60	7.74	11.02

Past performance is not a reliable indicator of future performance.

MARKET COMMENTARY

Market Overview

Global markets were mostly in the red in May, with the Australian equity market bucking the trend to end the month in the black, as Australian stocks rallied in response to the surprise re-election of the Coalition government. Both Developed Markets and Emerging Markets were materially lower. Global markets turned south after the trade war between the US and China flared up again as negotiations fell apart and weaker global manufacturing PMIs pointed to a disappointing global economic outlook. Correspondingly, global bonds rallied hard with US 10-year bond yields closing the month at 2.12%

USA

The S&P 500 Index and the Dow Jones Industrial Average Index were sharply lower in May, returning -6.4% and -6.3% respectively. The NASDAQ had an even worse month, down 7.8%.

The US president announced in early May, that he was raising tariffs on $200 billion of Chinese goods from 10% to 25%, as trade negotiations deteriorated. Energy and technology stocks were the worst hit. To make matters worse, towards the end of May, President Trump then announced a surprise 5% tariff on Mexico to try and force Mexico to stop illegal migration into the US. Equity markets took fright and were sold off accordingly.

Europe

European equities were also in negative territory with the Euro Stoxx 50 falling 5.5% in the period. Brexit chaos in the UK continued, with the Prime Minister, Theresa May, announcing her resignation after her Brexit deal found no support (again) in Parliament. But weaker activity indicators across Europe and concerns over global trade drove markets lower, with auto and parts stocks and banks underperforming the most.

Germany's DAX, the standout outperformer in April, reversed sharply to be down 5.0%, while the UK's FTSE 100 returned -2.9% and France's CAC 40 returned -5.3%.

Asia

Asian equities were not immune to the global sell-off. The resurgent trade war, the ban on Huawei and the impact on related stocks in the region, and weaker than expected economic data all hurt investor sentiment. In China, the manufacturing PMI in May slumped to 49.4 (previous: 50.1).

The major markets, where the related economies would be most negatively impacted by sluggish global growth and a trade war, were substantially weaker. The Hang Seng Index was down 8.4%, Japan's Nikkei 225 was down 7.4%, Korea's KOPSI Composite Index was down 7.3% and the Chinese SEE Total Market Index was down 6.5%.

Investment Objective

The Investment objective for the Ellerston Overlay ASF is to outperform the S&P/ASX 200 Accumulation Index (Benchmark).

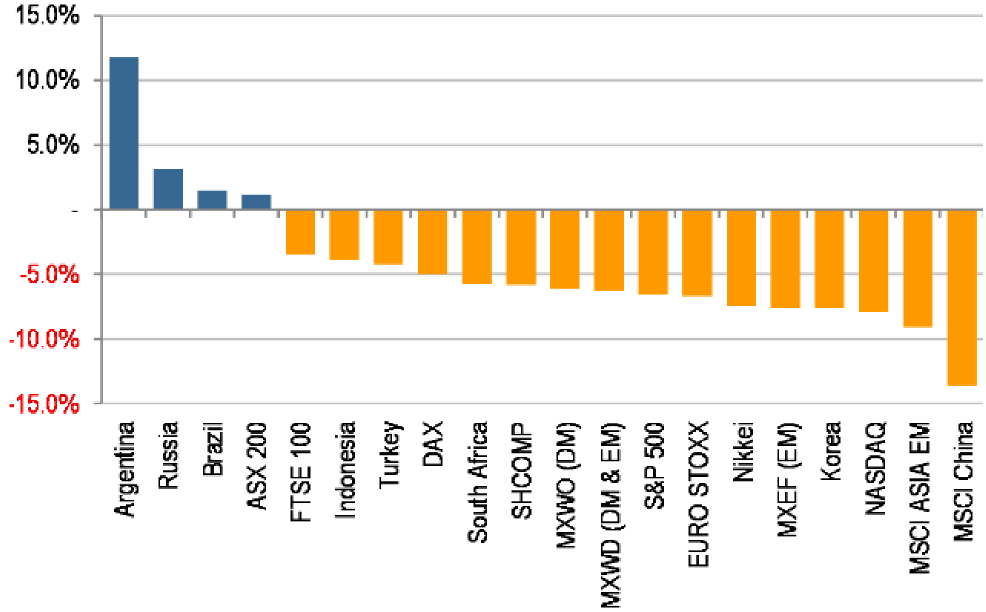
Investment Strategy

The Fund uses a benchmark-independent, high conviction approach that looks beyond investing in the Top 20 Australian equity stocks in order to capture the neglected opportunities and uses derivatives to enhance income

Key Information

Strategy Inception Date	4 January 2012
Fund Net Asset Value	$1.0402
Liquidity	Weekly
Application Price	$1.0428
Redemption Price	$1.0376
No Stocks	19
Management Fee	0.90%
Buy/Sell Spread	0.25%
Performance Fee	15%
Firm AUM	Over $5 Billion

Global Equity Markets' Performance in May 2019

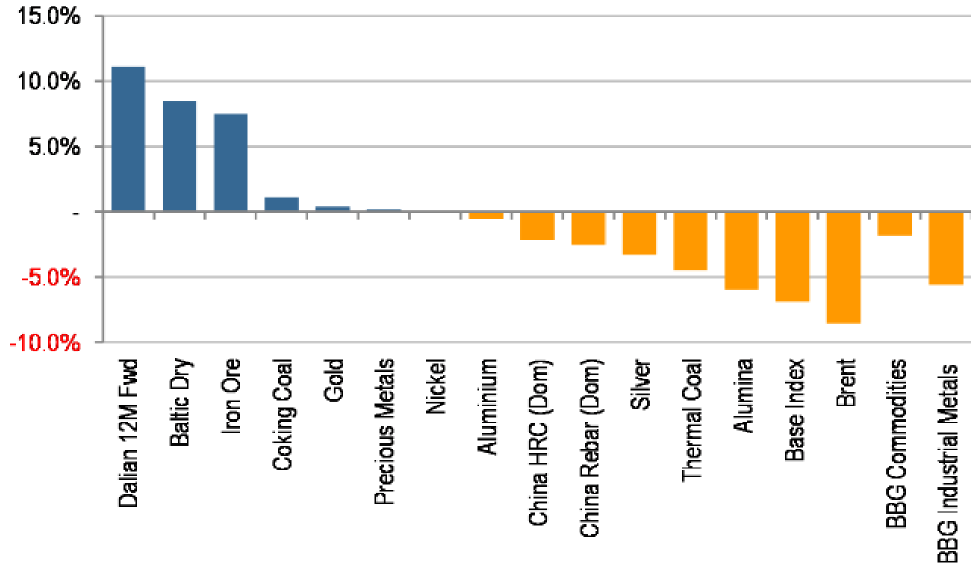


Source: JP Morgan, Bloomberg.

Commodities

Bulk commodities were mixed, with iron ore the standout performer, gaining 7.5% in May on ongoing supply issues in Brazil to end the month at US$102/t. However, both thermal and hard coking coal gave up ground. Fears that global growth was slowing also impacted brent oil prices which fell 8.6% to US$64.49/bbl. This fear was also reflected in the prices of base metals, with copper falling sharply in the period. Copper is now down for three consecutive months and has returned -2.4% year-to-date.

Commodity Performance in May 2019



Source: JP Morgan, Bloomberg.

Bonds

Renewed trade tensions and general "risk off" sentiment saw investor flows seek the safety of bonds and move away from riskier equities. In the US, the 10-year bond yields fell 38 basis points to 2.12%, taking the cumulative fall in yields to 56 basis points year-to-date. In Australia, the expectation of a post-election rate cuts by the RBA saw Australian 10-year bond yields drop below 1.5% to end the month at 1.46%, down 33 basis points in the month. 10-year Australian bond yields are now 66 basis points below 10-year US bond yields!

Australia

The **S&P/ASX 200 Accumulation Index ended the month up 1.7%**. The best performing sectors were Financials (+2.6%, for the second consecutive month), Materials (+3.2%), Health Care (+3.3%) and Communications (+7.3%). The bottom three sectors were Consumer Staples (-4.2%), Energy (-3.8%) and Information Technology (-4.0%).

In May, the Small Ordinaries Accumulation Index was the worst performer, down -1.3% while the ASX 200 Industrial Accumulation Index was the best performer, up 1.8%. The ASX 200 Resources Accumulation Index returned 1.4%.

The top five stocks that detracted from the performance of the S&P/ASX 200 Accumulation Index were Macquarie Group (-21 points), QBE Insurance Group (-10 points), Bluescope Steel (-9 points), Treasury Wine Estates (-9 points) and AGL Energy (-6 points).

Among the top five stocks that added to the positive index return were three of the major banks (again), namely, Commonwealth Bank of Australia (+40 points), National Australia Bank (+31 points) and Australia and New Zealand Banking Group (+25 points), with Telstra Corporation (+19 points) and CSL (+19 points) also contributing.

The surprise re-election of the Coalition government boosted the market as banks rallied strongly (up 5.3% for the month). The main implication of the election result being no changes to negative gearing, capital gains tax and franking credit rebates. As is noted above, the major banks were among the most significant contributors to the index's outperformance as investors concluded that Labor's loss reduced the tail risk to banks, especially credit growth, as changes to negative gearing were off the table. Also, banks' dividends remained attractive to the cohort of investors and particularly retirees who benefitted from franking credit rebates.

The AUD was weaker as a cut in interest rates was increasingly priced into expectations. The AUDUSD ended the month at 0.69.

COMPANY SPECIFIC NEWS

The Market Misses

Costa Group Holdings (CGC -30.3%)

CGC had its second profit warning this year which significantly damaged management credibility. After confirming NPAT guidance for CY19 of 'at least 30%' just last month, the company now expects growth of around 9%. Production problems across the globe impacting berry and citrus production were blamed for the downgrade. The speed of the deterioration is as troubling as the scale.

Reliance Worldwide Corp (RWC -24.8%)

RWC downgraded FY19 earnings by ~9% at the bottom line as its global operations suffered across all geographies. Destocking in the US, a weak housing market in Australia and intense competition in Europe were all cited as headwinds. With the stock trading on a PER of ~20, it was ripe for a significant de-rating.

Nufarm (NUF -22.1%)

In the face of adverse weather conditions putting a continued strain on short term earnings and its balance sheet, NUF was further battered by concerns surrounding the safety of glyphosate, which the company does not manufacture, but in fact purchases the active ingredient to formulate. High profile court cases in the US against global manufacturer Monsanto, reverberated around the industry despite global regulatory support, including the EPA in the US, suggesting it is safe for use based on science-based studies.

Bluescope Steel (BSL -21.6%)

With the trade war between the US and China firmly back on the agenda, it was a tough month for steel producers globally. Those concerns were exacerbated by the US rolling back on section 232 tariffs currently being imposed on Canadian and Mexican steel imports.

Link Administration Holdings (LNK -21.5%)

LNK shocked the market with a profit warning on the last day of the month. The company guided for NPATA to be approximately $195 - 205 million, or about 15% below consensus expectations. LNK blamed Brexit uncertainty impacting LAS and higher costs in Australia (from increased activity as a result of changes to Protecting Your Super legislation hurting sooner than expected). This was the second disappointment in 12 months and management's credibility is seriously damaged.

Mayne Pharma Group (MYX -20.7%)

Another trading update and yet another large earnings downgrade for Mayne Pharma. Profit margins on two of its key generic drugs are under massive pressure from new competition. US drug manufacturers remain in the crosshairs of regulators, as they look for ways to reduce the spiralling cost of healthcare in that country.

Bellamy's Australia (BAL -20.6%)

BAL came under significant pressure during the month as industry data showed infant milk formula sales slowed to just 4% growth and volumes fell. Chinese births fell rapidly in 2018, down 12%, which is likely to impact demand and potentially pricing.

The Market Hits

Lynas Corporation (LYC +54.0%)

LYC was bolstered by two pieces of good news throughout the month. Firstly LYC announced it had signed an MOU for a JV with Blue Line (a Texas Corporation) to develop Rare Earths separation capacity in the US. This was enhanced when speculation arose that China would restrict rare earth exports to the US as part of the trade war threats. The positive news kept coming, with Malaysia indicating it would allow the company to keep manufacturing in Kuantan.

Fortescue Metals Group (FMG +20.6%)

FMG had another very strong month driven by the surprise declaration of a fully franked dividend of A$0.60 per share (announced on 14 May and ex-dividend on 22 May) and also higher iron ore prices. Iron ore continued its climb, propelled by supply interruptions in both Brazil and Australia, ending the month at US$102/t, up 7.5%. Higher prices have led to earnings upgrades and speculation of a further lift to dividends when it reports in August 2019.

Automotive Holdings Group (AHG +22.1%)

AHG jumped as AP Eagers (APE) sweetened its takeover offer for the company by ~5%. The improved offer of 1 APE share for every 3.6 AHG shares was enough for the AHG Board to unanimously recommend the proposal and it appears just a matter of time before the takeover is concluded.

Domain Holdings Group (DHG +21.9%)

Sentiment towards the Australian housing market has improved post the election and when coupled with the prospect of interest rate cuts, this taken DHG's share price with it. No change in negative gearing rules and smaller interest rate buffers for new borrowers may stabilise Australian house prices, where a correction started in mid-2017.

Evolution Mining/Northern Star Resources (EVN +21.3%/ NST+18.6%)

The on again, off again trade war between China and the US was back on with a vengeance during May. Gold as is normally the case with heightened geo-political risk, became the safe-haven and the gold producers ran with the precious commodity.

NIB Holdings (NHF +19.1%)

The Labor opposition failed to win the last Federal election. And as such, its proposed policy of capping health insurance premiums at 2% per annum for two years was no longer on the agenda. This saw investor sentiment turn positive towards the listed health insurers and NHF bid up aggressively, leading to a substantial re-rating.

ELLERSTON CAPITAL

FUND PERFORMANCE

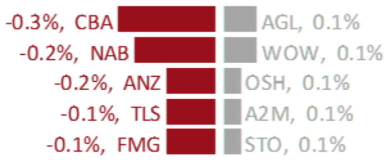
In what was one of the most challenging months in our history, the Fund delivered a very disappointing return of -5.40% in the month of May, significantly underperforming the benchmark return of +1.71% by -7.11%.

Returns[1] (%)	Gross	Benchmark	Excess	Net
1 Month	-5.40	1.71	-7.11	-5.49
3 Months	-2.67	4.88	-7.55	-2.94
FYTD	-7.58	7.57	-15.15	-8.47
Rolling 12 Months	-7.87	11.08	-18.95	-8.65
3 Years (p.a.)	4.83	10.60	-5.77	3.96
5 Years (p.a.)	5.79	7.74	-1.95	4.83
Since Inception* (p.a.)	9.68	11.02	-1.34	8.59
Since Inception* (cum)	98.45	117.13	-18.68	84.20

Source: Ellerston Capital Limited

Securities Held

Securities Not Held



Source: Ellerston Capital Limited

The main detractors from performance were overweight positions in Nufarm (NUF -22.1%, facing adverse weather conditions and negative sentiment towards Monsanto's glyphosate litigation), Graincorp (GNC -14.2%, as Long Term Asset Partners withdrew their $10.42 takeover proposal), Bluescope Steel (BSL -21.6%, as steel spreads contracted), Treasury Wine Estates (TWE -12.5%) and Janus Henderson (JHG -4.9%).

Having a zero holding in Commonwealth Bank (CBA +5.3%), National Australia Bank (NAB +8.1%), ANZ Bank (ANZ +5.6%), Telstra (TLS +8.0%) and Fortescue Metals (FMG +20.6 %) also acted as a drag on the Fund's relative performance.

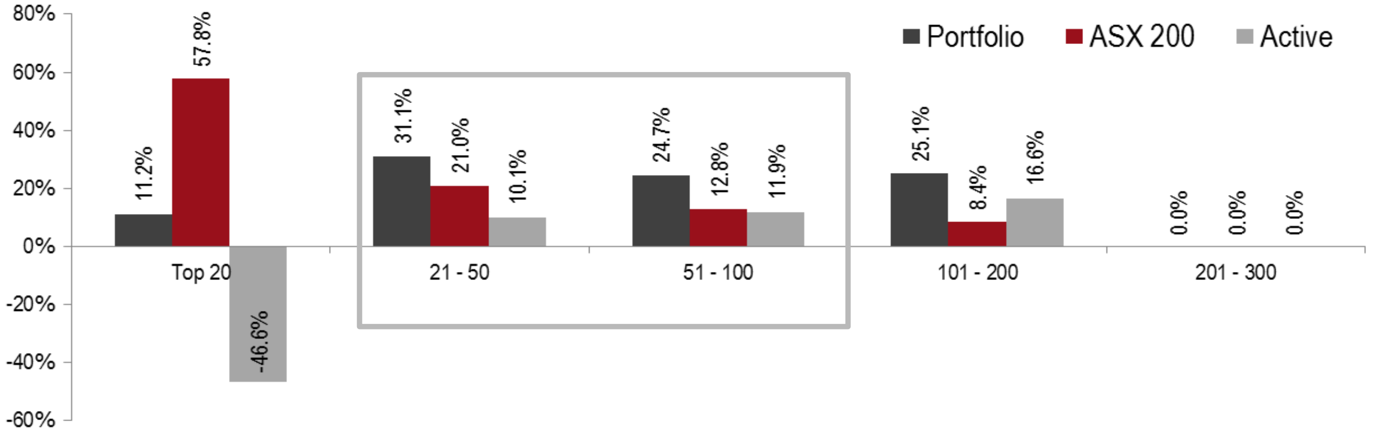
The main positive contributors to this month's performance which were not even close enough to offset the considerable weight of the detractors, were overweight positions in Aristocrat Leisure (ALL +12.5%), JB Hi-Fi (JBH +9.1%), Orica (ORI +12.3%), Flight Centre (FLT +13.5%) and Ooh Media (OML +12.2%).

Having zero holdings in AGL Energy (AGL -7.6%), Woolworths (WOW -1.5%), Oil Search (OSH -9.4%), A2 Milk (A2M -8.0%) and Santos (STO -6.3%) also contributed positively.

[1] Returns are calculated using the Fund's redemption price and are net of fees and expenses. Returns are also calculated on the basis that distributions are reinvested. Returns of the Fund may include audited and un-audited results.
The benchmark was changed to the S&P/ASX200 Accumulation Index on 4 January 2012. Past performance is not a reliable indicator of future performance.
*Since Inception is 4 January 2012.
Source: Ellerston Capital Limited

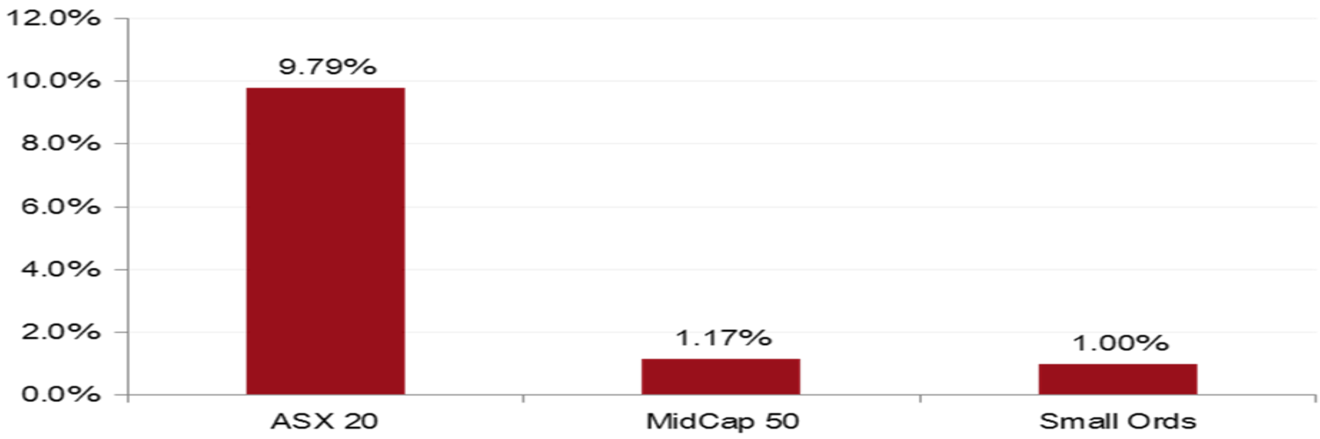
The Fund's past 12 months performance has been very disappointing. In the financial year-to-date (to end of May 2019), there have been some clear stock specific factors that have accounted for the underperformance, coupled with non-stock specific factors like momentum, size and dividend yield.

Size as a negative factor is worth highlighting given its large contribution to the underperformance. Market conditions have not suited our selectively contrarian and more valuation driven approach. As is well understood, we are not 'index huggers' and run a highly concentrated portfolio. We maintain a high 'active share', with a strong mid-cap bias and a significant underweight to the Top 20. We currently own only two of the Top 20 stocks which we find attractive (Woodside Petroleum and Macquarie Group). See chart below showing current portfolio weights relative to the index:



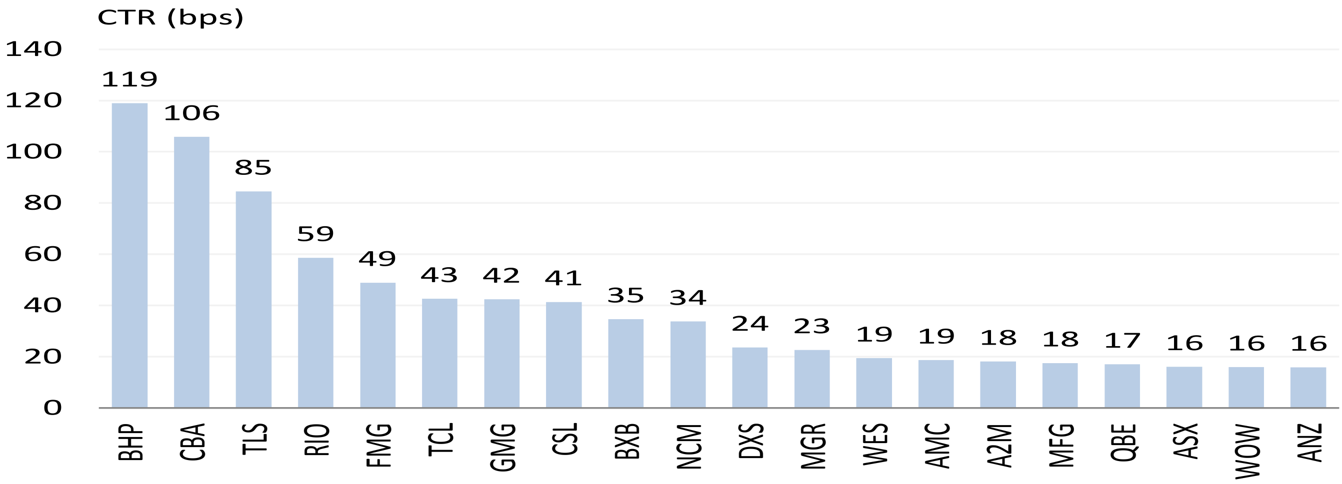
Source: Ellerston Capital Limited.

We are clearly underweight the Top 20 stocks, but in the financial year-to-date (to the end of May 2019), **large-cap stocks have returned +9.7%, significantly outperforming small and mid-cap stocks**.



Source: RIMES, Morgan Stanley Research, May 2019.

The chart below disaggregates the Top 20 stock contributors to share market performance in terms of total return for the financial year-to-date (to end May 2019). **Large-cap stocks have driven the market return and this has hurt performance**.



Source: Bloomberg, Morgan Stanley Research, May 2019.

FUND ACTIVITY

In May, we strengthened some of our core positions (Orica, Bluescope Steel and Macquarie Group) and took some profits in stocks have performed strongly recently and have bounced sharply off their recent lows (Aristocrat Leisure, Treasury Wine Estates and oOH! Media). We also further reduced our position in Treasury Wine Estates but retain a significant holding in the company as we remain attracted to its solid earnings growth profile.

NEW STOCKS ADDED	STOCKS EXITED
	• Challenger

POSITIONS INCREASED	POSITIONS DECREASED
• Orica	• Treasury Wine Estates
• BlueScope Steel	• Aristocrat Leisure
• Macquarie Group	• oOh! Media

Challenger Limited (CGF)

We exited the Fund's position in CGF during the month. While the long-term dynamic of an ageing population needing to have appropriate retirement savings options remains intact, we are increasingly concerned that a low interest rate environment (where rates have fallen to levels unforeseen 9 months ago) will continue to be detrimental to the CGF investment case.

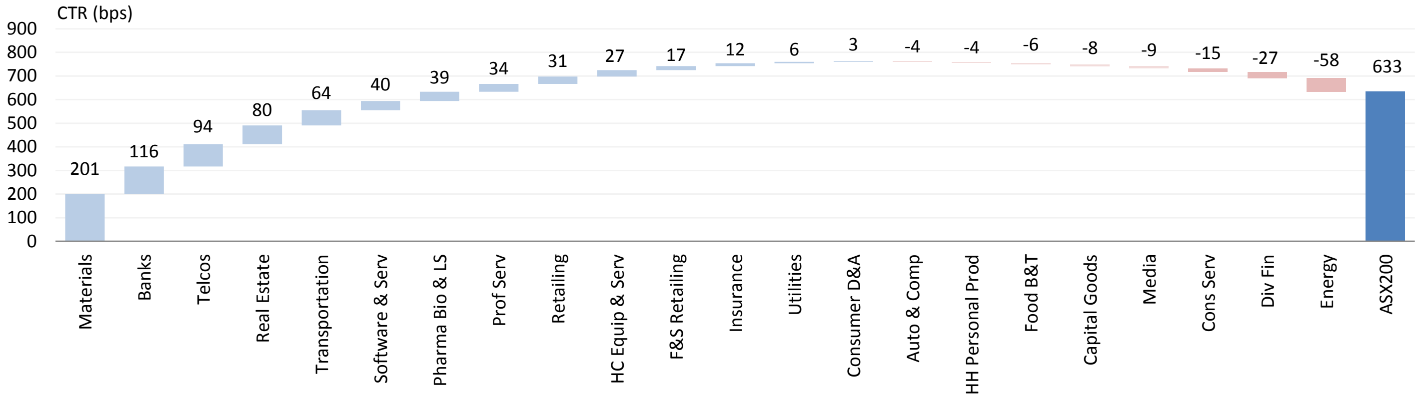
As interest rates grind lower and remain low for an extended period of time, CGF could be at risk of missing its already lowered guidance for normalised profit before tax, or might need to lower its stated pre-tax ROE target of 18%. The group's pre-tax ROE has already fallen below the 18% target. The interest rate that CGF pays on its three and five year annuities has reduced materially and this might fall further with lower interest rates, putting at risk future sales of annuities. CGF is holding an investor day in mid-June and it is possible that the group might need to reset some of its normalised investment assumptions and pre-tax ROE target to better reflect the group's (lower risk) asset allocation and a lower return investment environment. This remains a risk for the stock.

In the shorter-term, these risks outweigh any longer-term reward and we thought the right course of action was to exit the position.

FUND STRATEGY AND OUTLOOK

We remain committed to our strategy. We are focused on identifying mispriced stocks where earnings growth in underappreciated. In this context, the performance of the market this financial year-to-date attributed to the market's sub-sectors provides an instructive picture. See the chart below:

Total return for the ASX 200 – industry contribution to performance, financial year-to-date



Source: Bloomberg, Morgan Stanley Research.

The top two sectors contributing to the ASX 200's total return in the financial year-to-date are Materials and Banks. As we've highlighted before and again in the charts that follow, the only sector with earnings upgrades actually making a difference to the very modest earnings per share (EPS) growth forecasts for the market in FY19 is the Materials sector. These upgrades have been mainly driven by higher commodity prices and iron ore in particular. The sharp rise in the iron price this year has been mostly attributed to the perfect storm of supply interruptions in Brazil and Australia. It is our view currently, that the substantial price rise in iron ore is unlikely to be sustained, especially if demand is weaker and if slowing global growth fears are realised. We are underweight the major mining stocks.

The banks have very modest EPS growth on average forecast for the next few years. But the surprise re-election of the Coalition government provided a positive sentiment boost to bank stocks and saw them re-rated substantially. In fact, CBA is now trading on a FY19 P/E ratio of almost 16x - despite negative EPS growth and falling returns and FY20 P/E of almost 15x, with modest EPS growth. The risks that the banks faced from Labor's policies proposed prior to the last election - changes to negative gearing, capital gains tax and franking credit rebates - no longer exist. But the fundamentals that drive credit growth and earnings remain under pressure: the consumer is still very indebted, the economy faces growth pressures, net interest margins are falling, capital requirements are still likely to increase and returns are still flat to declining. The major risk to our view on the banks is a strong pickup in credit growth and no further deterioration in bad debts. The government and the regulators are likely to do all they can to stimulate credit, but it is currently far too early to conclude if those efforts will be successful. We do however acknowledge a more positive shift in sentiment towards the banks but fail to see compelling value at current levels given the recent re-rating, our more cautious view on credit growth and global growth risks remaining on the radar.

We reiterate our concerns on the sustainability of earnings. Following the surprise rally in our market against the backdrop of an aggressive sell-off in global equities last month, valuations have squeezed higher, despite a subdued earnings growth profile. Forward consensus multiples are now **15.5x for the broader ASX 200 Index** and **21.7x for the Industrials ex-Financials and may be justified in a historically low interest rate environment. The conundrum facing all investors of course, is: what is the correct discount rate to input?**

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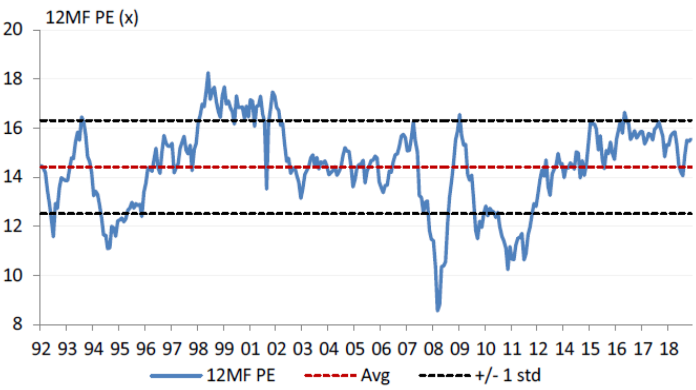
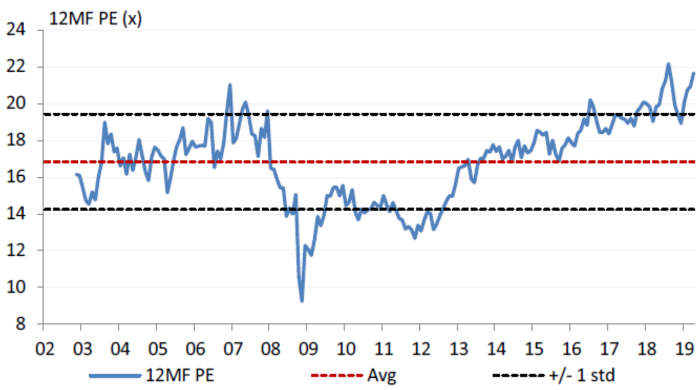
ASX 200 PE: 15.5x



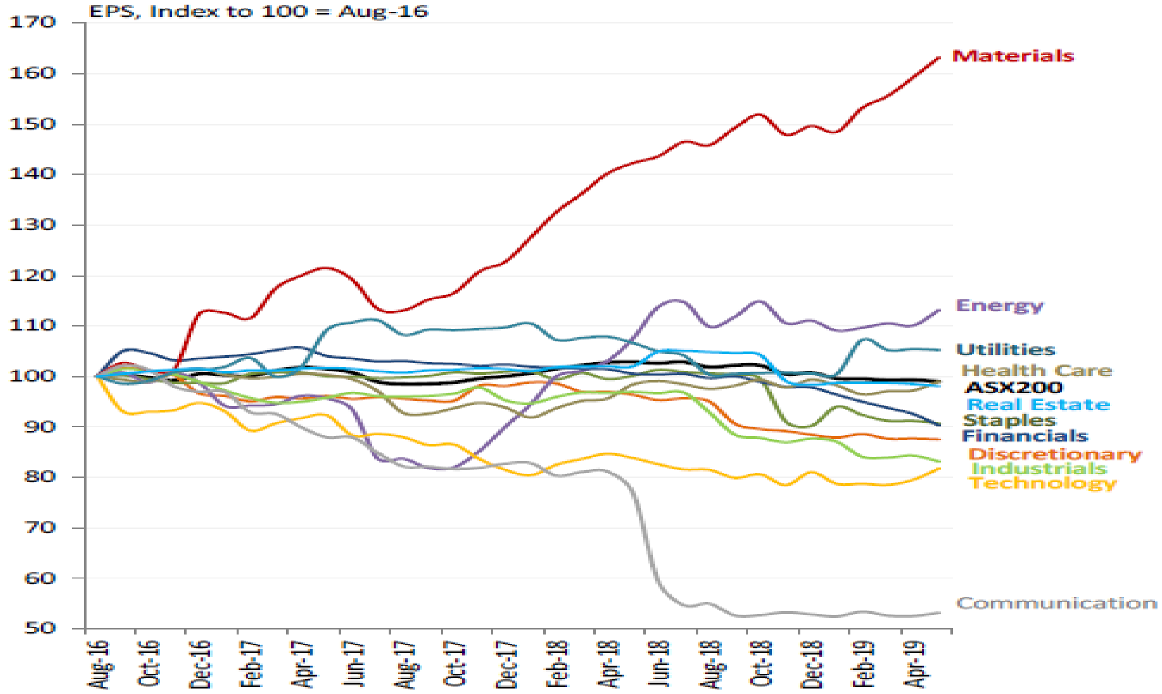
ASX 200 Industrials ex-Financials: 21.7x



Source: RIMES, IBES, Morgan Stanley Research.

The Industrials ex-financials valuations are now trading at previous highs. This re-rating remains hard to justify without the commensurate earnings growth to match. It is clear that most of the EPS revisions have been from the Materials sector, with other sectors lagging!

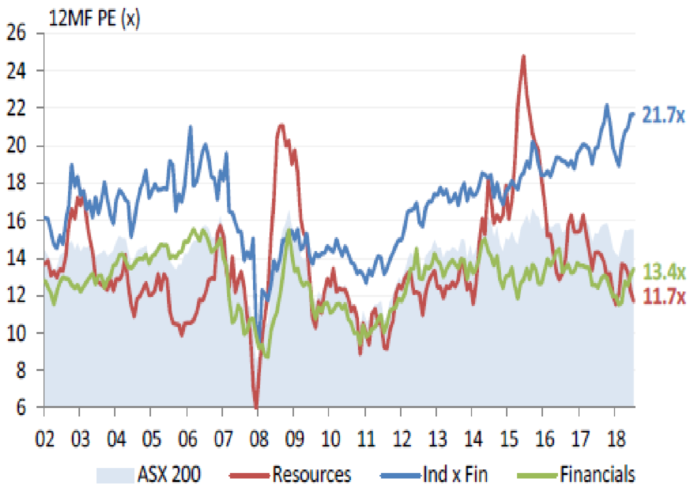
FY19 consensus EPS revision trends by sector



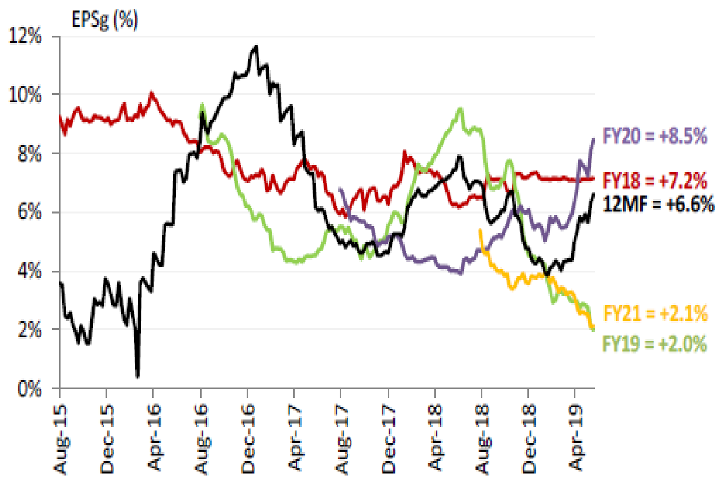
Source: RIMES, Morgan Stanley Research.

Again, the uptick in EPS expectations for FY20 (relative to March and April) has been narrowly driven by the Materials sector. Aggregate consensus EPS growth for FY19 has moved down even further, and is now sitting at +2.0%, making the market rating hard to justify.

ASX 200 PE



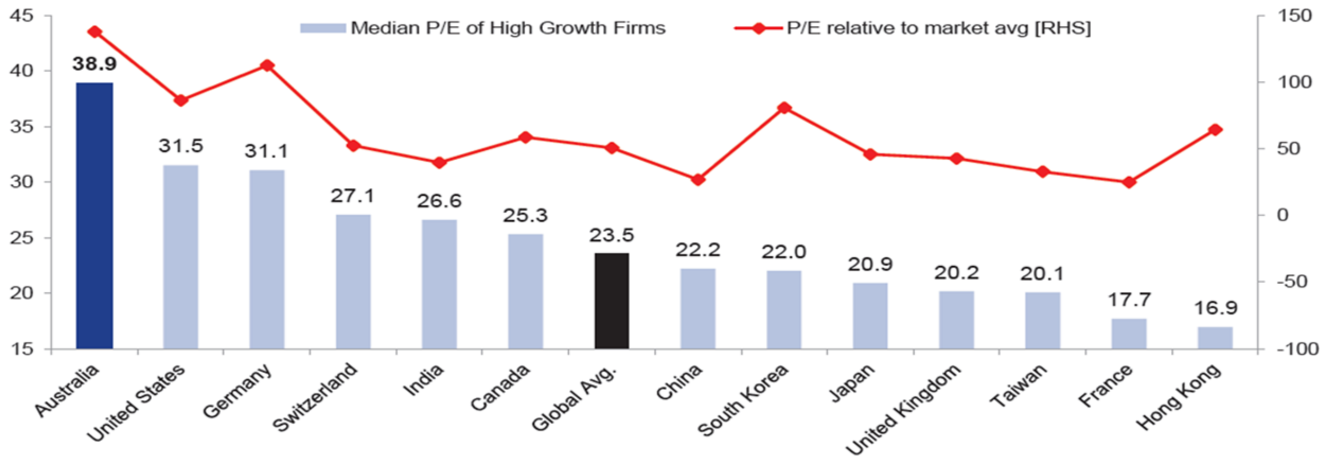
EPS expectations revised down again – FY19 at only +2.0%



Source: RIMES, Morgan Stanley Research.

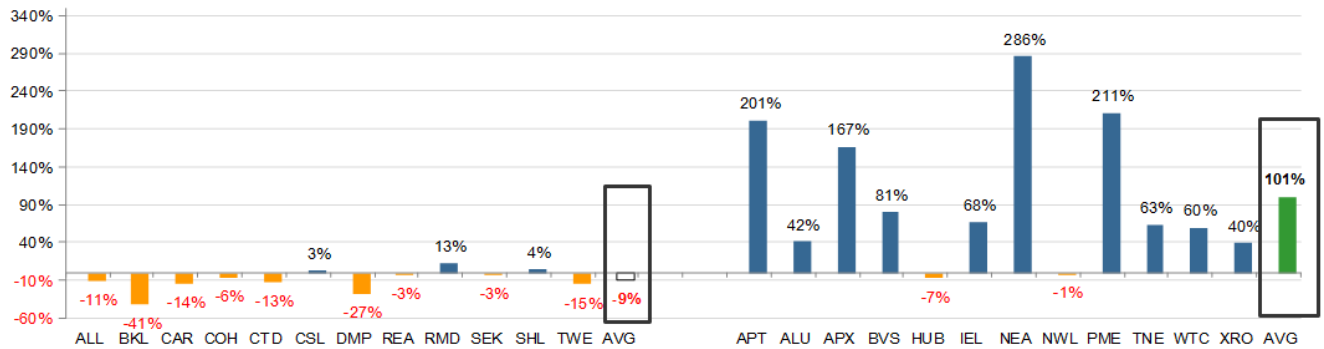
As is evident, there is only modest earnings growth expected going forward for the market as a whole. But 'high growth' stocks in Australia screen as significantly more expensive than in other markets. Globally, 22% of firms are expected to deliver over 20% EPS growth over the next two forecast years. **Within this universe of 'high growth' firms, the ASX-listed names have returned an average of +62% over the past 12 months, pushing their forward P/E to almost 39x.** This P/E of 39x is now over 65% above the global average P/E of 23.5x for 'high growth' stocks, and 25% above the second most expensive market for growth, the US, which is trading on a P/E of 31.5x.

12-month forward P/E of stocks forecast to grown EPS by over 20% per annum over FY1 to FY3



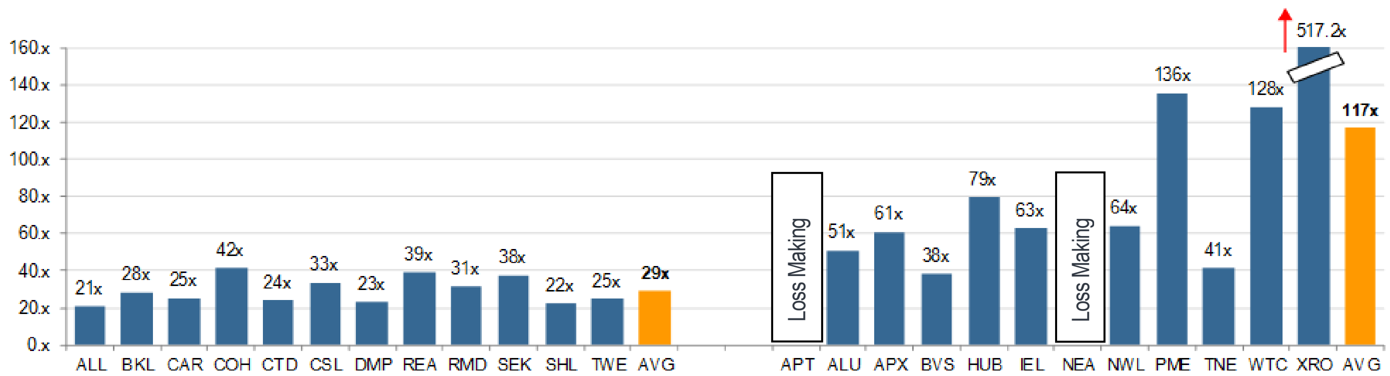
Source: Goldman Sachs Global Investment Research, Bloomberg

What has happened? The past 12 to 18 months has seen a 'changing of the guard'. Australia's traditional high quality, high growth, high P/E stocks have underperformed the ASX 300 by 9% over the past 12 months, while a new group of 'hyper-P/E' tech stocks have attracted considerable attention plus capital flows to capture the performance high ground (delivering +101% relative to the ASX 300).



Source: J.P. Morgan, May 2019

A vast gulf has opened up in valuations on all key metrics between the surging hyper-P/E stocks and the merely high-P/E stocks, with hyper-P/E stocks trading on 117.1x and on an average EV/Sales of 13x.



Source: J.P. Morgan, May 2019

It is worth restating our segmented portfolio positioning:

1. **Quality franchises with defensive characteristics**: solid companies with strong or leading market positions, credible management teams and good balance sheets – **Macquarie Bank, Computershare, Treasury Wine Estates and Aristocrat Leisure.**
2. **Businesses that are cyclical or seasonal in nature but facing certain headwinds**: companies with strong market positions and strategic assets but very sensitive to economic conditions, seasonality and the weather – **Graincorp, Nufarm, JB Hi-Fi, Downer EDI, Star Entertainment, Flight Centre and oOh! Media**.
3. **Turnarounds**: solid businesses that have historically generated poor returns, been badly managed, under-earned versus their potential, are in transition, and where we believe earnings and returns will improve over the medium-term – **Orica, QBE, Janus Henderson and Fletcher Building**.
4. **Deep value cyclical and resource stocks**: stocks trading at discounts to NPVs, with growth optionality, where much of the "heavy lifting" has been done – **BlueScope Steel, Woodside Petroleum and Origin Energy**.

We remain **zero weighted the "Big Four Banks"** – a position we've held for some years now.

Investment risks to the market remain, leading central banks to move to a more accommodative stance. The RBA has cut rates by 25 basis points in June and in its statement pointed to risks to growth on the horizon, specifically, it said "downside risks stemming from trade disputes have increased". The trade war between the US and China remains at the forefront of investors' minds. President Trump has opened a new tariff war front, this time with Mexico. Our concerns once again are: the negative effects of a trade war, and slowing global growth including growing fears of a European slow down. Domestically, the risks include the second-order effects of the macro drivers above, along with slowing credit growth, an indebted consumer and fear of a harder economic landing. At least the Federal election is out of the way!

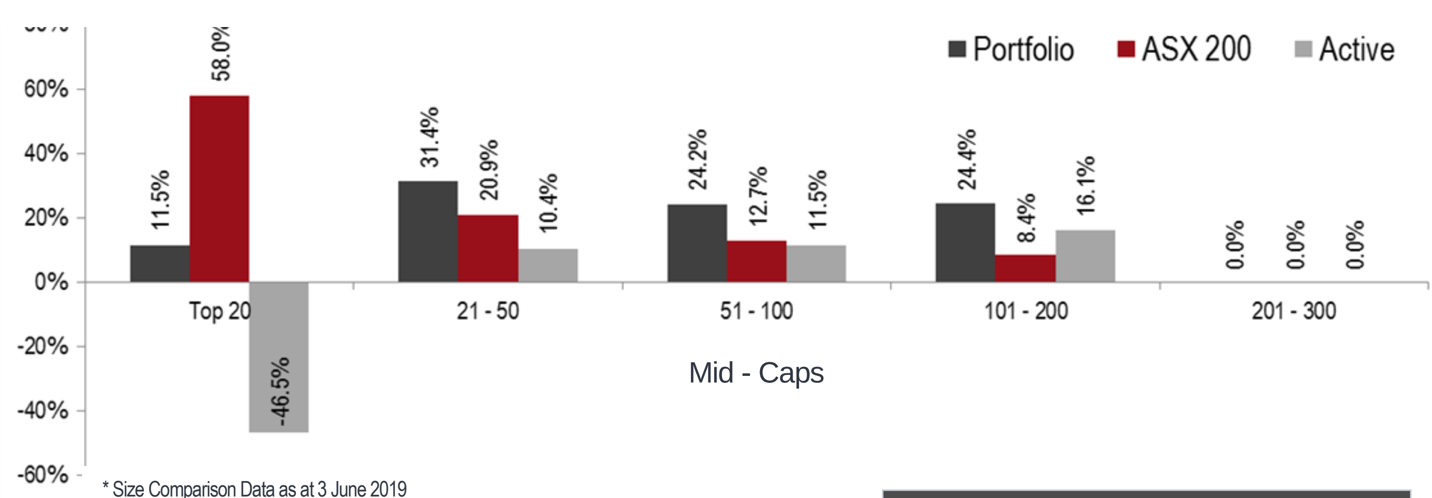
We expect continued volatility in the investment environment in 2019.

Warm Regards,

Chris Kourtis
Portfolio Manager

PORTFOLIO FEATURES

Size comparison Chart vs ASX 200

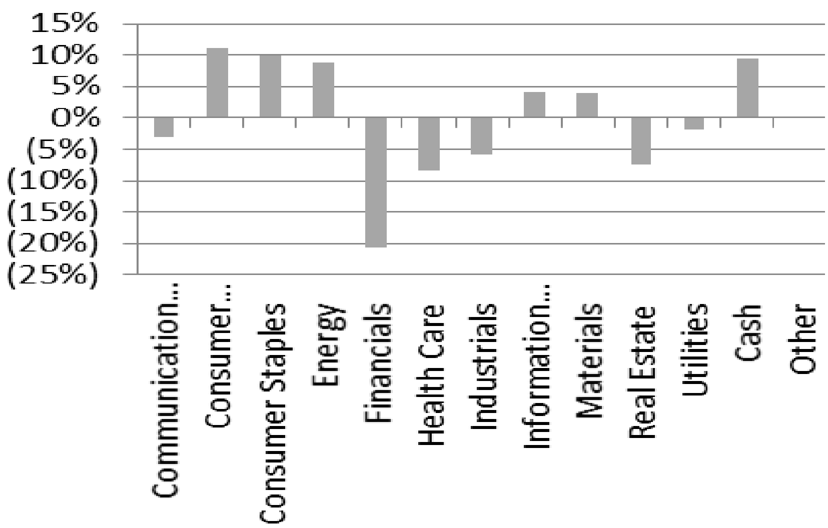


* Size Comparison Data as at 3 June 2019

Source: Bloomberg, Ellerston Capital Limited

TOP 10 HOLDINGS**
ARISTOCRAT LEISURE
BLUESCOPE STEEL
COMPUTERSHARE
FLETCHER BUILDING
GRAINCORP
NUFARM
ORICA
ORIGIN ENERGY
TREASURY WINE ESTATES
WOODSIDE PETROLEUM

Active Sector Exposures*



Source: Ellerston Capital Limited

ASSET CLASS EXPOSURES	
EXPOSURE (% OF NAV)	Net
EQUITY	90.44
LONG OPTION	0.0
SHORT OPTION	(0.80)
EFFECTIVE CASH	10.36
GRAND TOTAL	100%

* Active sector exposures are determined by subtracting fund sector weights from benchmark weights. Positive percentages represent over-weight sector exposures relative to benchmark and negative percentages represent under-weight sector exposures relative to the benchmark.

** Top 10 Holdings are listed in alphabetical order.

ABOUT THE ELLERSTON OVERLAY ASF

The Fund aims to achieve its performance objectives by adopting a fundamental "bottom-up" investment approach to stock selection whilst delivering additional income where possible, through option strategies.

Because of the nature of the strategy, at least 75% of the Fund's exposure is aligned to the portfolio of the Ellerston Australian Share Fund.

The Investment opportunities for the Fund are identified by analysing and understanding the factors affecting (amongst other things): business model, industry structure, management team and overall valuation.

Ellerston Capital typically favours businesses that can sustain high returns or improve their return on capital and looks to invest in businesses with a market value below the value we attribute to them.

Benchmark weightings do not drive our stock decisions; our approach is totally benchmark independent.

FUND FACTS

STRATEGY FUNDS UNDER MANAGEMENT	$211 MILLION
FUNDS UNDER MANAGEMENT –UNIT TRUST	$15 MILLION
APPLICATION PRICE	$1.0428
REDEMPTION PRICE	$1.0376
NUMBER OF STOCKS	19
INCEPTION DATE	4 January 2012

SIGNIFICANT EVENT NOTICE

In other Ellerston news, Chris Hall has been appointed to the position of Chief Investment Officer of Ellerston Capital Limited, reporting to the Executive Chairman, Ashok Jacob. Chris joined Ellerston in September 2018 as Senior Investment Officer. Over his 28 years in investment management, Chris has built a wealth of experience in risk oversight, investment process improvement and business expansion – including Asia – alongside producing an impressive track record of investing in equity markets.

Prior to joining Ellerston, Chris was Managing Director and Senior Portfolio Manager and Co-Head of Research for BlackRock's Alpha strategies Group in Hong Kong, where he was the lead Co-PM on the BlackRock Asia Pacific Equity Income fund, BGF Pacific Equity fund and BGF Asean Leaders fund, as well as being a member of the Management Committee overseeing the Asian Fundamental Equities Team with A$35 billion in assets.

Ashok Jacob remains the Executive Chairman of Ellerston Capital Limited and continues to provide guidance and investment insight to the Ellerston team.

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