



20 February 2018

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

HALF-YEAR RESULTS

Ellerston Global Investments Limited (**ASX: EGI**) hereby lodges:

1. Appendix 4D Statement for the half year ended 31 December 2017; and
2. Interim Financial Report for the half year ended 31 December 2017.

Yours sincerely

Ian Kelly
Company Secretary
Phone: 02 9021 7731



1. Details of the reporting period.

Current Period: 1 July 2017 to 31 December 2017
 Previous Corresponding Period: 1 July 2016 to 31 December 2016

2. Results for announcement to the market

		Current period AUD (\$)	% Change from the corresponding period
2.1	Revenue from ordinary activities	11,819,840	63.73%
2.2	Profit/(loss) after tax from ordinary activities	7,971,776	75.48%
2.3	Net profit/(loss) after tax for the period attributable to ordinary shareholders	7,971,776	75.48%

Period	EGI NTA Return pre-tax*	MSCI World Index (local) Return
6 Months	12.36%	9.45%
1 year	18.27%	18.48%
Since 01/11/2014	44.67%	34.56%

* Calculated based on compounded growth in monthly NTA, net of expenses, before tax and inclusive of dividends over the period.

3. Dividend Information

Interim dividend declared	1.5 cent per fully paid ordinary share
Special dividend declared	1 cent per fully paid ordinary share
Total dividend declared	2.5 cent per fully paid ordinary share

Both fully franked at the tax rate of 27.5%
 From the Dividend Profit Reserve account

Interim and special dividend dates:

Ex-dividend date	24 April 2018
Record date	26 April 2018
DRP election due date	27 April 2018
Payment date	18 May 2018
DRP discount	2.50%



On 6 October 2017 the Company paid a 27.5% fully franked final dividend of 1.5 cent per fully paid ordinary share in respect of the year ended 30 June 2017, for a total amount of \$1,143,804.

The directors have declared an interim dividend of 1.5 cents and a special dividend of 1 cent per fully paid ordinary share, fully franked at the 27.5% corporate tax rate. Both dividends will have a record date of 26 April 2018 and will be paid to shareholders on 18 May 2018. The Dividend Reinvestment Plan (DRP) will operate in conjunction with these dividends and a discount of 2.50% will be applied to the DRP. These dividends will be paid out of the dividend profit reserve.

4. Net tangible assets (NTA) per ordinary share

	Current period AUD (\$)	Previous corresponding period AUD (\$)
NTA – before tax (i)	1.2628	1.1188
NTA – after realised tax (ii)	1.2634	1.1159
NTA – after tax	1.2168	1.1033

(i) All figures are after the payment of dividends and taxes. The Current period NTA is after dividends paid of 1.5 cents per share and after tax paid of 1.24 cents per share.

(ii) NTA after realised tax includes a provision for tax on realised gains from the Company's Investment Portfolio. It excludes any tax on unrealised gains and deferred tax, which are represented in the NTA after tax.

5. Control gained or lost over entities during the period

N/A

6. Details of associates and joint venture entities

The Company did not have any interest in any associates or joint venture entities during both the current period and the previous corresponding period.

7. Accounting standards used by foreign entities

N/A – The Company is an Australian Entity.

8. Qualification of audit / review

The interim report for the period ended 31 December 2017 is not subject to audit dispute or qualification.

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Ian Kelly
Company Secretary

20 February 2018

Contact Details

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Investment Limited**
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ELLERSTON GLOBAL
INVESTMENTS LIMITED

ASX: EGI

ABN 75 169 464 706

Interim Report

For the half-year ended 31 December 2017

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the period ended 30 June 2017 and any public announcements made by Ellerston Global Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



1.

Directors' Report

Directors' Report

For the half-year ended 31 December 2017

The directors of Ellerston Global Investments Limited (the "Company") present their report together with the financial statements of the Company for the half-year ended 31 December 2017.

Directors

The following persons were directors of the Company during the period and up to the date of this report:

NAME	DIRECTORSHIP	APPOINTED
Ashok Jacob	Non-Independent Chairman	18 August 2014
Sam Brougham	Independent Non-Executive Director	18 August 2014
Paul Dortkamp	Independent Non-Executive Director	24 July 2014
Stuart Roberston	Independent Non-Executive Director	24 July 2014

Company Secretary

The following person was Company Secretary during the period and up to the date of this report:

NAME	APPOINTED
Ian Kelly	24 July 2014

Principal activities

The Company is a listed investment company established to construct a concentrated portfolio of between 10 and 40 global listed securities.

Review and results of operations

	Half-year ended	
	31 December 2017 \$	31 December 2016 \$
Net profit before income tax	10,954,905	6,436,127
Net profit after income tax	7,971,776	4,542,757

	As of	
	31 December 2017 \$	31 December 2016 \$
Net tangible assets per share (NTA)		
- before tax (i)	1.2628	1.1188
Net tangible assets per share (NTA)		
- after realised tax (ii)	1.2634	1.1159
Net tangible assets per share (NTA)		
- after tax	1.2168	1.1033

The Net Tangible Assets as at 31 December 2017 is based on fully paid ordinary shares of 78,671,433 (June 2017: 75,871,924).

- (i) All figures are after the payment of dividends and taxes. The Current period NTA is after dividends paid of 1.5 cents per share and after tax paid of 1.24 cents per share.
- (ii) Net Tangible Assets after realised tax includes tax paid and a provision for tax on realised gains from the Company's Investment Portfolio. It excludes any tax on unrealised gains and deferred tax, which are represented in the Net Tangible Assets after tax line.

From 1 July 2017 to 31 December 2017 the Company returned 12.36% (December 2016: 8.02%) on a pre-tax basis and 12.21% (December 2016: 6.34%) on a post-tax basis while the benchmark MSCI World (local) had a return of 9.45% (December 2016: 9.76%).

Since its first full month of trading in November 2014 the Company has achieved a 44.67% return before all taxes and 31.04% post all taxes. The board is pleased with both the overall performances of the Company and the performance of the Company in comparison to its benchmark, MSCI World Index (Local) which returned 34.56% over the same period.

Strategy and future outlook

The Company is predominantly invested in equities, with a focus upon the equities of non-Australian domiciled companies. The Company will continue to pursue its objective of generating superior returns for shareholders over time, with a focus on risk management and capital preservation.

Dividends

On 19 February 2018, the directors declared an interim dividend of 1.5 cents and a special dividend of 1 cent per fully paid ordinary share, fully franked at the 27.5% corporate tax rate. Both dividends will have a record date of 26 April 2018 and will be paid to shareholders on 18 May 2018. The Dividend Reinvestment Plan (DRP) will operate in conjunction with these dividends and a discount of 2.50% will be applied to the DRP.

On 30 August 2017, the directors declared a fully franked dividend of 1.5 cents per fully paid ordinary share, which was paid to shareholders on 6 October 2017.

More details of dividend payments are provided under Note 3 on page 17 of the report.

Dividend Profit Reserve

The Company may transfer any current year or prior period accumulated profits not distributed as dividends to a Dividend Profit Reserve. Doing so facilitates the payment of future dividends, rather than maintaining these profits within retained earnings.

On 30 August 2017, the Directors decided to transfer approximately \$4.9m (2016:\$1.7m) to the dividend profit reserve, with the intention to pay at least 3 cents per annum dividend going forward.

The balance of the dividend profit reserve is approximately \$7.2m.

Significant changes in the state of affairs

In the opinion of the directors, other than what is noted in the 'Review and results of operations,' there were no other significant changes in the state of affairs of the Company that occurred during the half-year ended 31 December 2017.

Matters subsequent to the end of the interim period

Other than the dividends declared as mentioned in the dividends section above, no other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

- (i) the operations of the Company in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Company in future financial years.

Likely developments and expected results of operations

The Company provides quarterly updates and monthly NTA announcements, which can be found in the announcements section of the ASX website and in the Ellerston Global Investments Limited section of the Ellerston Capital website, <https://ellerstoncapital.com/listed-investment-companies/ellerston-global-investments>.

As markets continue to be subject to fluctuations, it is neither possible to accurately forecast the investment returns of the Company nor to provide a detailed outlook on the Company's future operations.

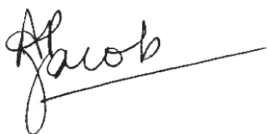
Rounding of amounts to the nearest dollar

The Company is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 7.

Signed in accordance with a resolution of the directors.



Ashok Jacob

Chairman

19 February 2018

Auditor's Independence Declaration



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Auditor's Independence Declaration to the Directors of Ellerston Global Investments Limited

As lead auditor for the review of Ellerston Global Investments Limited for the half-year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Rohit Khanna', with a horizontal line underneath.

Rohit Khanna
Partner
19 February 2018



2.

Financial Statements

Statement of comprehensive income

For the half-year ended 31 December 2017

	Notes	Half-year ended	
		31 December 2017 \$	31 December 2016 \$
Investment income			
Interest income		54,081	65,150
Dividend income		446,292	378,924
Net foreign exchange losses		(73,430)	(155,176)
Change in fair value of financial instruments held at fair value through profit or loss		11,392,897	6,930,237
Total investment income		11,819,840	7,219,135
Expenses			
Directors fees		45,375	45,375
Management and performance fees	13	360,582	327,394
Custody and administration fees		29,469	29,469
Audit and tax fees		38,984	27,984
Registry fees		38,205	38,204
Transaction costs		233,352	202,455
Withholding taxes		44,992	53,539
ASX fees		49,500	49,500
Other expenses		24,476	9,088
Total operating expenses		864,935	783,008
Net profit before income tax		10,954,905	6,436,127
Income tax expense		(2,983,129)	(1,893,370)
Net profit after income tax		7,971,776	4,542,757
Other comprehensive income/(loss)		–	–
Total comprehensive income		7,971,776	4,542,757
Basic earnings per share (cents per share)	11	10.41	6.00
Diluted earnings per share (cents per share)	11	10.17	6.00

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 31 December 2017

		As at	
		31 December	30 June
	Notes	2017	2017
		\$	\$
Current assets			
Cash and cash equivalents	9	14,975,377	3,042,959
Receivables		248,098	144,360
Due from brokers		1,842,230	9,045,407
Financial assets held at fair value through profit or loss	6	83,799,456	77,988,467
Total current assets		100,865,161	90,221,193
Total assets		100,865,161	90,221,193
Current liabilities			
Payables		350,639	311,781
Management and performance fees payable	13	68,688	55,448
Due to brokers		911,051	1,762,310
Current tax liability	14	–	716,220
Financial liabilities held at fair value through profit or loss	7	139,374	390,639
Total current liabilities		1,469,752	3,236,398
Non-current liabilities			
Deferred tax liability		3,667,504	882,935
Total non-current liabilities		3,667,504	882,935
Total liabilities		5,137,256	4,119,333
Net assets		95,727,905	86,101,860
Equity			
Issued capital	10	76,991,761	74,193,688
Retained earnings		11,547,980	8,495,722
Dividend profit reserve	8	7,188,164	3,412,450
Total equity		95,727,905	86,101,860

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the half-year ended 31 December 2017

	Notes	Issued capital \$	Retained earnings/ (losses) \$	Dividend profit reserve \$	Total \$
Balance as at 1 July 2017		74,193,688	8,495,722	3,412,450	86,101,860
Total comprehensive income for the period		–	7,971,776	–	7,971,776
Shares issued under dividend reinvestment plan		143,660	–	–	143,660
Transfer to dividend profit reserve account		–	(4,919,518)	4,919,518	–
Shares issued from exercise of options		2,654,413	–	–	2,654,413
Total dividends paid		–	–	(1,143,804)	(1,143,804)
Balance as at 31 December 2017	10	76,991,761	11,547,980	7,188,164	95,727,905
Balance as at 1 July 2016		74,024,631	4,831,594	884,364	79,740,589
Total comprehensive income for the period		–	4,542,757	–	4,542,757
Shares issued under dividend reinvestment plan		78,167	–	–	78,167
Transfer to dividend profit reserve account		–	(1,743,182)	1,743,182	–
Total dividends paid		–	–	(756,931)	(756,931)
Balance as at 31 December 2016	10	74,102,798	7,631,169	1,870,615	83,604,582

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the half-year ended 31 December 2017

	Notes	Half-year ended	
		31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities			
Purchase of financial instruments held at fair value through profit or loss		(42,736,872)	(42,752,183)
Proceeds from sale of financial instruments held at fair value through profit or loss		47,923,323	45,530,010
Amounts transferred from/(to) brokers as collateral		6,436,149	(242,829)
Dividend income		386,637	343,347
Interest received		54,462	64,431
Other income received		59,073	6,585
Income tax paid		(962,674)	(1,336,701)
Management and performance fees paid		(347,342)	(469,725)
Payment of other expenses		(521,138)	(394,302)
Net cash inflow from operating activities		10,291,618	748,633
Cash flows from financing activities			
Issue of shares		2,654,413	–
Dividends paid		(1,000,144)	(678,764)
Net cash inflow/(outflow) from financing activities		1,654,269	(678,764)
Net increase in cash and cash equivalents		11,945,887	69,869
Cash and cash equivalents at the beginning of the period		3,042,959	18,456,795
Effect of foreign currency exchange rate changes on cash and cash equivalents		(13,469)	(57,319)
Cash and cash equivalents at the end of the period	9	14,975,377	18,469,345
Non-cash financing activities			
Reinvestment of shareholder dividends		143,660	78,167

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1 General information

This interim report is for Ellerston Global Investments Limited (the “Company”) for the half-year ended 31 December 2017.

The Company was incorporated and registered on 28 July 2014 and commenced trading on the Australian Stock Exchange (“ASX”) on 20 October 2014.

The Company is a for-profit entity limited by shares, incorporated and domiciled in Australia. Its shares (ASX code: EGI) and options (ASX code: EGIO) are publicly traded on the ASX.

The interim report was authorised for issue by the directors on 19 February 2018. The directors have the power to amend and reissue the interim report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the first full period presented, unless otherwise stated in the following text.

(a) Basis of preparation

This half-yearly interim report as at 31 December 2017 is a general purpose financial report and has been prepared in accordance with the *Corporations Act 2001*, AASB 134: Interim Financial Reporting and other applicable disclosure requirements. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The interim financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value. This interim report is presented in Australian dollars, unless otherwise noted.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the Company’s annual report for the period ended

2 Summary of significant accounting policies (continued)

(a) **Basis of preparation (continued)**

30 June 2017 and any public announcements made in respect of the Company during the half-year ended 31 December 2017 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Company is a for-profit entity for the purpose of preparing interim financial statements.

(b) **Changes in accounting standards**

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those applied in the preparation of the Company's financial statements for the year ended 30 June 2017.

(c) **Critical accounting estimates and judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

(d) **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2017 reporting period and have not been early adopted by the Company. The directors' assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is set out below:

2 Summary of significant accounting policies (continued)

(d) **New accounting standards and interpretations (continued)**

(i) **AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018)**

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The directors do not expect this to have a significant impact on the recognition and measurement of the Company's financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Company does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Company's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Company.

The Company has not yet decided when to adopt AASB 9.

(ii) **AASB 15 *Revenue from Contracts with Customers*, (effective from 1 January 2018)**

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Company's main sources of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of the

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

2 Summary of significant accounting policies (continued)

(d) **New accounting standards and interpretations (continued)**

(ii) **AASB 15 Revenue from Contracts with Customers, (effective from 1 January 2018) (continued)**

new revenue recognition rules to have a significant impact on the Company's accounting policies or the amounts recognised in the interim statements.

There are no other standards that are not yet effective that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3 Dividends

Dividends are recognised during the year when declared.

	Half-year ended 31 December 2017		Half-year ended 31 December 2016	
	CPS	\$	CPS	\$
Paid – 6 October 2017 (2016: 7 October 2016) Fully franked at 27.5% tax rate (2016: 30%)	1.5	1,143,804	1	756,931
Amount of dividends reinvested		143,660		78,167
Amount of cash dividends paid		1,000,144		678,765

Dividend profit reserve

To the extent that any current period profits or prior period accumulated profits are not distributed as dividends, the Company may set aside some or all of the undistributed profits to a separate dividend profit reserve, to facilitate the payment of future dividends, rather than maintaining these profits within retained earnings. For further information refer to note 8.

Dividend Reinvestment Plan

The Company has established a Dividend Reinvestment Plan (DRP) under which eligible shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than by being paid in cash.

4 Segment information

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

The Company primarily invests in global equity securities, and operates in one geographic segment, Australia. The Company has foreign exposures as it invests in companies which operate internationally.

5 Fair value measurement

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets designated at fair value through profit or loss (see note 6)
- Financial assets/liabilities held for trading (see note 6 and 7)
- Derivative financial instruments

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy;

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

5 Fair value measurement (continued)

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets and liabilities are priced at last traded prices.

The Company values its investments in accordance with the accounting policies set out in note 2 to the financial statements. For the majority of its investments, the Company relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

5 Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

5 Fair value measurement (continued)

Recognised fair value measurement

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy as at 31 December 2017 and 30 June 2017.

As at	Level 1	Level 2	Level 3	Total
31 December 2017	\$	\$	\$	\$
Financial assets				
Financial assets designated at fair value:				
Equity securities	71,707,417	–	–	71,707,417
Listed unit trusts	10,802,277	–	–	10,802,277
Financial assets held for trading:				
Derivatives	20,231	1,269,531	–	1,289,762
Total financial assets	82,529,925	1,269,531	–	83,799,456
Financial liabilities				
Financial liabilities held for trading:				
Derivatives	105,592	33,782	–	139,374
Total financial liabilities	105,592	33,782	–	139,374

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

5 Fair value measurement (continued)

Recognised fair value measurement (continued)

As at	Level 1	Level 2	Level 3	Total
30 June 2017	\$	\$	\$	\$
Financial assets				
Financial assets designated at fair value:				
Equity securities	65,534,010	–	–	65,534,010
Listed unit trusts	12,131,561	–	–	12,131,561
Financial assets held for trading:				
Derivatives	–	322,896	–	322,896
Total financial assets	77,665,571	322,896	–	77,988,467
Financial liabilities				
Financial liabilities held for trading:				
Derivatives	31,475	359,164	–	390,639
Total financial liabilities	31,475	359,164	–	390,639

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(i) Transfers between levels

There were no transfers between levels in the fair value hierarchy for the half-year ended 31 December 2017 and year ended 30 June 2017.

(ii) Fair value measurements using significant unobservable inputs (level 3)

There were no investments classified as level 3 within the Company as at 31 December 2017 and 30 June 2017.

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

5 Fair value measurement (continued)

Recognised fair value measurement (continued)

(iii) Fair values of other financial instruments

Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

6 Financial assets held at fair value through profit or loss

	As at	
	31 December 2017 \$	30 June 2017 \$
Designated at fair value through profit or loss		
Equity securities	71,707,417	65,534,010
Listed unit trusts	10,802,277	12,131,561
Total designated at fair value through profit or loss	82,509,694	77,665,571
Held for trading		
Derivatives	1,289,762	322,896
Total held for trading	1,289,762	322,896
Total financial assets held at fair value through profit or loss	83,799,456	77,988,467

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

6 Financial assets held at fair value through profit or loss (continued)

Details of the Company's top 10 equity and listed unit trust investments as at 31 December 2017 and 30 June 2017 are set out on the following table:

Company Name	As at 31 December 2017 \$
Entertainment One Ltd	7,751,839
Zayo Group Holdings Inc	5,710,292
Stars Group Inc	4,656,684
Equiniti Group Plc	4,389,047
Interxion Holdings Nv	4,186,241
Acuity Brands Inc	3,789,800
Playa Hotels & Resorts Nv	3,733,879
Venator Materials Plc	3,678,908
Qts Realty Trust Inc	3,624,908
Hostelworld Group Plc	3,399,384
Total – top 10 equity and listed unit trust investments	44,920,982
Other investments in equity and listed unit trust investments	37,588,712
Total equity and listed unit trust investments	82,509,694

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

6 Financial assets held at fair value through profit or loss (continued)

Company Name	As at 30 June 2017 \$
Entertainment One Ltd	7,196,329
Equiniti Group Plc	4,628,939
Philips Lighting Nv	4,449,028
Zayo Group Holdings Inc	4,090,942
Qts Realty Trust Inc	3,687,285
Interxion Holdings Nv	3,531,754
Snap On Inc	3,240,540
Jeld Wen Holdings Inc	2,723,669
Northstar Realty Europe Corp	2,669,007
Ptc Inc	2,608,939
Total – top 10 equity and listed unit trust investments	38,826,432
Other investments in equity and listed unit trust investments	38,839,139
Total equity and listed unit trust investments	77,665,571

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

7 Financial liabilities held at fair value through profit or loss

	As at	
	31 December	30 June
	2017	2017
	\$	\$
Held for trading		
Derivatives	139,374	390,639
Total held for trading	139,374	390,639
Total financial liabilities held at fair value through profit or loss	139,374	390,639

8 Dividend profit reserve

	As at	
	31 December	30 June
	2017	2017
	\$	\$
Movements in Dividend Profit Reserve		
Balance at the beginning of the period	3,412,450	884,364
Transferred from retained earnings	4,919,518	4,042,770
Payment of dividend	(1,143,804)	(1,514,684)
Closing balance at the end of the period	7,188,164	3,412,450

On 30 August 2017, the Directors decided to transfer approximately \$4.9m (2016:\$1.7m) to the dividend profit reserve, with the intention to pay at least 3 cent per annum dividend going forward.

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

9 Cash and cash equivalents

	As at	
	31 December	30 June
	2017	2017
	\$	\$
Cash at bank	14,975,377	3,042,959
Total cash and cash equivalents	14,975,377	3,042,959

These accounts are earning a floating interest rate of between 0.01% pa (June 2017: 0.01% pa) and 1.50% pa (June 2017: 1.95% pa) during the reporting period.

10 Issued capital

	As at 31 December 2017	
	No. of	\$
	Securities	
Ordinary shares		
Opening balance – 1 July 2017	75,871,924	74,193,688
Shares issued under dividend reinvestment plan	145,096	143,660
Shares issued from exercise of options	2,654,413	2,654,413
Total issued capital – fully paid ordinary shares	78,671,433	76,991,761
Options		
Loyalty options		
Opening balance – 1 July 2017	33,599,177	–
Options exercised	(2,654,413)	–
Total options	30,944,764	–
Total issued capital		76,991,761

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

10 Issued capital (continued)

	As at 31 December 2016	
	No. of Securities	\$
Ordinary shares		
Opening balance – 1 July 2016	75,692,959	74,024,631
Shares issued under dividend reinvestment plan	82,269	78,167
Total issued capital – fully paid ordinary shares	75,775,228	74,102,798
Options		
Loyalty options		
Opening balance – 1 July 2016	33,599,177	–
Total options	33,599,177	–
Total issued capital		74,102,798

(a) Terms and conditions

(i) Ordinary shares

Fully paid ordinary shares entitle the holder to receive dividends as declared and the proceeds on winding up the Company in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

(ii) Options

Each shareholder who made an application for shares and loyalty options under the prospectus, dated 16 September 2014, received one loyalty option for every two shares issued for nil consideration. The loyalty options were vested to eligible shareholders on 10 April 2015 and were first quoted on the ASX on 22 April 2015.

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

10 Issued capital (continued)

Holders of the vested loyalty option have the right to acquire one ordinary share in the Company at an exercise price of \$1.00 per share and can exercise the right at any time in the period commencing on the day after the vesting date of 10 April 2015 and ending on the third anniversary of the vesting date being 10 April 2018.

The vested loyalty options are not entitled to dividends. Ordinary shares issued on exercise of the options rank equally with all other ordinary shares from the date of exercise and entitle the holder to receive dividend on or prior to the applicable record date.

11 Earnings per share

	Half-year ended	
	31 December 2017	31 December 2016
Basic earnings per share (cents)	10.41	6.00
Diluted earnings per share (cents)	10.17	6.00
Weighted average number of ordinary shares		
Weighted average number of ordinary shares on issue used in calculating basic earnings/(losses) per share	76,596,455	75,731,171
Add: Options for the purpose of calculating diluted earnings/(losses) per share*	1,792,843	–
Weighted average number of ordinary shares on issue used in calculating diluted earnings/(losses) per share	78,389,298	75,731,171
Earnings reconciliation		
Net profit after income tax used in the calculation of basic and diluted earnings per share (\$)	7,971,776	4,542,757

* Calculated in accordance with AASB 133: Earnings per share

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

12 Net tangible assets per share

	As at	
	31 December 2017	30 June 2017
	\$	\$
Net tangible assets per share		
Net Tangible Assets before all taxes (i)	1.2628	1.1559
Net Tangible Assets after realised tax (ii)	1.2634	1.1465
Net Tangible Assets after tax	1.2168	1.1348

The Net Tangible Assets as at 31 December 2017 is based on fully paid ordinary shares of 78,671,433 (June 2017: 75,871,924).

- (i) All figures are after the payment of dividends and taxes. The current period NTA is after dividends paid of 1.5 cents per share and after tax paid of 1.24 cents per share.
- (ii) Net Tangible Assets after realised tax includes tax paid and a provision for tax on realised gains from the Company's Investment Portfolio. It excludes any tax on unrealised gains and deferred tax, which are represented in the Net Tangible Assets after tax line.

13 Management and performance fees

Under the Management Agreement, effective 20 October 2014, the Company must pay a Management Fee of 0.75% per annum (plus GST) of the pre tax net asset value of the Investment Portfolio to Ellerston Capital Limited (the Manager), calculated and accrued monthly and paid monthly in arrears. In addition, the Manager is entitled to receive a Performance Fee equal to 15% (plus GST) of the amount by which the Investment Portfolio's pre-tax return exceeds the return of the MSCI World Index (local), calculated and accrued monthly and paid annually in arrears. In case that the Investment Portfolio's pre tax return is less than the return of the MSCI World Index (Local) for the financial year, no performance fee will be payable in respect of that financial year.

	31 December 2017	31 December 2016
	\$	\$
Management fees expense	360,582	327,394
Management fees payable	68,688	55,389

Notes to the Financial Statements

For the half-year ended 31 December 2017 (continued)

14 Current tax liability

The Company pays quarterly PAYG tax instalments which offset its current year tax liability. As at the reporting date, the Company had paid a total of \$255,455 tax instalment towards its current year tax liability of \$207,560 and therefore the outstanding current year tax payable is nil.

15 Contingent assets, liabilities and commitments

The Company has no material commitments, contingent assets or liabilities as at 31 December 2017 and 30 June 2017.

16 Events occurring after the reporting period

On 19 February 2018, the directors declared an interim dividend of 1.5 cents and a special dividend of 1 cent per fully paid ordinary share, fully franked at the 27.5% corporate tax rate. Both dividends will have a record date of 26 April 2018 and will be paid to shareholders on 18 May 2018 from the Company's dividend profit reserve account. The Dividend Reinvestment Plan (DRP) will operate in conjunction with these dividends and a discount of 2.50% will be applied to the DRP.

It is the intention of the Company to continue to pay at least a 3 cents per annum (1.5 cents per half) dividend going forward.

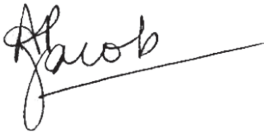
No significant events have occurred since the end of the reporting period and up to the date of this report which would impact on the financial position of the Company disclosed in the Statement of financial position as at 31 December 2017 or on the results and cash flows of the Company for the year ended on that date.

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 31 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standard AASB 134 interim Financial Reporting and, the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Ashok Jacob

Chairman

19 February 2018

Independent Auditors' Review Report



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Independent Auditor's Review Report to the Members of Ellerston Global Investments Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Ellerston Global Investments Limited (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditors' Review Report



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Rohit Khanna'.

Rohit Khanna
Partner
Sydney
19 February 2018

Directors

Ashok Jacob
Sam Brougham
Paul Dortkamp
Stuart Robertson

Company Secretary

Ian Kelly

Registered Office

c/- Ellerston Capital Limited
Level 11, 179 Elizabeth Street
SYDNEY NSW 2000

Auditor

Ernst and Young
Ernst and Young Centre
200 George Street
SYDNEY NSW 2000

Manager

Ellerston Capital Limited
ACN 110 397 674
Level 11, 179 Elizabeth Street
SYDNEY NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000

Securities Exchange Listing

ASX code (ordinary shares): EGI
ASX code (loyalty options): EGIO