

Monthly NTA Statement

July 2017

Ellerston Asian
Investments Limited
ACN 606 683 729

11th August 2017

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

Ellerston Asian Investments Limited (**ASX: EAI**) advises the unaudited Net Tangible Asset backing (**NTA**) per share of the company as at 31 July 2017:

NTA per share	31 July 2017
NTA before tax	\$1.0656
NTA after tax	\$1.0491

The NTA is based on fully paid share capital of 110,920,739

The difference between the NTA before tax and the NTA after tax relates to the provision for deferred tax on set-up costs and tax on unrealised capital gains from the Company's Investment Portfolio.

On September 13 2016, EAI announced an on-market buy-back of up to 10% of its shares, commencing September 27 2016 and continuing for twelve months.

As at 31 July 2017, a total of 9,079,262 shares had been bought back.

The company's gross performance before tax for the month of July was 1.20%.



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 EAI@linkmarketservices.com.au.

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Ellerston Asian Investments

Investment Update – July 2017

Commentary

EAI rose 1.2% on a gross basis during the month and the pre-tax NTA rose from \$1.0540 to \$1.0656. We outperformed the MSCI Asia ex Japan (AUD) by 41bps on a gross basis during the month and continued to buy back shares with the aim of further closing the discount.

Similar to June, absolute performance in July was negatively impacted by the appreciation of the Australian dollar (AUD), which rose 3.1% during the month. In local currency terms, EAI was up over 4% during in July.

There are currently 40 stocks in the portfolio with an average market cap of \$93b. The largest sector weights in the portfolio remain technology, financials and consumer. On 14 June, the Board increased the total maximum number of securities the portfolio may hold to 50 stocks.

We have recently taken profits in Samsung and Tencent, our two largest technology holdings and two of our best performers. Samsung's stock price has increased by 32% this year. The company now has a market cap of over AUD 300 billion constitutes approximately 20% of the KOSPI Index and an incredible 28% of the MSCI Korea Index.

Similarly, Tencent has gone up 64% year to date and has contributed to almost a quarter of the total gains in the Hang Seng Index in 2017. This lack of breadth in the local market rallies in Korea and Hong Kong is a dynamic we are watching closely. We will continue to take profits in these mega cap stocks as they reach our price targets.

Our largest country overweight remains India and the largest underweight remains Korea. In India, the long awaited GST was implemented on July 1. Our view is that this will likely be disruptive in the very short term, but a strong positive in the medium and long term.

July was a volatile month for relations on the Korean Peninsula. North Korea fired another Intercontinental Ballistic Missile (ICBM) claiming they now have the technology to hit the United States. President Trump responded with a series of tweets blaming China for the lack of progress in managing the situation and labelling China an "economic enabler" of the Kim regime. The situation deteriorated further with Trumps "fire and fury" comments.

Given the risks associated with North Korea, we took further profits in our Samsung position in early August and it is now less than 3%.

Baidu, Tencent and Alibaba were the biggest contributors to absolute performance in July. ITC and Hyundai Motors were the largest detractors. Cash was approximately 9.1% at the end of the month. FX is allocated as per the benchmark for all currencies with a weight of greater than 10%.

Key Information

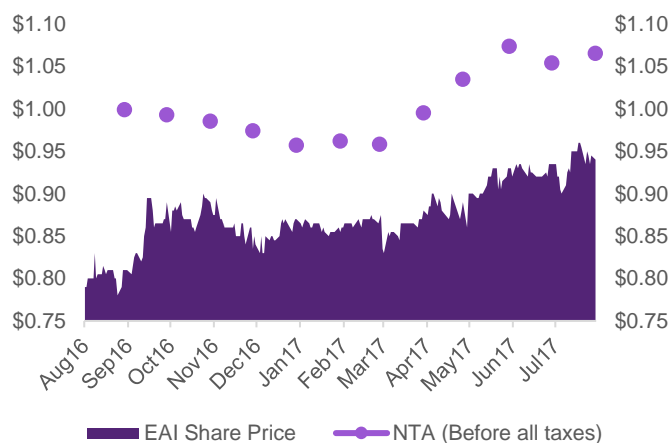
ASX Code: Shares	EAI
Listing date	15 September 2015
Share price at 31/7/2017	\$0.94
NTA (before tax)	\$1.07
NTA (after tax)	\$1.05
EAI Market Capitalisation	\$110.9m
ASX Code: Options	EAI0
Option price	\$0.035
Exercise price	\$1.00
Avg Management Fee	0.84% pa
Performance Fee	15%

Performance

Metric	EAI Gross	EAI Net *	MSCI Asia ex Japan (AUD)
1 Month	1.2%	1.1%	0.8%
3 Months	3.3%	3.0%	3.4%
6 Months	11.4%	10.8%	14.2%
1 Year	12.2%	10.8%	18.5%
ITD	12.3%	9.8%	19.5%

*Before all taxes and after fees. Includes the effects of the share buyback.

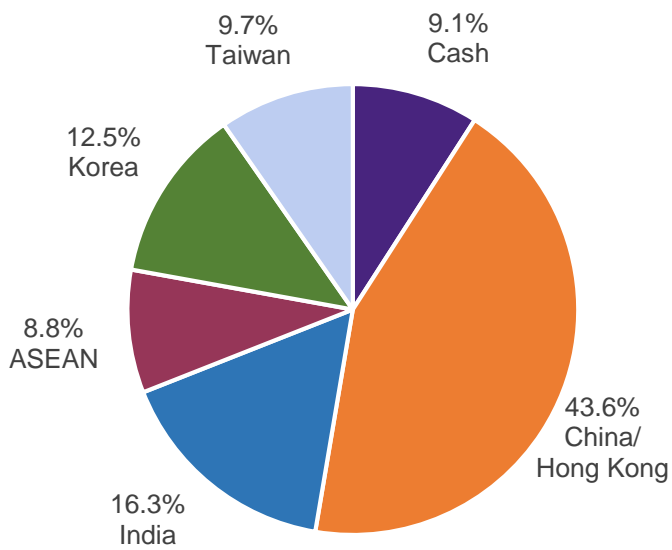
EAI Share Price Vs NTA (Before all taxes)



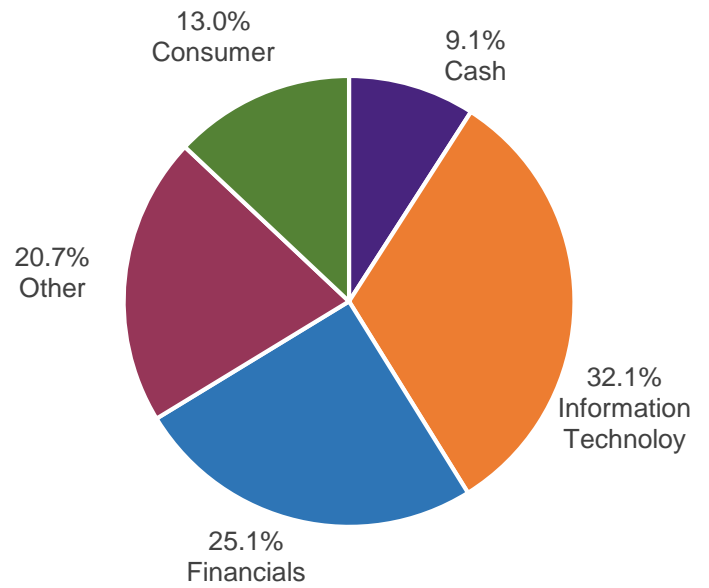
Top 10 Holdings

Top 10 Holdings	%
TENCENT HOLDINGS LTD	6.4
SAMSUNG ELECTRONICS CO LTD	4.6
TSMC	4.4
ALIBABA GROUP HOLDING LTD	4.2
DBS GROUP HOLDINGS LTD	3.7
BAIDU INC	3.3
LARSEN AND TOUBRO LTD	3.1
INDUSIND BANK LTD	3.0
CHINA PETROLEUM AND CHEMICAL	2.7
CHINA COMMUNICATIONS CONSTRUCT	2.7

Geographical Exposure



Sector Allocation



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DISCLAIMER

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