

2018 Annual General Meeting Thursday 18 October 2018

On behalf of the Board, I'd like to welcome all Ellerston Global Investments (EGI) shareholders, invited guests and other visitors present to our fourth Annual General Meeting. As we have a quorum, I now declare the annual general meeting open

Chairman's Address and Market Outlook

Before we start may I ask members of the audience to please switch off their mobile phones.

To begin, let me introduce myself and the people with me on the floor.

My name is Ashok Jacob and I'm Chairman of Ellerston Global Investments Limited. Our Board and Management here today include Sam Brougham, Stuart Robertson and Paul Dortkamp. Ellerston Capital CEO, Brian O'Sullivan is also present together with EGI's Co Portfolio Managers, Arik Star and Bill Pridham.

Also present today is our auditor for the 2018 financial year, Rohit Khanna from Ernst & Young.

Rohit is available to take questions relevant to the conduct of the audit and the preparation and content of the Independent Audit Report. The Corporations Act requires that the Company make copies of relevant questions of the Company's auditors received available. No written questions were received. Please direct any questions that you have of our auditor through me.

Market Outlook

Since 1 November 2014, when EGI commenced investing, the portfolio has returned 46.51% (net of fees) as at 30 June 2018. The MSCI World Accumulation Index (Local) has returned 36.29% over the same time frame. This translates to an annualised return since inception for EGI of 10.98% versus 8.81% for the benchmark.

In terms of the market outlook, each year we comment that we expect markets to remain volatile and unpredictable and the outlook for FY19 is likely no different. There are a number of pertinent economic and political issues that will likely impact the direction of markets this coming year.

Firstly, if we put markets to one side, the underlying US economy is undoubtedly strong, small business optimism is as strong as it's ever been and given the US consumer makes up 68% of the US economy this is an important fact. As you can see this from this slide from the NIFB survey, on the top left small business optimism is at a historical high with plans to hire at their highest in history. The fundamentals of the US economy are strong.

Economics historically, would tell you the offset to such business strength is typically inflation. Whilst it remains in check at this point, we continue to see commentary from companies dealing with varying amounts of inflation as it moves through the system in a range of forms from wages to raw material inputs to freight. As inflation continues to feed through the system, yields have started to increase with US 10 year bonds at their highest levels since 2011. The equity market is currently adjusting to this elevated rate environment and this creates volatility as the Federal Reserve continues on its rate normalisation process.

On the fiscal side, we have seen trade agreements such as the US Mexico Canada deal recently ratified but the elephant in the room remains the US/China trade war. What happens on this front post the November mid-terms will be critical for markets heading into the beginning of calendar year 2019. It is also worth highlighting, the effect of Trump's infrastructure

spend which is estimated to peak in 2019 and tax cuts via an increasing fiscal deficit adds fuel to an already booming US economy. We estimate that fiscal stimulus will add 0.8% to economic growth in 2018 and 2019.

Finally, the change in global central bank balance sheet flows, moving from c.\$3tril in buying last year to c\$500bil in selling by next year will no doubt have an impact on markets. QE has suppressed yields, hence as Central Banks go from net buyers to net sellers, in a rising rate environment, the importance of investing in self-funding companies with strong balance sheets increases. As evidenced by the moves in February 2018 and again at the beginning of October 2018, investors should likely prepare for greater bouts of volatility as markets continue to adapt and re-price risk premia. For prepared, fundamentally driven investors with long-term horizons, we believe this volatility can create great opportunities.

On top of this we have the uncertainty associated with Brexit, Italian economic instability, Emerging market ructions and continued geopolitical headlines associated with each new tweet.

Given all this change in the environment at the global macro level, we expect the fundamentals of businesses to become increasingly important to equity investment returns. As individual stock pickers, we remain disciplined in our focus at the stock level and investing in companies with strong balance sheets; businesses underpinned by secular growth drivers, with pricing power run by highly competent management teams. In running a high conviction portfolio we only need to find a few new compelling opportunities each year. The size of the investment universe all but guarantees that they are there, it's simply a matter of finding them.

Now we will turn to the results for the fiscal year ending 30 June 2018.

Results for the year ended 30 June 2018

The first item of business is the results for the period to 30 June 2018. The Company recorded a pre-tax profit of \$12,984,465 and a net profit after income tax expense of \$9,513,166.

As at 30 June 2018 the Company's Net Tangible Assets had increased to \$1.1734 per share before all taxes (compared to 30 June 2017 of \$1.1559 per share before all taxes) and to \$1.1445 per share post all taxes (compared to 30 June 2017 of \$1.1348 per share).

The Directors declared a final dividend of 1.5 cents per share, which was paid to shareholders on the 5th of October 2018. After the payment of the dividend the Company had a dividend profit reserve of 7.7 cents per share on current shares on issue. This provides the Company with over 2 years of capacity to pay future shareholder dividends as we currently intend to pay 3 cents per annum fully franked (1.5 cents per half) going forward, subject to various factors.

On April 15 2015, EGI issued 33.9 million loyalty options to founding shareholders in the IPO. The options had a strike price of \$1.00 and expired on April 10 2018. We were very pleased that option holders exercised over 96% of outstanding options leaving a small shortfall which was taken up via an underwriting agreement.

We are pleased to announce that EGI posted strong absolute returns in FY18 and outperformed the benchmark. The fund was up 13.77% during the year to 30 June 2018 compared to the benchmark which returned 10.86%. Performance to 30 September 2018 is also included on this slide. Bill will discuss this further in his portfolio commentary.

Resolutions

We will now turn to the formal business of the meeting.

The Notice of Meeting was posted to shareholders and copies are available from the registration desk. I propose that the Notice of Meeting be taken as read. Is there anyone who objects to this?

The proxy and voting procedures for this meeting are as follows: A show of hands will be taken for the three resolutions proposed.

When shareholders vote can they please raise their yellow card. If you hold a blue card you have already voted or are a joint holder. If there are any shareholders who are eligible to vote at the meeting and who have not received their yellow voting card, please see a representative from Link Market Services at the registration desk. If you hold a red card you are a visitor and not eligible to vote or speak at the meeting.

Following discussion on each item, the proxy results will be displayed on the screen behind me.

I would also like to highlight that Ellerston Global Investments directors and executives identified as key management personnel will not be voting undirected proxy votes given to them for item 1, the Remuneration Report.

On all other items of business, where undirected proxies have been given in favour of the Chairman, I will be voting those proxies in favour of all items. I have been informed by my fellow directors and the company secretary that they will also vote any undirected proxies given to them in the same manner with the exception of item 1, the Remuneration Report.

When it comes to asking questions, would speakers please make themselves known by raising their hands.

Please note that only persons holding yellow or blue admission cards are entitled to ask questions at this meeting. Visitors holding a red card are not eligible to vote or speak, but are welcome to listen.

We will now move onto the items of business for this meeting as set out in the Notice of Meeting.

RESOLUTION 1 - REMUNERATION REPORT

The Corporations Act requires that a resolution that the remuneration report be adopted must be put to the vote at the Company's annual general meeting. The vote on this resolution is advisory only and does not bind the directors of the Company. The Remuneration Report to shareholders is contained on pages [14 to 16] of the 2018 Annual Report.

This item gives you the opportunity to ask questions about or make comment on EGI's remuneration policies.

Is there any discussion on this item?

On the screen behind me are the details of the total valid proxies for this item.

All those in favour, please raise your yellow voting cards.

All those against, please raise your yellow voting cards.

RESOLUTION 2 - ELECTION OF DIRECTOR

The next item of business to consider and if thought fit to pass the following resolution

"That Paul Dortkamp, who retires as a Director pursuant to the requirement in ASX Listing Rule 14.5 and section 63 of the Company's Constitution and being eligible be re-elected as a Non-executive Director."

The Board (with Mr Dortkamp abstaining in respect of this resolution) recommends the election of Mr Dortkamp.

Is there any discussion on this item?

On the screen behind me are the details of the total valid proxies for this item.

All those in favour, please raise your yellow voting cards.

All those against, please raise your yellow voting cards.

I will now hand over to the Co-Portfolio Manager for EGI, Bill Pridham.

Q&A

This now concludes the business section of the AGM and we now call for general questions from the audience.

Following question time, the AGM will be formally announced as closed. We welcome you to join the Board for tea and coffee.



Ellerston Global Investments ANNUAL GENERAL MEETING

October 2018

Annual General Meeting October 2018

AGM AGENDA

- Chairman's Welcome Address and Market Outlook
- Results
- Resolutions
- Portfolio Overview



1. Chairman's Welcome Address and Market Outlook

Board

Name	Position	Independence	Prior experience
Ashok Jacob	Chairman & Non-Executive Director	Not Independent	Consolidated Press Holding Ltd , Thorney Holdings. Current directorships include MRF Ltd, Thorney Opportunities Ltd and EGI.
Sam Brougham	Non-Executive Director	Independent	Ceres Capital, Structured Asset Management, JBWere and Price Waterhouse
Paul Dortkamp	Non-Executive Director	Independent	Rivergum investors, First State Fund Managers Ltd (now CFS Investments) and the RBA
Stuart Robertson	Non-Executive Director	Independent	BT Funds Management and Zurich Australia.

Personnel

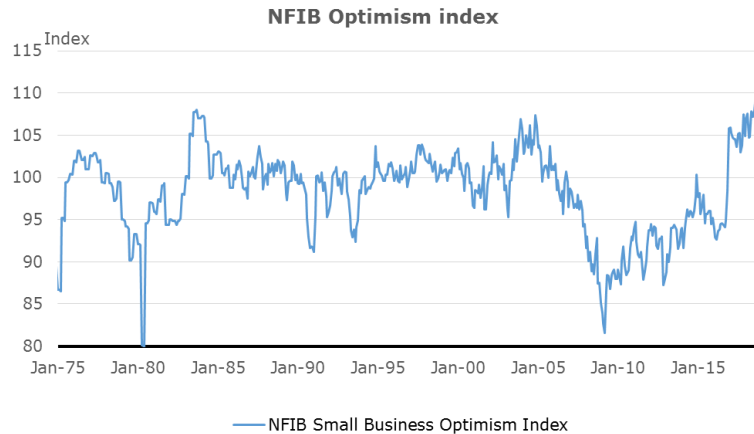
Name	Position	Prior experience
Arik Star	Co-Portfolio Manager	Kira Capital, Consolidated Press Holding Ltd, Thorney Holdings
Bill Pridham	Co-Portfolio Manager	JGL Investments, Kira Capital, QIC, MMC Asset Management and UBS Australia.
Brian O'Sullivan	Chief Executive Officer Ellerston Capital Limited	Zurich Australia, BT Funds Management and Price Waterhouse



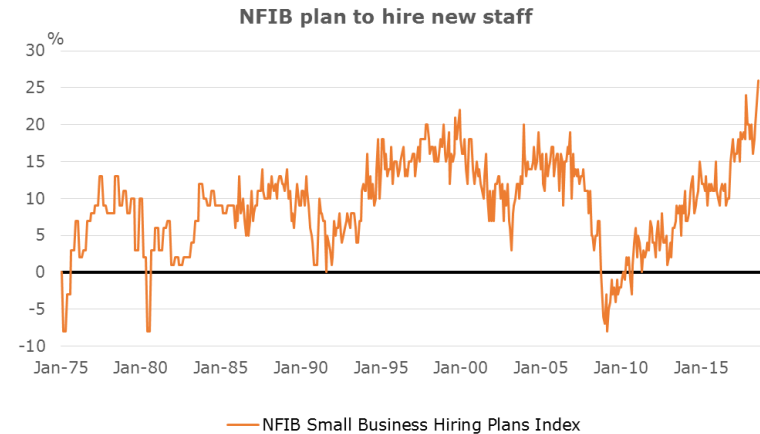
Global Equity Market Outlook

Small business optimism in the US is taking out historical highs

Optimism is at a historical high



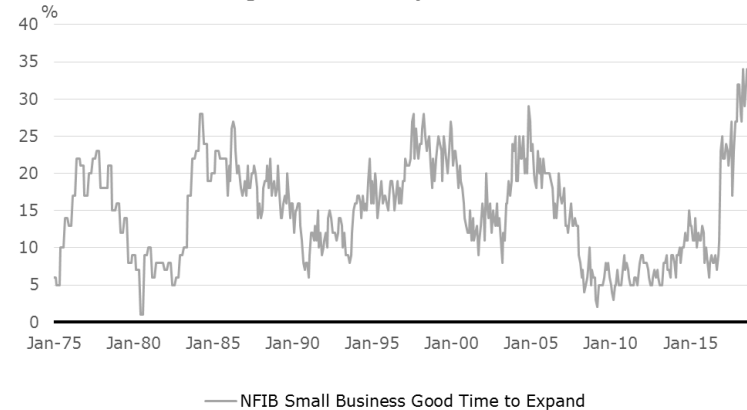
Plans to hire are highest in history



NFIB job positions are hard to fill



NFIB good time to expand business

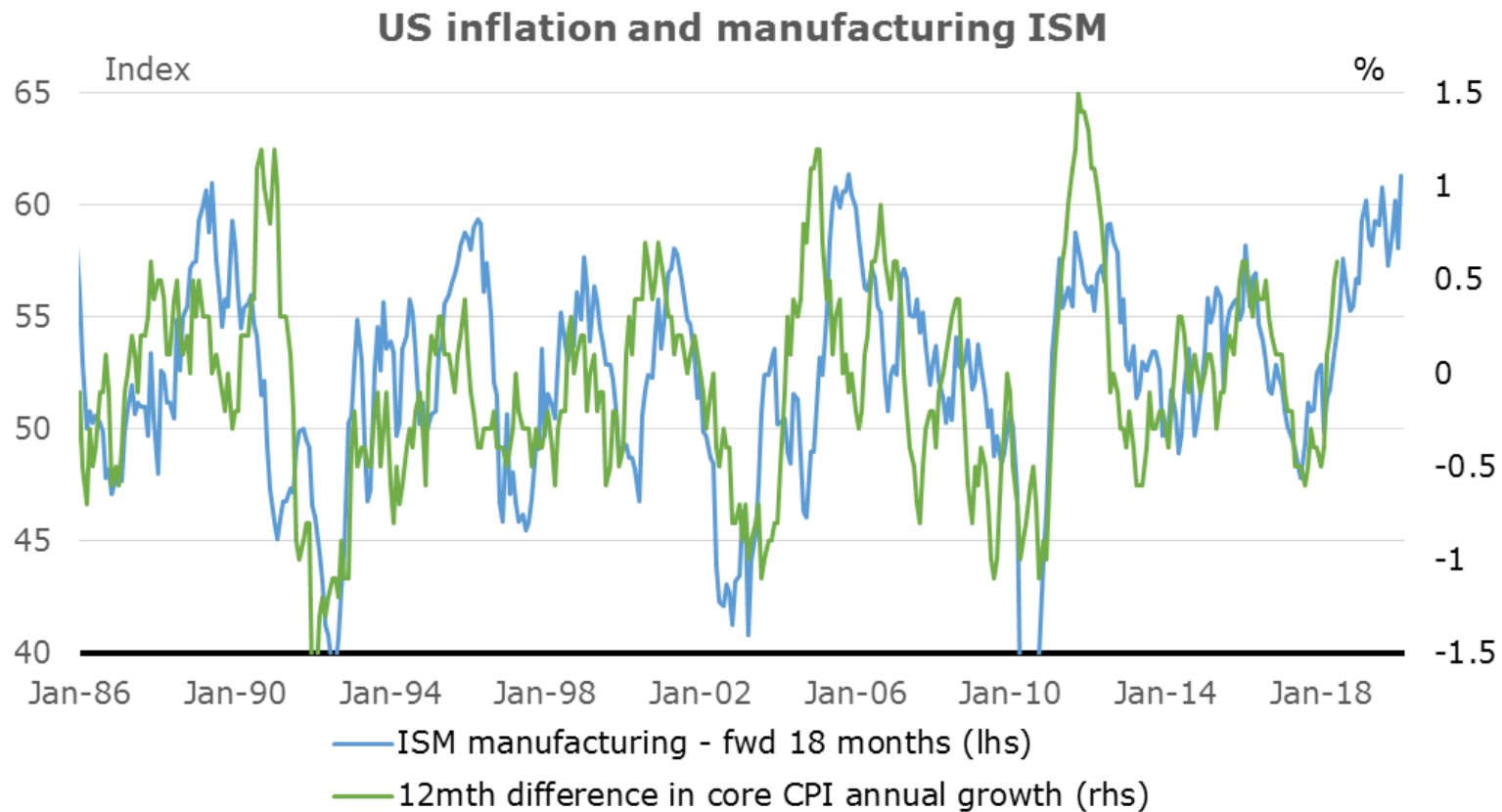


Positions being hard to fill are the highest in history

The best time to expand a business is the highest in history

The most important signal from the ISM is what it suggests for the inflation outlook over the next 12 months.

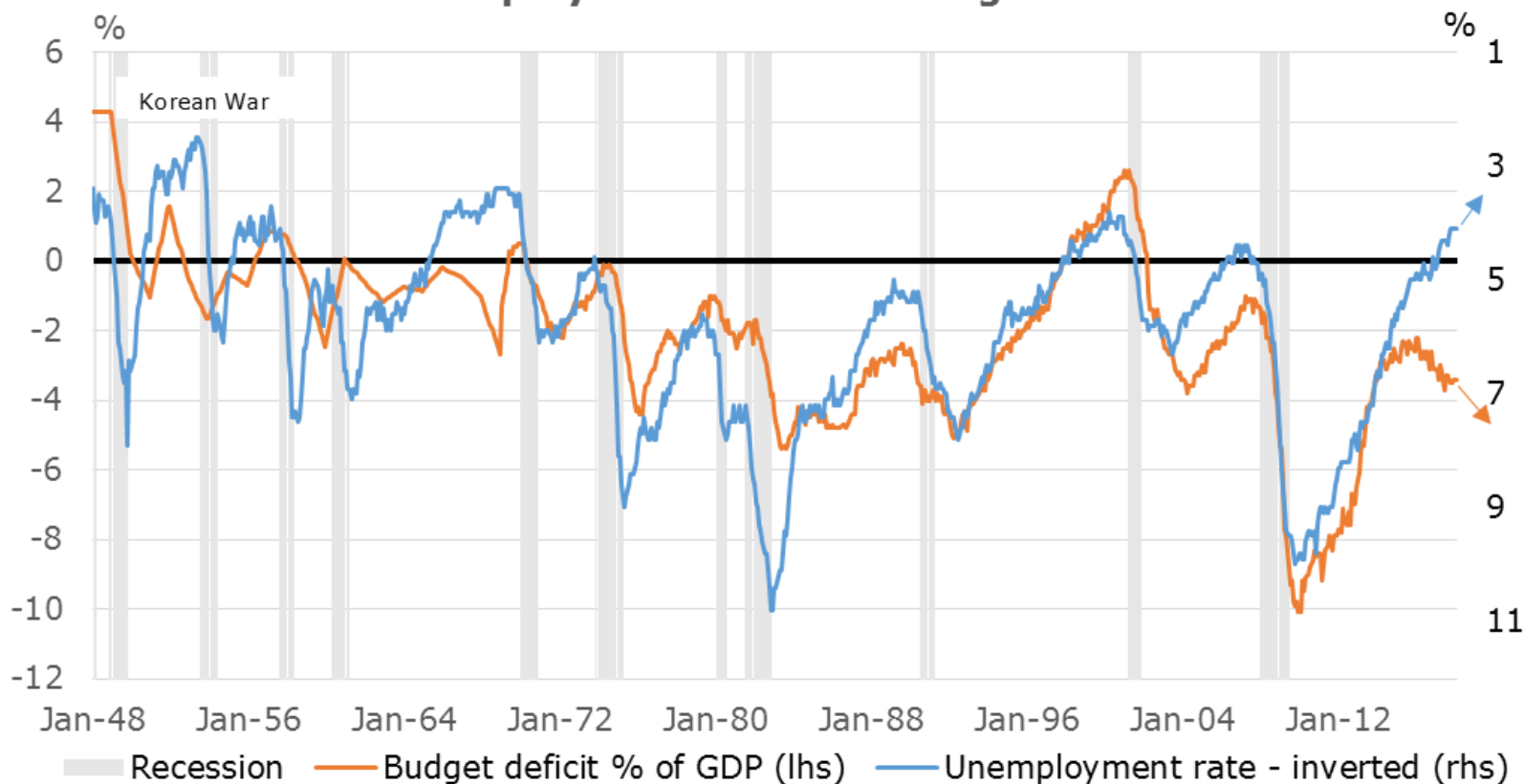
ISM is consistent with core CPI accelerating from 2.4%yoy currently by a further 1.0%yoy by end 2019. That is, without a significant cooling in activity core inflation could be on track to comfortably exceed 3%yoy.



Of course the US is also conducting an unprecedented experiment of sharp fiscal easing in a fully employed economy.

We estimate the fiscal stimulus will add 0.8% to economic growth in 2018 and in 2019.

USA unemployment rate and budget deficits

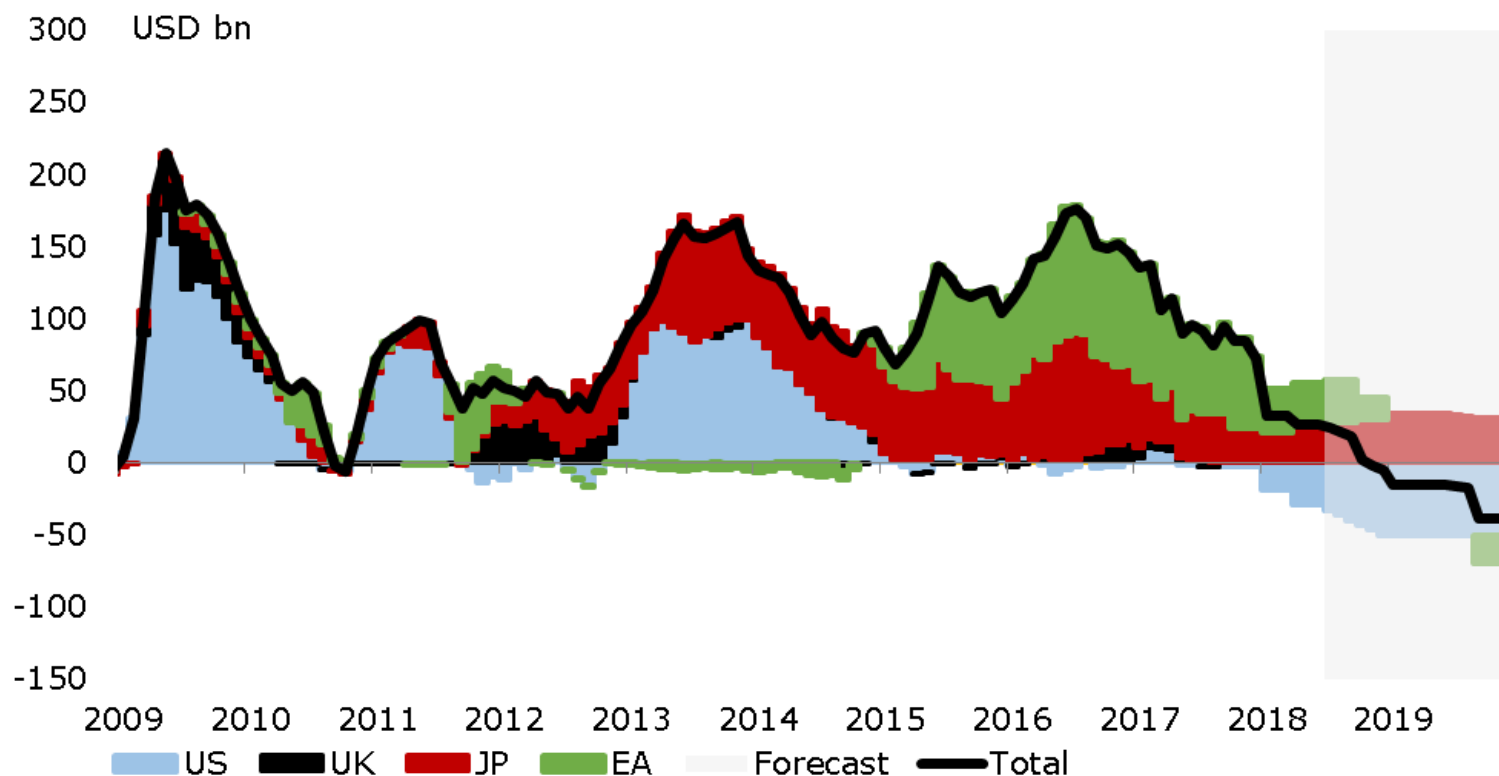


Source: Ellerston GMF

But is it the flow or the stock of central bank balance sheets that matter?

QE turns to QT in November 2018.

Incremental global quantitative easing





Results

Financial Results

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018

		30 June 2018	
Pre Tax Profit		\$12,984,465	
After Tax profit		\$9,513,166	
Earnings per share (a)		11.10	
Full year dividend		4 cents Fully Franked (3 cents + 1 cent Special Dividend) (b)	
Dividend profit reserve	Dividend profit reserve per share	\$10,160,681	7.7 cents
Pre Tax Net tangible asset backing per share		\$1.1734	

(a) EPS on an undiluted basis (b) The company intends to pay a dividend of at least 3 cents per annum (1.5 cents per half) Directors declared a dividend of 2.5 cents fully franked as at 31 December 2017 inclusive of a special dividend of 1.0 cent per share and a 1.5 cent final franked dividend for the year ended 30 June 2018

PERFORMANCE TO 30 JUNE 2018

%	3 Months	6 Months	1 Year	3 Years p.a	Annualised Return*
EGI Net	3.94%	1.27%	13.77%	8.48%	10.98%
Index**	3.58%	1.29%	10.86%	8.64%	8.81%

PERFORMANCE TO 30 SEPTEMBER 2018

- Most recent monthly NTA was estimated \$1.1855 and NTA after tax was \$1.1546.
- The current share price is \$1.060 (as of Oct 15)

%	3 Months	6 Months	1 Year	3 Years p.a	Annualised Return*
EGI Net	2.97%	7.02%	11.20%	10.70%	11.07%
Index**	5.29%	9.05%	12.30%	13.52%	9.66%

* Benchmark is MSCI World ex Australia Index (local)



Resolutions

Annual General Meeting October 2018

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018

Resolution 1 Remuneration Report

“To adopt the remuneration report of the Company for the year ended 30 June 2018”

Annual General Meeting October 2018

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018

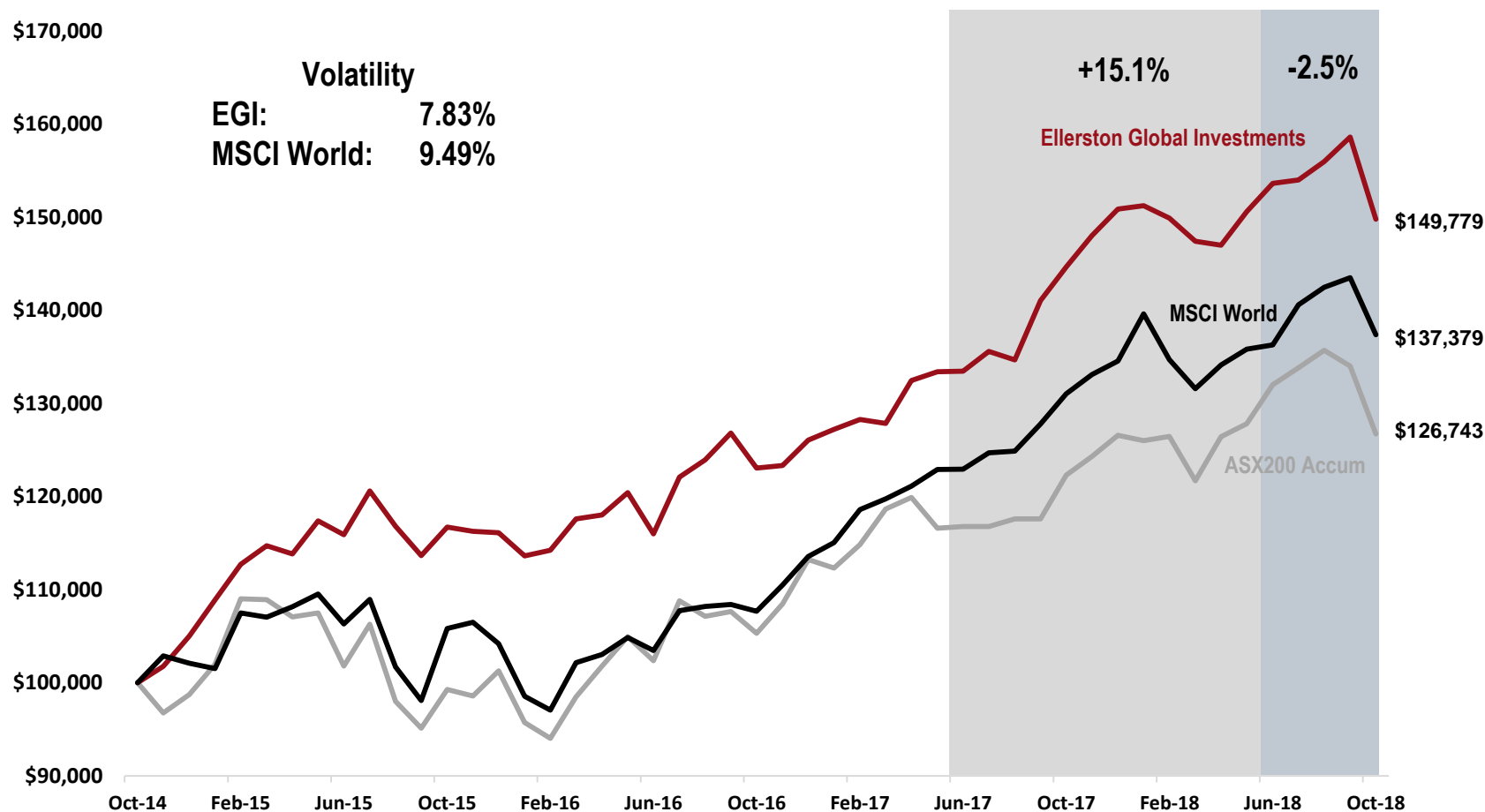
Resolution 2 Election of Director

“That Paul Dortkamp, who retires as a Director pursuant to the requirement in ASX Listing Rule 14.5 and section 63 of the Company’s Constitution and being eligible be re-elected as a Non-executive Director”



Portfolio Commentary

GROSS PORTFOLIO PERFORMANCE TO 16 OCTOBER 2018

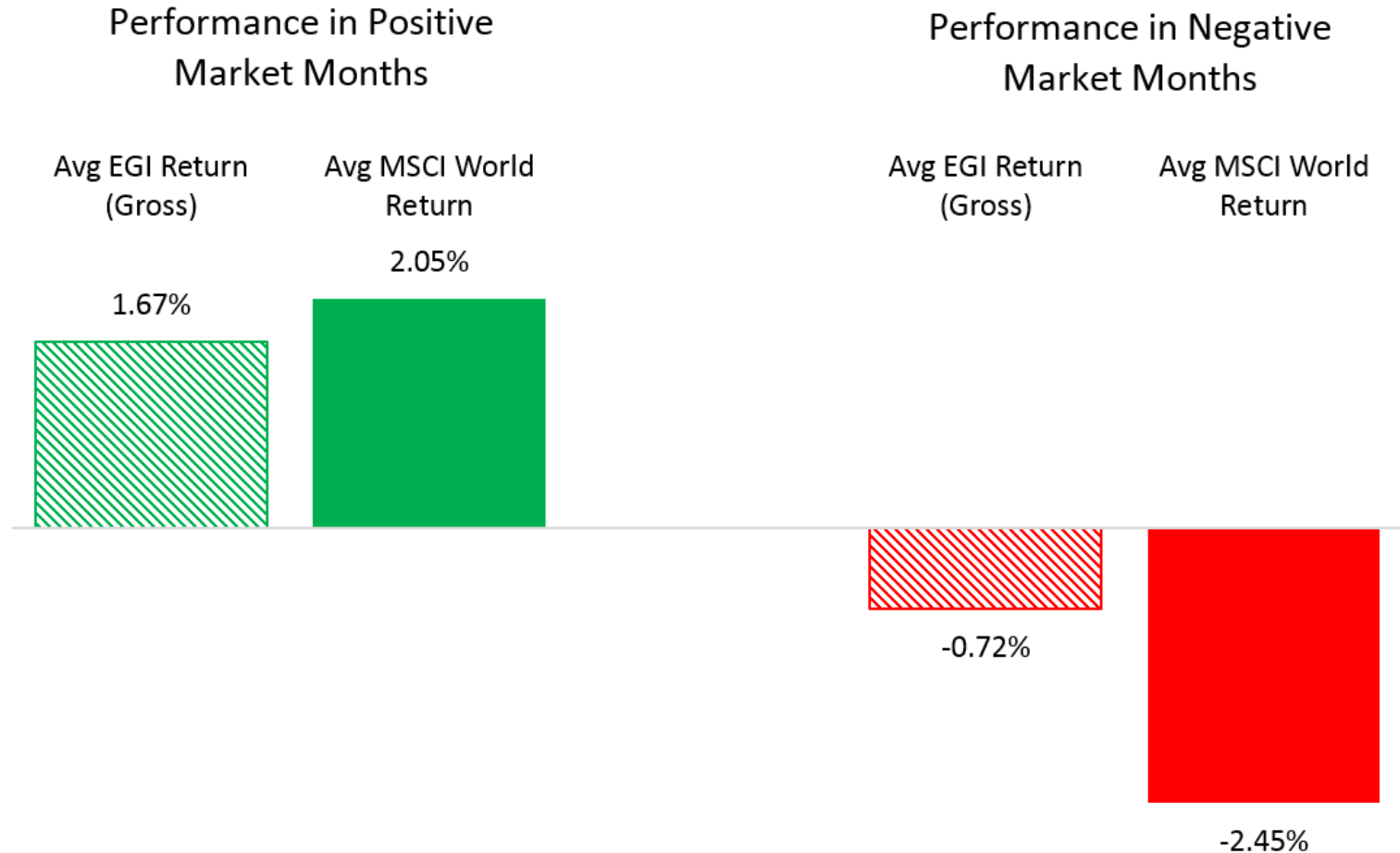


* October 2018 performance are Ellerston estimates only

** Benchmark is MSCI World Index (local)

UPSIDE DOWNSIDE CAPTURE SINCE INCEPTION

EGI has Captured 81% of Upside and only 29% of Downside



TOP 10 HOLDINGS AS OF 30 SEPTEMBER 2018

Company	Portfolio Weight (%)	Country	Sector
Equiniti Group	6.9	UK	Technology
Zayo Group	6.9	US	Communications
Interxion Holdings	5.8	US	Technology
Entertainment One	5.6	UK	Communications
Cellnex Telecom	4.4	Spain	Communications
Premier Inc	4.2	US	Health Care
Keysight Technologies	4.1	US	Technology
Huntsman Corp	4.0	US	Materials
Willscot Corp	3.9	US	Industrials
Teradyne	3.8	US	Technology
Total Top 10	49.6%		

EGI Marketing and Distribution

BUILDING RELATIONSHIPS WITH SHAREHOLDERS AND POTENTIAL INVESTORS

- EGI Investor Roadshows will be held in October and November with a record number of registrations
- EGI presented at the Australian Shareholders Association National LIC Roadshow and Australian Shareholders Investor Education Days in Melbourne and Adelaide
- Numerous 'LiveWire' posts and videos
- EGI Insights pieces recently produced for the Australian Investors Association eNews and ASA Equity Magazine
- Melbourne Australian Investors Association "Chapter" Presentation on Global Mid Smalls held in September 2018



Bill Pridham

TAKING ADVANTAGE OF MARKET
VOLATILITY

Bill Pridham - EGI





Any Questions?

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Thank you

FOR FURTHER INFORMATION

Please contact:

Sam Stobart
Head of Business Development – International Equities
[sstobart@ellerstoncapital.com](mailto:ssstobart@ellerstoncapital.com)

SYDNEY OFFICE

Level 11, 179 Elizabeth Street,
Sydney NSW 2000
+612 9021 7797
info@ellerstoncapital.com

MELBOURNE OFFICE

Level 4, 75-77 Flinders Lane,
Melbourne VIC, 3000
+612 9021 7797
info@ellerstoncapital.com