

9 September 2016

The Companies Office  
ASX Limited  
Level 6  
Exchange Centre  
20 Bridge St  
SYDNEY NSW 2000

**ELLERSTON GLOBAL INVESTMENTS LIMITED (ASX: EGI) INVESTMENT UPDATE**

Please find enclosed Investment Update for August 2016.

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 – August 2016

## Monthly Review

**The EGI portfolio** gained +1.3% net during the month of August. The NTA (before tax) at the end of August was \$1.124.

**Global equity markets** posted modest gains. The MSCI World Index (Local) returned +0.4% led by the strong performance in global banking stocks.

**US equity markets** underperformed their international peers, albeit with the S&P500 managing to hit a new record high mid-month, before falling back to finish up +0.1% at 2,171. The NASDAQ also posted record highs, finishing up +1.0% at 5,213.

In **European markets**, the EuroStoxx outperformed global peers returning +1.1%. The FTSE100 was strong in August adding +1.7%, as the Bank of England cut rates for the first time since 2009 (by 25 basis points) to record lows of 0.25%.

In **Asian markets**, the Nikkei 225 added +2.3%. BoJ Governor, Haruhiko Kuroda confirmed the BoJ would not hesitate to use stimulatory policy if needed, pushing the dollar-yen pair higher during the month.

**EGI Portfolio:** Contributors to performance included NorthStar Realty Europe, Entertainment One and Equity Commonwealth.

On 10 August 2016, Entertainment One, the owner of the Peppa Pig children's franchise, received a preliminary proposal from ITV Plc to acquire the company at a share price of £2.36. This proposal was unanimously rejected by Entertainment One on the basis that it undervalued the company. On 25 August ITV withdrew its proposal noting that the Board of Entertainment One were unwilling to engage in a more formal process at ITV's proposed valuation. Entertainment One has significantly appreciated in value since EGI's purchase in June 2016 and we continue to see meaningful upside.

Equity Commonwealth late in the month announced that it had completed the sale of a four-property office portfolio for gross sale price of \$417m bringing year to date sales to \$1.1b of assets. The company continues to execute and investors are taking note.

EGI exited its position in Madison Square Garden (MSG) during the month. A significant increase in valuation since EGI initially invested in MSG made the position difficult to justify using traditional valuation metrics. This issue was compounded by our increasing lack of comfort regarding management's use of the significant cash pile.

## Key Information

ASX Code: Shares	EGI
Listing date	Oct 2014
<b>Share price at 31/08/2016</b>	<b>\$0.995</b>
<b>NTA (before tax) *</b>	<b>\$1.124</b>
<b>NTA (after realised tax)</b>	<b>\$1.121</b>
NTA (after tax)	\$1.100
EGI Market Capitalisation	\$75.3m
ASX Code: Options	EGIO
Option price	0.037
Exercise price	\$1.00
Management Fee	0.75%
Performance Fee	15%

\* 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.

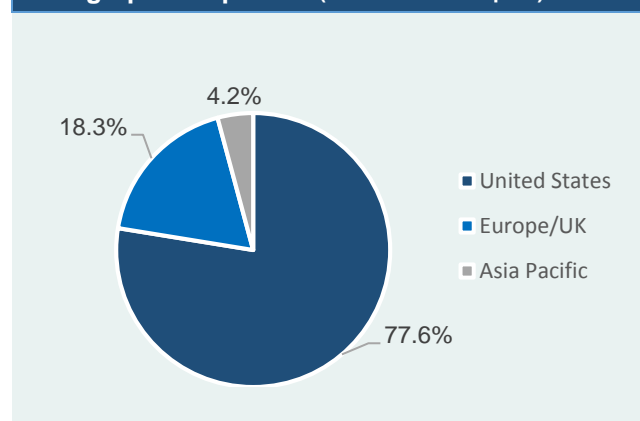
## EGI Performance

	EGI (%)*	Index (%)
1 Month	1.26	0.42
3 Months	2.64	3.18
6 Months	8.16	11.48
One Year	5.07	6.36
Since 1 Nov 2014	20.37	8.18

\*Net Return (before tax)

Top Holdings	%
Equity Commonwealth	6.22
Alphabet Inc	6.15
PayPal Holdings Inc	4.63
NorthStar Realty Europe Corp	4.43
Equiniti Group Plc	3.90

## 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](mailto:EGI@linkmarketservices.com.au)

**Disclaimer**

This document has been prepared for Ellerston Global 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

