

Monthly NTA Statement

October 2017

Ellerston Asian
Investments Limited
ACN 606 683 729

13th November 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 October 2017:

NTA per share	31 October 2017
NTA before tax	\$1.1677
NTA after tax	\$1.1267

The NTA is based on fully paid share capital of 105,410,739

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 18 2017, EAI announced a new on-market buy-back of up to 10% of its shares, commencing September 27 2017 and continuing for twelve months.

Since 27 September 2016 a total of 14,589,262 shares had been bought back

The company's gross performance before tax for the month of October was 7.82%.



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.

This document has been prepared for Ellerston Asian 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.

Contact Details

**Ellerston Asian
Investments Limited**
ACN 606 683 729

Address
Level 11, 179 Elizabeth Street
Sydney 2000 NSW Australia

Website
<https://ellerstoncapital.com/>
Email EAI@linkmarketservices.com.au

Investor Telephone
1300 551 627

Ellerston Asian Investments (ASX: EAI)

Investment Update – October 2017

Commentary

October was a good month for EAI. The fund was up 7.8% on a gross basis and outperformed the benchmark by 0.69% during the month. The fund is now up 11.2% on a gross basis Fiscal Year to Date and has outperformed the Index thus far in FY18. The pre-tax NTA as of October 31, 2017 was \$1.17 versus \$1.08 at the end of September. We continued to buy back shares during the month and are committed to further reducing the discount to NTA.

Asian markets were strong in October on account of positive data out of China and a clear roadmap and mandate for President Xi following the 19th Party Congress. In India, Prime Minister Modi surprised the market by announcing at INR 2.1trillion (~40b AUD) recapitalization of the state owned banks. This is very positive for the financial sector and also bodes well for a corporate capex cycle and GDP acceleration in FY19. In technology, strong results and commentary by Apple on the iPhone X drove some of our supply chain investments including TSMC, Win Semi, Hon Hai and Largan.

There are currently 46 stocks in the portfolio with an average market cap of over \$90b. The market cap of the Top 10 holdings is approximately \$280b. The largest sector weights in the portfolio remain financials and technology, with technology the largest sector overweight. In terms of country allocation, our biggest overweights are China and India and the biggest underweight is Korea.

In terms of stock performance, Samsung, DBS and Alibaba were the top contributors to absolute performance in October, while Telkom Indonesia and Baidu were the primary detractors from absolute performance.

The biggest contributors to alpha during the month were DBS, Hikvision, UltraTech Cement and Airtac. These stocks are in 4 different sectors (financials, tech, materials and industrials, respectively) and in 4 different markets (Singapore, China, India and Taiwan, respectively). This shows that our stock picking, rather than market moves or sector rotation, generated alpha during October.

Cash at the end of September was approximately 3%. Currencies with a greater than 10% weight are hedged as per the index.

During October and early November, Ellerston Asian Investments embarked on our annual roadshow in Brisbane, Melbourne and Sydney. We had over 300 people attend the event which was triple the number of attendees last year. We wish to thank shareholders for their support and look forward to seeing you at next year's roadshow. If you were unable to attend, please find below a link to the webcast of the presentation: https://youtu.be/2AD4TaZvo_k.

Key Information

ASX Code: Shares	EAI
Listing date	15 September 2015
Share price at 31/10/2017	\$1.02
NTA (before tax)	\$1.17
NTA (after tax)	\$1.13
EAI Market Capitalisation	\$107.5m
ASX Code: Options	EAI0
Option price	\$0.049
Exercise price	\$1.00
Avg Management Fee	0.84% pa
Performance Fee	15%

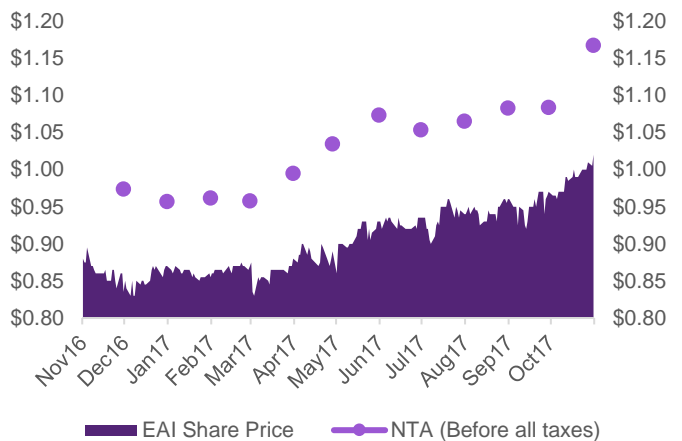
Performance

Metric	EAI Gross	EAI Net *	MSCI Asia ex Japan (AUD)
1 Month	7.8%	7.7%	7.1%
3 Months	9.9%	9.6%	9.8%
6 Months	13.5%	12.8%	13.6%
1 Year	19.9%	18.5%	26.6%
1 Nov 2015 [^]	17.3%	14.6%	23.5%
ITD	23.4%	20.3%	31.2%

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

[^]Performance fee commencement

EAI Share Price Vs NTA (Before all taxes)

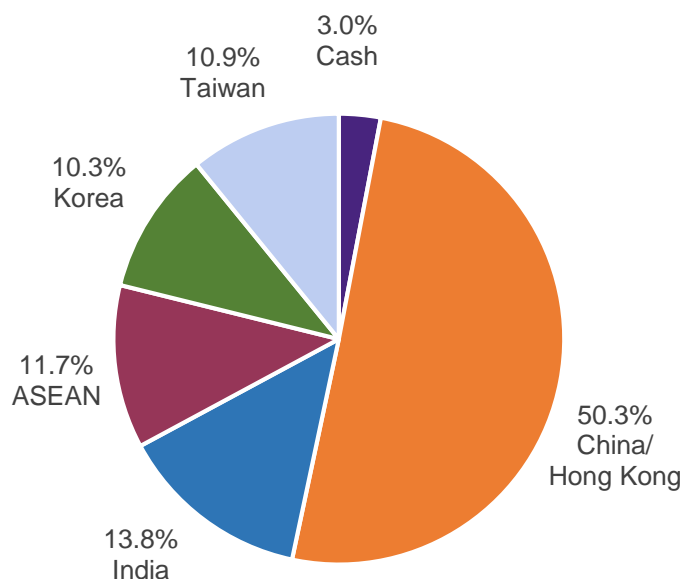


Top 10 Holdings

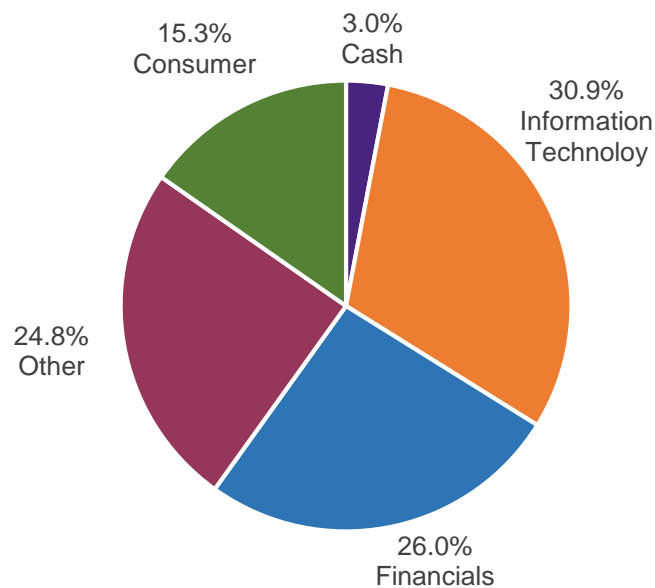
Company	%
TENCENT HOLDINGS LTD	6.6
TSMC	6.2
SAMSUNG ELECTRONICS CO LTD	5.1
DBS GROUP HOLDINGS LTD	4.9
ALIBABA GROUP HOLDING LTD	4.9
ICBC	3.4
CHINA CONSTRUCTION BANK CORP	3.2
BAIDU INC-CHINA	3.1
LARSEN AND TOUBRO LTD	3.1
CHINA LIFE INSURANCE CO LTD	3.0



Geographical Exposure



Sector Allocation



Contact

Andrew Seddon 0417 249 577
aseddon@ellerstoncapital.com

Simon Glazier 0410 452 949
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 EAI@linkmarketservices.com.au

DISCLAIMER

This document has been prepared for Ellerston Asian 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.