

13 November 2019

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

MONTHLY NTA STATEMENT - October 2019

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

NTA per Share	31 October 2019
NTA before tax	\$1.1913
NTA after realised tax *	\$1.1866
NTA after tax ^	\$1.1584

These figures are unaudited and indicative only

The NTA is based on fully paid share capital of 105,881,412.

* 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 4,528,142 shares had been bought back.

The company's net performance before tax for the month was 2.32%.



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 | October 19

PERFORMANCE SUMMARY

Performance	1 Month	3 Months	6 Months	1 Year	CYTD	Since Inception (p.a.)
Net [^]	2.32%	3.99%	7.47%	14.45%	24.24%	9.42%
Benchmark*	1.88%	2.23%	3.30%	12.49%	20.70%	8.51%
Alpha	0.44%	1.76%	4.17%	1.96%	3.54%	0.91%

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 2.32% net in October and the NTA (before tax) at the end of October was \$1.1913.

Global equity markets pushed higher during the month as progress on key issues that have been overhanging the market continue to be addressed. "Phase One" of the US/China trade negotiations seems to be moving closer to a reality (although we have yet to determine whether tariff risk in December remains on the cards), risks around a no-deal Brexit are becoming less of a concern as the EU has extended the deadline to Jan 31st 2020 and while global economic activity indicators remain subdued, recent indications are pointing to stabilisation.

Contributors to performance this month included **Cardlytics**, **Tempur Sealy** and **Cellnex Telecom**. Detractors from performance included **LiveRamp**, **CoreCivic** and **Ciena**. EGI had six portfolio companies reporting during the month with three upgrades and three in line results, so a decent outcome.

Tempur Sealy (TPX) is a global leader in mattress and bedding products (walk through a Harvey Norman and you will see its extensive range). EGI entered the position when the stock was being impacted by COGS inflation, illegal dumping of Chinese mattresses into the US and uncertainty whether it would re-establish relationships with its largest distributor, Mattress Firm, which emerged from Chapter 11 in November 2018. Fortunately, all of these issues have been answered to the positive and TPX is now benefiting from COGS deflation, the US imposing new anti-dumping rules on Chinese mattresses in May 2019 and Management announcing in June 2019 that it has signed a new long-term agreement with Mattress Firm which will augment its 2020 results. TPX reported at the end of the month and delivered its second upgrade for the year. Despite its strong share price performance, we consider current valuation to remain attractive and have maintained our positioning in the stock.

Cardlytics (CDLX) provides cash back reward offers to credit and debit card users inside some of the world's largest banks' mobile applications which are paid for by advertisers. Some of its larger banking customers include Bank of America, JP Morgan, Lloyd's Bank and most recently, Wells Fargo. We consider that there is a growing distrust around the actual ROI on large advertising platforms such as Google and Facebook. CDLX can return very precise measurement on campaigns as it is integrated within its banking customers and, with Wells Fargo, will be able to "see" one out of every two card swipes in the US. Banks benefit from higher customer retention and card spending, consumers benefit from cash back on purchases and advertisers get a much higher return on digital advertising spend than on traditional channels. With a market cap of just over \$1bn we consider the long-term upside very attractive.

Sensata (ST) is a global leader in mission critical, high performance sensing products however with 60% of its business tied to the currently weak global automotive cycle its share price had been under pressure which provided an opportunity for EGI to enter the stock recently at a very attractive valuation. While auto headlines continue to be a headwind, it is benefiting from increasing regulatory and legislative demands around safety and performance, which is increasing sensor content per vehicle. ST will also be a key beneficiary of increased content associated with electric vehicles where content per car will increase substantially. ST reported results during October and as expected downgraded numbers for the second time this year as global industrial markets remain under pressure. Interestingly, the stock price performed well and is currently above levels before the results were released. We consider the market is looking through near term economic weakness and understanding that at some point it will be cycling current weak operating conditions with long term sensing content growth drivers firmly in place.

Kind Regards,

Bill Pridham and Arik Star

EGI Co-Portfolio Managers

Key Facts

Listing Date	20 October 2014
NTA (before tax)*	\$1.1913
NTA (after realised tax) [^]	\$1.1866
NTA (after tax)**	\$1.1584
Share Price at 31/10/19	1.01
EGI Market Capitalisation	\$106.9 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.

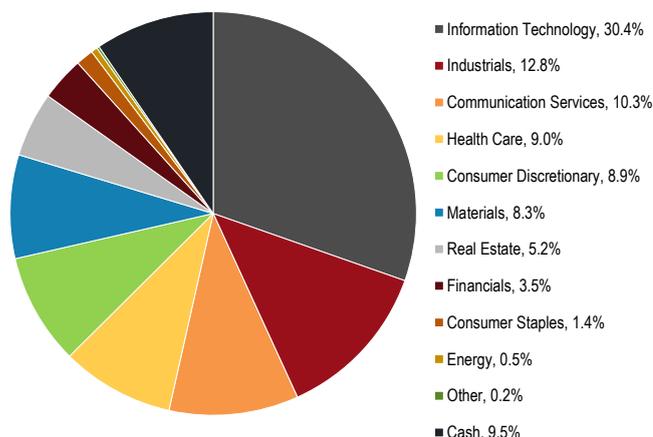
** NTA (after tax) - Includes any tax on unrealised gains and deferred tax.

PORTFOLIO CHARACTERISTICS

HOLDINGS

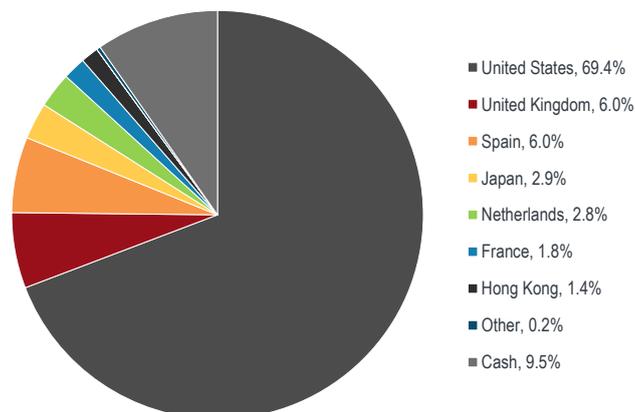
Top 10 Holdings	Country	Sector	%
Graphic Packaging	United States	Materials	5.87%
Cellnex Telecom	Spain	Communication Services	5.62%
Ciena Corporation	United States	Information Technology	5.03%
WillScot Corporation	United States	Industrials	5.01%
Interxion Holding	United States	Information Technology	3.86%
Tempur Sealy International	United States	Consumer Discretionary	3.66%
Assurant Inc.	United States	Financials	3.49%
Premier Inc.	United States	Health Care	3.46%
Amedisys	United States	Health Care	3.44%
PVH Corp.	United States	Consumer Discretionary	3.33%

SECTOR ALLOCATION



Source: Ellerston Capital

GEOGRAPHIC ALLOCATION



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