

12 July 2019

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

MONTHLY NTA STATEMENT - June 2019

Ellerston Global Investments Limited (**ASX: EGI**) advises the unaudited Net Tangible Asset backing (**NTA**) per share of the Company as at 30 June 2019 is:

NTA per Share	30 June 2019
NTA before tax	\$1.1335
NTA after realised tax *	\$1.1335
NTA after tax ^	\$1.1137

These figures are unaudited and indicative only
The NTA is based on fully paid share capital of 108,749,256.

* 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.

On 27 March 2019, EGI announced a new on-market buy-back of up to 10% of its shares, commencing 16 April 2019 and continuing for twelve months. Since 16 April 2019 a total of 786,817 shares had been bought back.

The company's net performance before tax for the month was 3.92%.



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.au

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Ellerston Global Investments (ASX: EGI)

Investment Update | June 19

PERFORMANCE SUMMARY

	1 Month	3 Months	6 Months	1 Year	3 Year (p.a.)	Since Inception (p.a.)
NET [^]	3.92%	5.88%	15.97%	-0.06%	8.95%	8.52%
BENCHMARK	5.90%	3.62%	16.69%	6.71%	12.02%	8.36%
ALPHA	-1.98%	2.26%	-0.72%	-6.77%	-3.07%	0.16%

[^] Net Return (before tax) and excluding option dilution.

PORTFOLIO UPDATE

The EGI portfolio increased 3.92% net during the month of June. The NTA (before tax) at the end of June was \$1.1335.

June saw global equity markets resume their upward trend as seen throughout 2019, prior to May, driven in part by an increasing easing bias among global central banks. The month concluded with news that US President Trump and Chinese President Xi agreed at the Osaka G20 summit to a "ceasefire" in the trade war and to resume discussions. The MSCI World Index (Local) finished the month of June up 5.90%, as such the MSCI World Index (Local) is now up 16.69% for the first half of calendar year 2019.

Contributors to performance this month included **TKH Group**, **Keysight** and **Ciena**. Detractors from performance included **Entertainment One**, **Nuance** and **DocuSign**.

Following a busy month of company reporting in May, June saw only two portfolio companies' report earnings updates. **Ciena**, as discussed further below, reported particularly strong results. **DocuSign**, whilst reporting strong business-related metrics (+37% YoY revenue growth), saw its stock price fall 12% on the day of results as it failed to raise its full year billings guidance for the first time since IPO'ing in April 2018. We saw minimal justification for the move, given the fundamental operating performance of the business and remain long-term believers in the ecosystem that the expanding DocuSign product set is creating. During the month, we also spent two weeks in the US and Europe meeting with a number of current holdings as well as a range of potential portfolio additions.

TKH Group was the largest contributor to performance in the month as it upgraded its medium-term margin and ROCE targets as part of its "Simplify and Accelerate" Program unveiled at its Capital Markets Day which we attended in Amsterdam in early June. We had the opportunity to spend time with TKH's CEO and CFO as well as divisional heads of each of its divisions. TKH has a long runway of growth ahead with past R&D spending now bearing fruit as innovative new products are being introduced into its growth markets of machine vision, wind power distribution and next generation tyre manufacturing systems.

Ciena reported outstanding Q2 2019 earnings results with both revenue and earnings coming in well ahead of both our and the markets expectations. Ciena also raised its 2019 full year revenue growth guidance from previously "upper end of the 6%-8% range" to 13%-14%, citing broad based demand across all customer segments, geographies and market verticals. Ciena continues to benefit from what it has described in recent quarters as a 'flight to quality' dynamic, where customers are more intently seeking out vendors who focus on innovation and who have the financial strength and sustainability to deliver on product roadmaps over the long-term.

EGI's long held position in **Entertainment One** was a material detractor to monthly performance in June on the back of rumours that ETO's Chief Content Officer for Film & Television, Mark Gordon, was set to leave the company. The market took a 'shoot first, ask questions later' approach however prior to market opening the following day, ETO released a brief statement indicating Mark Gordon will continue to be part of the eOne team now and into the future. Despite impacting June performance, the stock has continued to recover in the early part of July.

Key Facts

Listing Date	October 2014
NTA (before tax)**	\$1.1335
NTA (after realised tax)	\$1.1335
NTA (after tax)	\$1.1137
Share Price at 28/06/19	\$0.93
EGI Market Capitalisation	\$101.1m
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.

MARKET COMMENTARY

Global equity markets rallied strongly in June, delivering their second best monthly gain in a decade, as major central banks signalled an easing bias. Developed Markets rose 6.6% and outperformed Emerging Markets by 0.3% (in US\$ terms). The main geopolitical event at month's end was the G20 summit in Osaka. The summit concluded with news that US President Trump and Chinese President Xi agreed to a "ceasefire" in the trade war between their two countries. Markets which anticipated a conciliatory outcome, have interpreted this as good news and have continued to rally in early July.

The **S&P 500 Index** and the Dow Jones Industrial Average Index were sharply higher in June, returning +7.1% (reaching a record high) and +7.3% respectively. The NASDAQ performed even better, +7.5%, with Uber Technologies raising US\$8.1 billion in its IPO. Key US economic activity indicators for May were mixed: manufacturing ISM missed, falling to 52.1 (consensus: 53.0, previous: 52.8), non-farm payrolls also missed, but composite non-manufacturing ISM beat expectations, rising to 56.9 (consensus: 55.4). An easing bias indicated by the Fed was enough to lift markets.

European equities also delivered positive returns, with the Euro Stoxx 50 rising 6.0% in June, led by the Basic Resources and Chemicals sectors. Leadership confusion continued in the UK post Theresa May's resignation, with Boris Johnson in a strong position to take over as the UK's next prime minister. The Europeans began to publically voice disagreements on who would steer the European Commission, the European Council and the ECB. Uncertain political leadership dovetailed with moderating activity indicators: the flash Eurozone manufacturing PMI for June came in at 47.8, missing consensus expectations of 48.0. But the ECB indicated that it was preparing fresh stimulus measures, buoying equity markets, with the FTSE 100 returning +4.0%, France's CAC 40 returning +6.8%, and Germany's DAX doing +5.7%.

Asian equities also delivered very strong returns in the period. The prospect of additional stimulus – the PBoC announcing further measures to boost the economy and the BoJ altering its bond buying – together with hopes of a resolution to the US-China trade encouraged equity markets. Political tensions and riots in Hong Kong had no impact on the Hang Seng, with the Index rallying by 6.7%, while Japan's Nikkei 225 was up 3.5%, Korea's KOSPI Composite Index was up 4.4% and the Chinese SEE Total Market Index was up 5.6%.

The **S&P/ASX 200 Accumulation Index** ended the month up 3.7%, capping off an impressive 1H return of +19.7%, the best since 1991 and closing within 2% of its all-time high. While business confidence bounced in May after the surprise re-election of the Coalition government, 1Q GDP data showed that the economy grew at a listless 0.4% on the back of weak domestic demand. After holding rates steady for three years, the RBA cut the cash rate to a historic low of 1.25% in June. The RBA claimed that it took the decision to support employment growth and provide confidence that inflation will be consistent with its medium-term target.

Consistent with previous years, instead of providing a quarterly stock overview this month, we encourage you to read the Investment Managers report included the EGI Annual Report to be published in August.

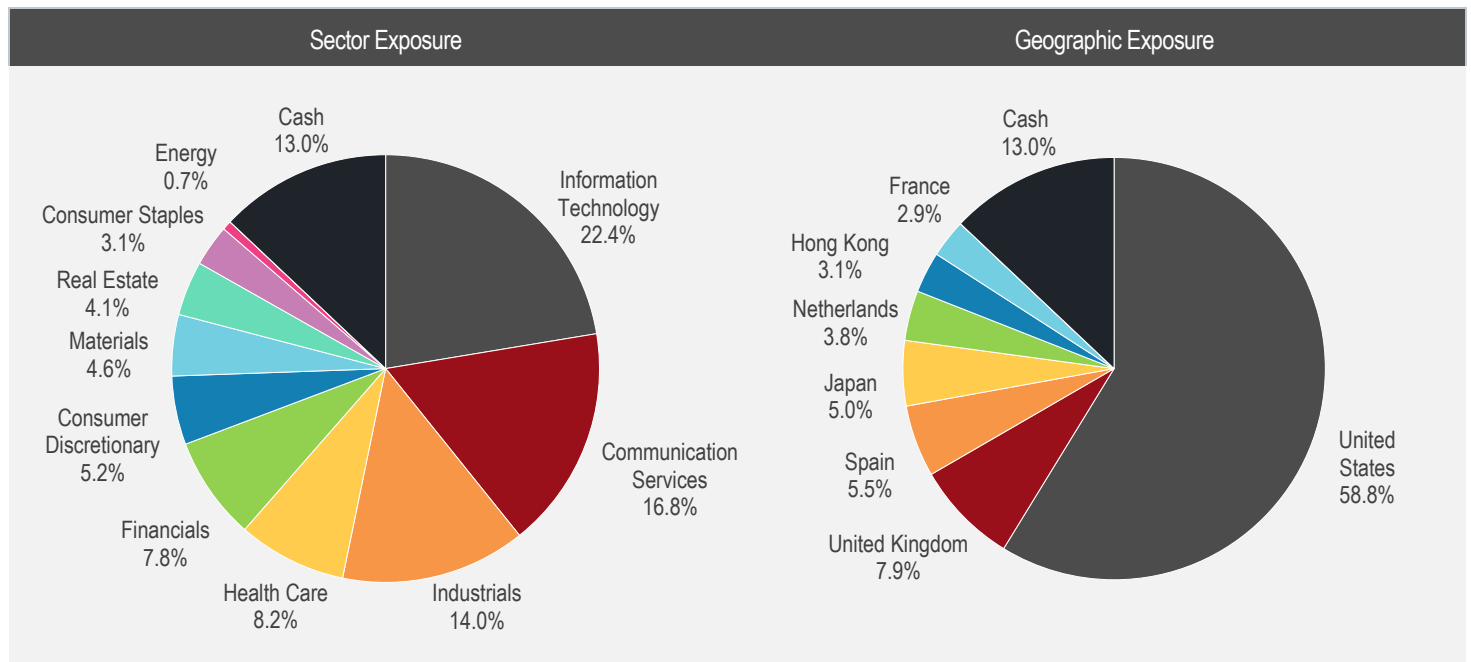
Regards,

Bill Pridham and Arik Star
EGI Co-Portfolio Managers

ELLERSTON GLOBAL INVESTMENTS TOP HOLDINGS

Top 10 holdings	Sector	%
Premier Inc. Class A	Health Care	6.08
Cellnex Telecom SA	Communication Services	5.50
Entertainment One Ltd.	Communication Services	5.20
Graphic Packaging Holding Company	Materials	4.63
WillScot Corporation Class A	Industrials	4.32
Nuance Communications, Inc.	Information Technology	3.83
TKH Group	Industrials	3.83
Ciena Corporation	Information Technology	3.52
Keysight Technologies, Inc.	Information Technology	3.37
Interxion Holding N.V.	Information Technology	3.34

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](#)

Should investors have any questions or queries regarding the company, please contact our **Investor Relations team** on 02 9021 7797 or info@ellerstoncapital.com or visit us at <https://ellerstoncapital.com/>

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DISCLAIMER

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