

# Monthly NTA Statement

April 2018

Ellerston Global  
Investments Limited  
ACN 169 464 706

11<sup>th</sup> May 2018

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 30 April 2018.

EGI went ex-dividend with a **2.5 cent** fully franked interim dividend (1.5cps interim dividend + 1.0cps special dividend) on the 24<sup>th</sup> of April 2018, with a payment date of the 18<sup>th</sup> of May 2018. NTA per share are calculated ex-dividend.

**Option Conversion** - During the month of April 17,868,634 options were exercised and converted to shares which diluted the NTA after realised tax by **3.0 cents** per share.

NTA per share	30 April 2018
NTA before tax <sup>#</sup>	\$1.1248
NTA after realised tax	\$1.1261
NTA after tax	\$1.1084

The NTA is based on fully paid share capital of 109,616,197.

<b># NTA before tax</b>	- Includes taxes that have been paid.
<b>NTA after realised tax</b>	- Includes a provision for tax on realised gains from the Company's Investment Portfolio.
<b>NTA after tax</b>	- Includes any tax on unrealised gains and deferred tax.

**The company's net performance before tax for the month of April was -0.37%.**



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).

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## Contact Details

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

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

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

**Investor Telephone**  
1300 551 627

## Ellerston Global Investments (ASX: EGI)

Investment Update – April 2018

### Fund Performance (Net)

	1 Month	3 Months	6 Months	1 Year	3 Years p.a	Annualised Return <sup>^</sup>	1 Nov 2014
EGI*	-0.37%	-3.08%	1.03%	9.68%	7.49%	10.19%	40.43%
MSCI World Index (Local)	1.94%	-3.93%	2.37%	10.75%	7.44%	8.75%	34.14%

\*Net Return (before tax) and excluding option dilution

<sup>^</sup>1 Nov 2014 p.a

### Key Facts

Listing date Oct 2014

**NTA (before tax) \*\*** \$1.1248

NTA (after realised tax) \$1.1261

NTA (after tax) \$1.1084

**Share price at 30/04/2018** \$1.085

EGI Market Capitalisation \$118.93m

Management Fee 0.75%

Dividends Paid FY 2017 2.0 cps

Dividends Paid (YTD) - FY 2018 1.5 cps

Fully Franked Dividends Declared Feb 2018 (to be paid 18<sup>th</sup> May)

Interim Dividend 1.5 cps

Special Dividend 1.0 cps

Dividend Profit Reserve <sup>^^</sup> 4.1 cps

### Top 10 Holdings

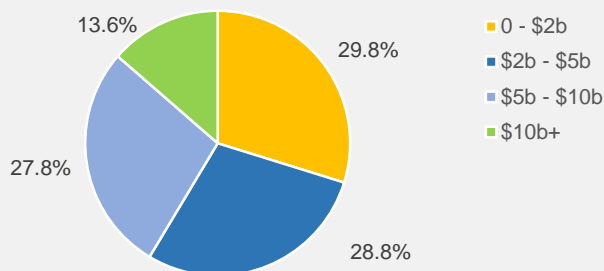
	Weight
Entertainment One Ltd	8.78%
Zayo Group Holdings Inc	6.79%
Equiniti Group Plc	6.34%
Stars Group Inc-The	6.31%
Interxion Holding NV	5.25%
Huntsman Corp	5.04%
Cellnex Telecom SA	4.54%
Venator Materials Plc	4.07%
XPO Logistics Inc	3.69%
Premier Inc	3.60%

Sector	Portfolio	MSCI World Index
Consumer Discretionary	20.30%	12.82%
Information Technology	19.06%	17.46%
Industrials	15.59%	11.41%
Telecommunications	11.33%	2.66%
Materials	9.12%	5.11%
Financials	8.79%	17.86%
Health Care	5.06%	11.89%
Energy	0.99%	6.57%
Real Estate	0.00%	3.01%
Consumer Staples	0.00%	8.21%
Cash	9.77%	0.00%
Utilities	0.00%	3.01%
Other	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

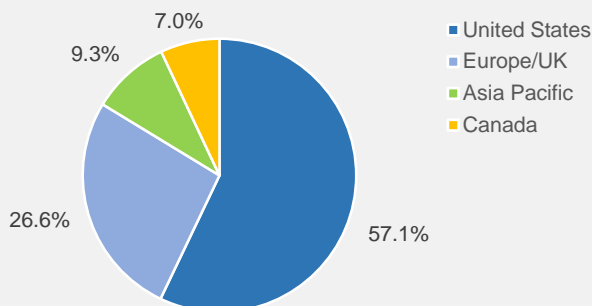
**\*\* NTA (before tax)** - Includes taxes that have been paid. **NTA after realised tax** - Includes a provision for tax on realised gains from the Company's Investment Portfolio. **NTA after tax**- Includes any tax on unrealised gains and deferred tax.

<sup>^^</sup> Based on the total shares on issue at 30/04/18 and before the payment of the most recently declared dividends. Cps refers to cents per share

### Market Capitalisation (% of Invested Capital)



### Geographic Gross Exposure (% of Invested Capital)





## Portfolio Update

The **EGI portfolio** decreased 0.37% net during the month of April. The NTA (before tax) at the end of April was \$1.1248. During the month EGI went ex-dividend with a **2.5 cent** fully franked interim dividend (1.5cps interim dividend + 1.0cps special dividend) with a payment date of 18<sup>th</sup> May 2018. Also in April, 17,868,634 options were exercised and converted to shares which diluted the NTA after realised tax by **3.0 cents** per share. The NTA per share is calculated ex-dividend and ex-dilution.

Contributors to performance included **The Stars Group**, **Zayo** and **Interxion**. Detractors from performance included **Philips Lighting**, **Acuity Brands** and **Equiniti**. EGI had 9 companies report earnings in April.

**The Stars Group** was the standout performer, up over 16% in the month after announcing on 21 April 2018 that it was acquiring UK based Sky Betting & Gaming (SBG). The company transforming deal for £3.4b (US\$4.7b) is part cash (£2.6b) plus 37.9m newly issued Star Group common shares (representing c20% of Stars Group following completion of the transaction). SBG is the UK's fastest growing online sportsbook (with 80% of revenue generated from mobile) and is one the UK's leading online gaming providers. With the majority of SBG's revenues generated by sports betting, the world's largest and fastest growing online gaming segment, the acquisition provides Stars with greater revenue diversification (poker revenue will reduce from 54% to 37% of total revenue), an increased presence in regulated markets (75% revenue regulated post deal) as well as another low cost customer acquisition channel to more effectively cross-sell to players across multiple verticals (sports, casino and poker). Stars has identified cost synergies of at least US\$70m per year. We are excited by this transaction set to close Q318. Upon close, The Stars Group will be the largest listed global online gaming company with pro forma US\$2.41b in revenue. In addition, while option value, the deal provides The Stars Group with strong sportsbook expertise ahead of the possible legalisation of sports betting in the US.

Both **Acuity** and **Philips Lighting** reported disappointing earnings. While Philips' Professional segment showed solid growth, its fast growing Home division hit a temporary speed bump with unexpectedly higher inventory levels sitting with trade partners in Q118. While we are firm believers in the future of connected lighting, the industry is facing a weak US lighting market and the competitive landscape is becoming more difficult to assess. This has weighed on our conviction levels. Ultimately, we may be too early on this thematic and the path forward is uncertain. We have exited both positions at this point.

## Market Commentary

**Global equity markets** rebounded modestly from the depressed levels in March as markets assessed the prospects of a trade war and geopolitical tensions eased. The MSCI World Index was up 1.94%. It was a choppy start to the month, as US sanctions hit metal prices and Russian companies (and the oligarchs who own those companies) extremely hard. Volatility, as measured by the VIX Index, actually fell in April, while US10-year treasury yields rose sharply, finally cracking the 3% level, before ending the month marginally below the figure.

**US equity markets** were up in slightly in April with the S&P 500 Index and the Dow Jones Industrial Average Index +0.4% and +0.3%, respectively. After selling off early in April when trade tensions between the US and China hit fever pitch, stocks recovered their poise after Chinese President Xi struck a more appeasing tone on trade. US companies also reported earnings that in aggregate were well ahead of consensus expectations. The US 10-year treasury yield briefly broke through the 3% threshold for the first time since 2014. US inflation measures remained firm and the Fed signaled its intention to keep raising rates if the positive trends in the economy continued.

**In Europe**, stocks rebounded strongly in April after a poor first quarter, with the Euro STOXX 50 Index returning 5.8%. France's CAC 40 and the UK's FTSE 100 were amongst the top performers, returning 7.2% and 6.8% respectively. The European Central Bank kept rates on hold in April and said that it expected *"interest rates to remain at their present levels for an extended period of time, and well past the horizon of net asset purchases"*. A rally in aluminium and nickel prices early in the month after US sanctions were announced reversed course after the US government said it would not impose previous sanctions immediately if the oligarchs divested their interests in certain enterprises.

**Asian markets** were also broadly higher as trade tensions eased and relations on the Korean peninsula showed signs of improvement. The historic meeting between the leaders of North and South Korea was hailed as opening *"up a new era of peace"*. The Hang Seng Index closed up 2.5%, while Japan's Nikkei 225 Index was up 4.7%, with investors in Japan relieved that the US did not make fresh trade demands during the summit between Prime Minister Abe and President Trump.

The **ASX/S&P 200 Accumulation Index** Accumulation Index ended April up 3.9%, despite the big 4 Bank share prices constrained by fallout from the Royal Commission. The ASX 200 Resources Accumulation Index was the star performer returning 9.8%.



## Research Ratings

Independent Investment Research (IIR) is an independent investment research house based in Australia and the United States. IIR conducted research in December 2017 and has assigned Ellerston Global Investments Limited (ASX code: EGI) a **Recommended** rating.



## Dividends

If you would like to have dividends re-invested under the Company's Reinvestment Plan, click [here](#)

## 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)

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