

10 February 2017

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ELLERSTON GLOBAL INVESTMENTS LIMITED (ASX: EGI) INVESTMENT UPDATE

Please find enclosed Investment Update for January 2017.

For any further enquiries please contact Link Market Services on 1300 551 627 or Ellerston Capital Limited Investor Relations on 02 9021 7797.

Yours sincerely



Ian Kelly
Company Secretary

Ellerston Global Investments

Investment Update – January 2017

Monthly Review

The **EGI portfolio** increased 0.8% net during the month of January. The NTA (before tax) at the end of January was \$1.128.

Global equity markets began 2017 in a divergent fashion. US markets continued their post-election strength on the expectation of tax cuts and fiscal spending. Elsewhere, global markets were mixed. The MSCI World Index (Local) increased 1.3%.

US equity markets rallied strongly, with each of the three major US bourses hitting all-time highs during the month. The S&P500 finished the month up 1.8%, the NASDAQ was up 4.3% and Dow Jones was up 0.5% as it broke through the 20,000 level for the first time.

In European markets, the Euro Stoxx declined 1.8% for the month. The German DAX rose 0.5% while the FTSE100 was down 0.6%. Both the French and Italian markets were very weak, declining 2.3% and 3.4% respectively.

In Asian markets, the Nikkei 225 Index fell 0.4%. The Hang Seng rose 6.2%.

Domestically, the **Australian S&P/ASX200** Index fell 0.8%.

The **US Dollar Index** retraced 2.6% in the month, pairing some of the large gains made post Trump's victory. This move was also influenced by comments from the Trump administration advocating a 'not too strong' dollar.

EGI Portfolio: The quarterly earnings period commenced in January with six portfolio companies reporting earnings or trading updates.

Contributors to performance included PTC, eBay and Zoopla Property Group.

PTC is a global leader in computer-aided design (CAD), Product Lifecycle Management (PLM) and Internet of Things (IOT) software and services. CAD and PLM are entrenched platforms with 99% client retention while there is significant embedded optionality in ThingWorx (IOT platform). The company reported strong Q1 earnings and guidance, both of which exceeded expectations.

eBay, Zoopla and Alphabet all released strong earnings results during the month.

Detractors from performance included NorthStar Realty Europe and Hostelworld.

Post a significant sell off during the month, Hostelworld (leading global online/mobile hostel booking platform) gave a pre-close trading update towards the end of the month where it reaffirmed earnings expectations. Bookings on the Hostelworld brand platform grew 18% having accelerated in the second half. The company has a robust balance sheet and continues to generate strong free cash flow. The dividend payout ratio of 70%-80% was confirmed providing a dividend yield in excess of 6%.

Key Information

ASX Code: Shares	EGI
Listing date	Oct 2014
NTA (before tax) *	\$1.128
NTA (after realised tax)	\$1.123
NTA (after tax)	\$1.110
NTA Fully Diluted (after realised tax)	\$1.086
Share price at 31/01/2017	\$0.98
EGI Market Capitalisation	\$74.2m
ASX Code: Options	EGIO
Option price	\$0.046
Exercise price	\$1.00
Management Fee	0.75%

* 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.

NTA Fully Diluted (after realised tax) - If all of the remaining 2018 options had been exercised by 31 October 2016.

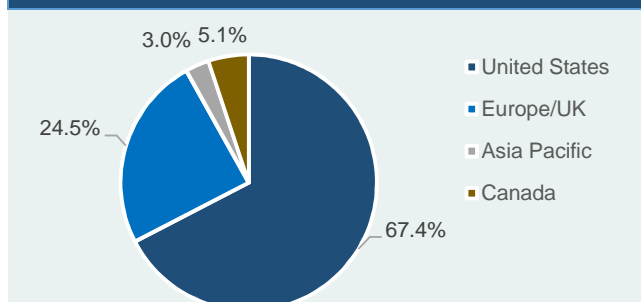
EGI Performance

	EGI (%)*	Index (%)
1 Month	0.81	1.29
3 Months	3.31	6.84
6 Months	3.73	6.78
One Year	11.16	16.72
1 Nov 2014	23.32	15.03
Annualised Return	9.76	6.42

*Net Return (before tax)

Top Holdings	%
Paypal Holdings Inc	5.38
Entertainment One Ltd	4.87
Zayo Group Holdings Inc	4.45
NorthStar Realty Europe Corp	4.29
Patheon NV	4.13

Geographic Exposure (% of invested capital)





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

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