

14 October 2019

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

MONTHLY NTA STATEMENT - September 2019

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

NTA per Share	30 September 2019
NTA before tax	\$1.1718
NTA after realised tax *	\$1.1718
NTA after tax ^	\$1.1385

These figures are unaudited and indicative only

The NTA is based on fully paid share capital of 106,859,908.

* 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 3,281,307 shares had been bought back.

The company's net performance before tax for the month was 2.15%.



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 Limited (ASX:EGI)

Performance Report | September 19

PERFORMANCE SUMMARY

Performance	1 Month	3 Months	6 Months	1 Year	3 Year p.a.	Since Inception (p.a.)
Net [^]	2.15%	4.71%	10.87%	1.63%	7.72%	9.08%
Benchmark*	2.34%	1.53%	5.21%	2.90%	10.86%	8.25%
Alpha	-0.19%	3.18%	5.66%	-1.27%	-3.14%	0.83%

Source: Ellerston Capital

[^] The net return figure is calculated before all tax provisions, after fees & expenses, includes the effects of the share buyback, and excluding the effects of option exercise dilution. Past performance is not a reliable indication of future performance

*MSCI World Index (Local)

PORTFOLIO COMMENTARY

The EGI portfolio increased 2.15% net during the month of September. The NTA (before tax) at the end of September was \$1.1718.

Global equity markets turned in a decent month of performance despite the bull market in geopolitical noise reaching new highs. The Democrats launched impeachment proceedings against President Trump, UK politics and associated Brexit negotiations looked to be taking a turn for the worse while the US/Chinese trade negotiation uncertainty continued unabated. Markets are oscillating with every tweet or headline around phone calls or meeting timelines between the US and Chinese delegations – we continue to be mindful of the macro however focus on the micro.

Contributors to performance this month included **WillScot**, **PVH Group** and **Docusign**. Detractors from performance included **Premier**, **Liveperson** and **Ciena**. EGI had a relatively quiet reporting month with only Ciena and Docusign delivering results while Graphic Packaging presented its long-term outlook at its Capital Markets Day held in NYC.

WillScot was one of the larger detractors in August however surged almost 12% during September as speculation around a combination between it and its closest comparable, Mobile Mini, surfaced. Reuters reported that Elliott Management had been accumulating a stake in Mobile Mini to push for a sale of the company and particularly a merger with Willscot. While there has been no substantiation of a potential deal, we believe there would be substantial synergies and cross revenue opportunities for the combined group.

PVH Corp owns two very strong global brands Tommy Hilfiger and Calvin Klein; however the business has been under pressure this year with weakening tourism trends into the US impacting sales as well as cost pressures associated with tariffs being put in place. The company reported results at the end of August and despite lowering guidance to reflect these pressures, the stock seems to be finding decent valuation support and increased >16% during September. On updated guidance it is currently trading on 9x PE and should generate close to \$500m FCF placing it on a high single digit FCF yield. We contend the long-term opportunity here remains attractive with its global brands and scale incredibly hard to replicate.

Ciena reported very strong third quarter results in the first week of September with revenues up 17.3% to \$960.6m which was well above the top end of its guided range of \$915-\$945m. Gross margins continue to outperform expectations up 130bps on pcp and driving gross profit 21% higher to \$424.4m. Operating leverage continued down the P&L with Adjusted EPS of 71cps up 38% on pcp and again well above market expectations of just over 57cps. All sounds good, however the short termism of the market prevailed with the stock declining on the day as it guided next year revenues only in line with expectations. Ciena is benefiting from many long-term trends underpinning data growth and as the global leader in optic solutions (excluding China where it does not compete), we contend the business is incredibly attractive at current levels. At \$37.25 it is trading on 14x PE despite >20% EPS growth expected over the next three years and with a net cash balance sheet generating strong FCF we have added to the position post results.

Graphic Packaging (GPK) held its Capital Markets Day at the end of September in NYC. It took the opportunity to upgrade earnings guidance for FY19 and highlighted its long-term volume growth opportunities as the world looks to replace plastic with sustainable paper-based alternatives. GPK showcased a \$5bn addressable market in North America and Europe for paperboard conversions from plastic as plastic cups, beverage packaging as well as foam cups and containers supply market share shift opportunities to the group. GPK's valuation remains very compelling at current levels trading on 12.8x PE with >10% FCF yield providing optionality.

Kind Regards,

Bill Pridham and Arik Star
EGI Co-Portfolio Managers

Key Facts

Listing Date	20 October 2014
NTA (before tax)*	\$1.1718
NTA (after realised tax) [^]	\$1.1718
NTA (after tax)**	\$1.1385
Share Price at 30/09/19	0.955
EGI Market Capitalisation	\$102.1 Million
Management Fee	0.75%
Performance Fee	15%

* 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.

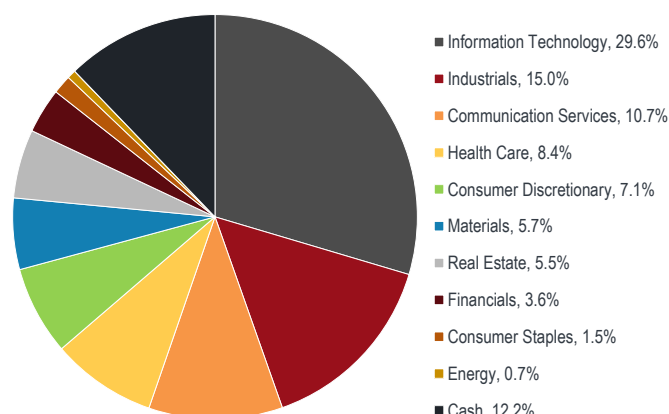
** NTA (after tax) - Includes any tax on unrealised gains and deferred tax.

PORTFOLIO CHARACTERISTICS

HOLDINGS

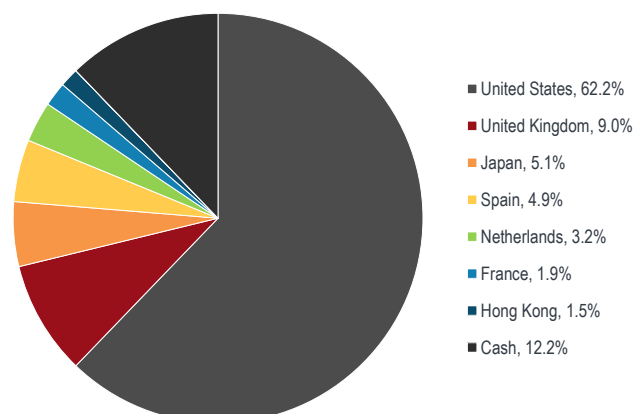
Top 10 Holdings	Country	Sector	%
Graphic Packaging Holding Co	United States	Materials	5.69%
Ciena Corporation	United States	Information Technology	5.48%
WillScot Corporation	United States	Industrials	5.10%
Cellnex Telecom	Spain	Communication Services	4.90%
Nuance Communications Inc.	United States	Information Technology	4.29%
Entertainment One Ltd.	United Kingdom	Communication Services	3.99%
Tempur Sealy International Inc	United States	Consumer Discretionary	3.68%
Interxion Holding	United States	Information Technology	3.67%
Assurant Inc.	United States	Financials	3.59%
PVH Corp.	United States	Consumer Discretionary	3.47%

SECTOR ALLOCATION



Source: Ellerston Capital

GEOGRAPHIC ALLOCATION



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