

# Monthly NTA Statement

May 2017

Ellerston Global  
Investments Limited  
ACN 169 464 706

14<sup>th</sup> June 2017

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

Ellerston Global Investments Limited (**ASX: EGI**) advises the unaudited Net Tangible Asset backing (**NTA**) per share of the company as at 31 May 2017.

NTA per share	31 May 2017
NTA before tax <sup>#</sup>	\$1.1563
NTA after realised tax	\$1.1471
NTA after tax	\$1.1350

The NTA is based on fully paid share capital of 75,871,924.

- # 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.

**The company's net performance before tax for the month of May was 0.61%.**

**Options** - If all of the remaining 2018 options had been exercised by 31 May 2017, the fully diluted NTA after realised tax would have been \$1.1020 per share.



Ian Kelly  
Company Secretary

## Important note

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](mailto:EGI@linkmarketservices.com.au).

This document has been prepared for Ellerston Global Investments Limited by the investment manager Ellerston Capital Limited ABN 34 110 397 674 AFSL No. 283 000. Any information has been prepared for the purpose of providing general information only, without taking account of any particular investor's objectives, financial situation or needs. It is not an offer or invitation for subscription or purchase, or a recommendation of any financial product and is not intended to be relied upon by investors in making an investment decision. Past performance is not a reliable indicator of future performance. To the extent any general financial product advice is provided in this document, it is provided by Ellerston Capital Limited ABN 34 110 397 674 AFSL No. 283 000. An investor, before acting on anything that he or she construes as advice, should consider the appropriateness of such construction and advice having regard to their objectives, financial situation or need.

[Contact Details](#)

**Ellerston Global  
Investments Limited**  
ACN 169 464 706

**Address**  
Level 11, 179 Elizabeth Street  
Sydney 2000 NSW Australia

**Website**  
<https://www.ellerstoncapital.com/EGI>  
**Email** [EGI@linkmarketservices.com.au](mailto:EGI@linkmarketservices.com.au)

**Investor Telephone**  
1300 551 627

# Ellerston Global Investments (ASX: EGI)

Investment Update – May 2017

## Fund Performance (Net)

	1 Month	3 Months	6 Months	1 Year	1 Nov 2014	Annualised Return^^
EGI*	0.61%	3.67%	7.52%	9.84%	28.81%	10.30%
MSCI World Index	1.48%	3.64%	11.23%	17.23%	22.92%	8.31%

\*Net Return (before tax)

^^1 Nov 2014 p.a

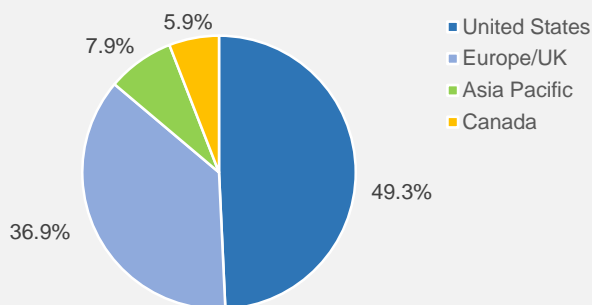
## Key Facts

Listing date	Oct 2014
<b>NTA (before tax) **</b>	<b>\$1.1563</b>
NTA (after realised tax)	\$1.1471
NTA (after tax)	\$1.1350
NTA Fully Diluted (after realised tax)	\$1.1020
<b>Share price at 31/05/2017</b>	<b>\$1.00</b>
EGI Market Capitalisation	\$76m
Option price (ASX: EGIO)	\$0.029
Exercise price	\$1.00
Management Fee	0.75%

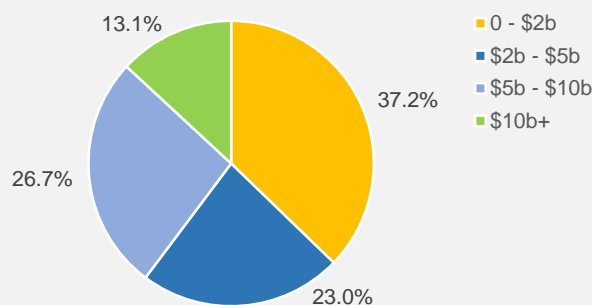
## Top 10 Holdings

	Weight
Entertainment One Ltd	6.47%
Philips Lighting NV	5.24%
Zayo Group Holdings Inc	4.99%
Equiniti Group Plc	4.82%
Northstar Realty Europe Corp	4.33%
QTS Realty Trust Inc	4.31%
Interxion Holding NV	4.02%
Paypal Holdings Inc	3.84%
Hostelworld Group Plc	3.52%
PTC Inc	3.19%

## Geographic Exposure (% of Invested Capital)



## Market Capitalisation (% of Invested Capital)



Sector	Portfolio	MSCI World Index
Information Technology	20.39%	16.05%
Consumer Discretionary	17.57%	12.48%
Health Care	0.00%	12.30%
Energy	0.00%	6.11%
Financials	13.67%	17.16%
Consumer Staples	0.00%	10.05%
Industrials	11.17%	11.38%
Telecommunications	5.99%	3.09%
Materials	0.00%	4.91%
Utilities	2.66%	3.27%
Real Estate	11.51%	3.21%
Other	9.51%	0.00%
Cash	7.53%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\*\* 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. NTA Fully Diluted (after realised tax) - If all of the remaining 2018 options had been exercised by 31 May 2017.



## Portfolio Update

The **EGI portfolio** increased 0.61% net during the month of May. The NTA (before tax) at the end of May was \$1.1563.

Contributors to performance included Patheon, Hostelworld and PayPal. Detractors from performance included Zayo Group, QTS and Entertainment One. EGI had 11 portfolio companies report earnings or trading updates in May. On 15 May 2017, Thermo Fisher bid to acquire Patheon for \$35.00 per share in cash, a 34.6% premium to Patheon's closing price the previous trading day. EGI began purchasing Patheon at \$25.16 in October 2016.

During the month, Northstar Realty Europe (NRE) reported earnings that reflected an improving European outlook. NRE signed a new 10 year lease with the Deutsche Bundesbank for 7,000sqm at Trianon Tower increasing the occupancy of its most valuable asset to 98%. As a result, the core portfolio pro-forma occupancy is now 96% with a 6.3 year weighted average lease expiry. NRE's rental growth benefited from an uptick in inflation with the portfolio having a 'significant portion' of inflation-linked leases. During the month, the external manager Colony Northstar (CLNS) embarked on a program to purchase shares in NRE to *"align the interests of the manager with those of the shareholders"* of NRE. CLNS now owns 9% of NRE and we expect this stake to increase. The stock price has responded up 8.7% since earnings.

Similarly, Interxion announced results in May reporting 11.7% revenue growth in Q1 2017 which represents the strongest revenue growth since Q4 2015. Management reiterated FY 2017 guidance as European demand for connectivity-rich data centers remains strong with cloud adoption a key driver. Management indicated that bookings remained strong, pricing steady and churn consistent with historical levels. With rising customer demand, Interxion continues to expand with 93% of its capital expenditure being allocated to existing customer expansion and upgrade requirements. With migration to the cloud 18-24 months behind the US, the trends in Europe are encouraging and the stock price responded with Interxion up 6.5% since earnings.

## Contact

Andrew Seddon 0417 249 577  
[aseddon@ellerstoncapital.com](mailto:aseddon@ellerstoncapital.com)

Simon Glazier 0410 452 949  
[sglazier@ellerstoncapital.com](mailto:sglazier@ellerstoncapital.com)

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](mailto:EGI@linkmarketservices.com.au)

### Disclaimer

This document has been prepared for Ellerston Global Investments Limited by the investment manager Ellerston Capital Limited ABN 34 110 397 674 AFSL No. 283 000. Any information has been prepared for the purpose of providing general information only, without taking account of any particular investor's objectives, financial situation or needs. It is not an offer or invitation for subscription or purchase, or a recommendation of any financial product and is not intended to be relied upon by investors in making an investment decision. Past performance is not a reliable indicator of future performance. To the extent any general financial product advice is provided in this document, it is provided by Ellerston Capital Limited ABN 34 110 397 674 AFSL No. 283 000. An investor, before acting on anything that he or she construes as advice, should consider the appropriateness of such construction and advice having regard to their objectives, financial situation or needs.

## Market Commentary

**Global equity markets** increased again in May, with the MSCI World Index up 1.48%. Global markets reacted positively early in the month to the victory of Independent Centrist Emmanuel Macron in the final round of the French Presidential elections.

**US equity markets** posted solid returns during the month of May, with all three Wall Street indices enjoying reasonable gains. The S&P500 Index (+1.16%) climbed to new record highs, closing at 2,412 with the Dow Jones Industrial Average closing above 21,000 points (+0.33%). The NASDAQ was up 2.50%. The U.S. 'complacency' index, the VIX, dropped to its lowest point since 1993 during the month. However, mid-month, U.S. political events triggered a minor sell-off in equities (causing the VIX index to spike 46% in one day). This sell-off proved to be short-lived, with equities quickly resuming their upward momentum. The FOMC left interest rates on hold in May and revealed a plan to scale back its US\$4.5 trillion balance sheet. Of particular interest, was the heavy sell-off in US Department Stores (the sector fell 11% over the month) on poor results that highlighted fears of a structural shift towards online retailing.

**In European markets** the Euro Stoxx 50 was down 0.14% for the month while the FTSE100 Index (+4.39%) posted record highs and enjoyed its longest winning streak since May 2013. The German DAX was up 1.42%. The biggest currency story of the month was the Euro, which rallied against all major currencies as Emmanuel Macron comfortably won the final round of the French Presidential elections. The British Pound weakened on jitters over the upcoming general election, as well as soft U.K. economic data.

**In Asian markets**, Japanese and Hong Kong equities rallied throughout May (Nikkei 225 +2.36%, Hang Seng +4.25%) despite ongoing geopolitical tension in the region surrounding North Korea. The Shanghai Composite was down 1.19%. Late in May, Moody's downgraded China's sovereign debt rating one notch to A1 from Aa3 and changed the outlook to "stable" from "negative" - the first downgrade from Moody's since 1989. Domestically, the **Australian** S&P/ASX 200 Accumulation Index fell 2.75%.