

11 August 2016

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

Please find enclosed Investment Update for July.

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 – July 2016

## Monthly Review

**Global equity markets** rallied during July, releasing their 'Brexit' shackles as perceived risks to the economic outlook subsided, with the MSCI World (Local) Index rising +4.12%. This was a risk on month across most markets as the shadow of long term global stimulus loomed large.

**US equity markets** mostly underperformed the MSCI World but the S&P 500 still managed to reach a record high of 2,175 points. The Dow Jones industrials finished up +2.8%, the S&P +3.6%, while the tech heavy Nasdaq was very strong, up 6.6%. Factset reported that 63% of companies in the S&P 500 have announced earnings to date for Q2 2016, with 71% of reported earnings and 57% of reported sales above the mean estimate. For Q2 2016, the blended earnings decline is -3.8%. If the index reports a decline in earnings for Q2, it will mark the first time the index has recorded five consecutive quarters of year-over-year declines in earnings since Q3 2008 through Q3 2009.

The US 10-year treasury yield ended the month at 1.45%, near an all-time low yield, despite strong economic data intra month.

**European equity markets** outperformed the overall market, with the Euro Stoxx 50 up +4.4%. In contrast the FTSE100 was more subdued, returning +3.4% to be the worst performing major market. In Europe, official data showed Eurozone economic growth halved in the second quarter, with analysts fearing that the impact of the Brexit shock is not over.

**Asian equity markets** performed strongly with the Nikkei 225 posting a gain of +6.4%.

**EGI Portfolio** performed strongly during the month gaining net +4.98%. 10 companies in the portfolio reported Q2 earnings, including Alphabet, Equity Commonwealth, PayPal, Experian, FICO, Nielsen and EBAY. Results have all met or exceeded our expectations. We held a significant cash holding at the end of the month.

## Key Information

ASX Code: Shares	EGI
Listing date	Oct 2014
<b>Share price at 31/07/2016</b>	<b>\$0.99</b>
<b>NTA (before all taxes)</b>	<b>\$1.1096</b>
<b>NTA (after realised tax)</b>	<b>\$1.1095</b>
NTA (after tax)	\$1.0903
EGI Market Capitalisation	\$74.9m
ASX Code: Options	EGIO
Option price	0.05
Exercise price	\$1.00
Management Fee	0.75%
Performance Fee	15%

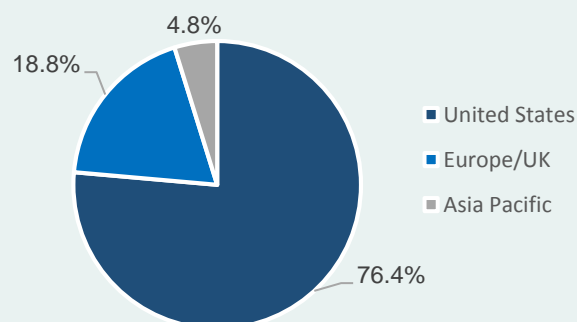
## EGI Performance

	EGI (%)*	Index (%)
1 Month	4.98	4.12
3 Months	3.30	4.56
6 Months	7.16	9.31
One Year	-0.14	-1.13
Since 1 Nov 2014	18.88	7.73

\*Net Return (before tax)

Top Holdings	%
Alphabet Inc	6.19
Equity Commonwealth	5.99
Fair Isaac Corp	4.80
PayPal Holdings	4.66
Experian PLC	3.98

## 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)

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