

Monthly NTA Statement

September 2017

Ellerston Asian
Investments Limited
ACN 606 683 729

13th October 2017

Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Ellerston Asian Investments Limited (**ASX: EAI**) advises the unaudited Net Tangible Asset backing (**NTA**) per share of the company as at 30 September 2017:

NTA per share	30 September 2017
NTA before tax	\$1.0841
NTA after tax	\$1.0659

The NTA is based on fully paid share capital of 107,885,739

The difference between the NTA before tax and the NTA after tax relates to the provision for deferred tax on set-up costs and tax on unrealised capital gains from the Company's Investment Portfolio.

On September 18 2017, EAI announced a new on-market buy-back of up to 10% of its shares, commencing September 27 2017 and continuing for twelve months.

Since 27 September 2016 a total of 12,114,262 shares had been bought back

The company's gross performance before tax for the month of September was 0.17%



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 EAI@linkmarketservices.com.au.

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Ellerston Asian Investments

Investment Update – September 2017

Commentary

EAI was up 0.2% in September but is up 14% on a gross basis thus far in 2017. The pre-tax NTA as of September 30 was \$1.0841 and the stock price at the end of September was \$0.97.

When EAI announced the initial share buy back in September of 2016, the discount to NTA was approximately 19%. This has since closed to approximately 10%, and we are committed to reducing the discount further. To achieve this, we have recently taken 3 concrete steps:

- (1) The Board has passed a resolution to be able to buy back up to 10% of total shares outstanding over the next 12 months. Note, this is not simply an extension of the existing buyback that expired on September 26, 2017 but a resolution to buy back new shares in the coming year. The new buy back commenced on September 27, 2017.
- (2) EAI did not declare a dividend for the Fiscal Year Ending June 2017 due to lack of available franking credits. As the Company matures, the Board aims to deliver a regular stream of fully franked dividends. To facilitate this the Board has endorsed the creation of a dividend profit reserve. On 30 August 2017 the directors resolved to transfer \$2.2m to the dividend profit reserve, which equates to 2 cents per share.
- (3) From October 31 to November 2 EAI is embarking on a roadshow in Brisbane, Melbourne and Sydney to meet with investors and provide a detailed update of the portfolio and the outlook for Asia in 2018.

Returning to the monthly performance update, there are currently 46 stocks in the portfolio with an average market cap of over \$90b. The largest sector weights in the portfolio remain financials, technology and consumer, with technology the largest sector overweight. Country allocation hasn't changed with India remaining our biggest overweight and Korea remaining the biggest underweight.

In terms of stock performance, Samsung, Wynn Macau and Baidu were the top contributors to absolute performance this month. Wynn Macau, Ylii and Conch Cement were the most significant contributors to alpha performance. We are underweight Samsung Electronics so this was a negative contribution to alpha during the month. Other top detractors were KB Financial and POSCO.

Cash at the end of September was 5%. Currencies with a greater than 10% weight are hedged as per the index.

Key Information

ASX Code: Shares	EAI
Listing date	15 September 2015
Share price at 29/9/2017	\$0.97
NTA (before tax)	\$1.08
NTA (after tax)	\$1.07
EAI Market Capitalisation	\$104.6m
ASX Code: Options	EAI0
Option price	\$0.022
Exercise price	\$1.00
Avg Management Fee	0.84% pa
Performance Fee	15%

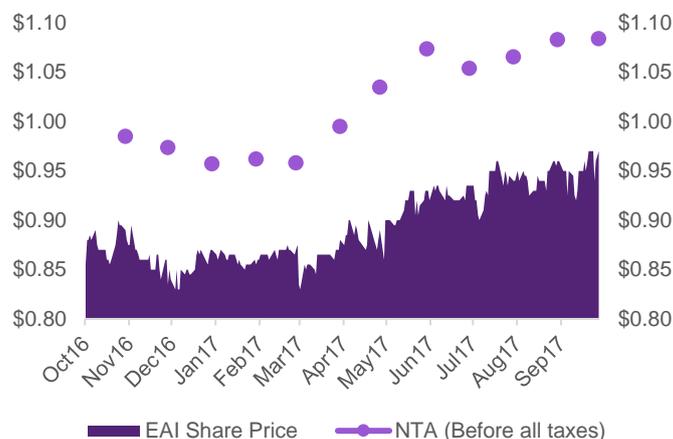
Performance

Metric	EAI Gross	EAI Net *	MSCI Asia ex Japan (AUD)
1 Month	0.2%	0.1%	0.8%
3 Months	3.2%	2.9%	3.3%
6 Months	9.6%	8.9%	10.4%
1 Year	10.5%	9.2%	17.0%
1 Nov 2015 [^]	8.8%	6.4%	15.3%
ITD	14.4%	11.7%	22.5%

*Before all taxes and after fees. Includes the effects of the share buyback

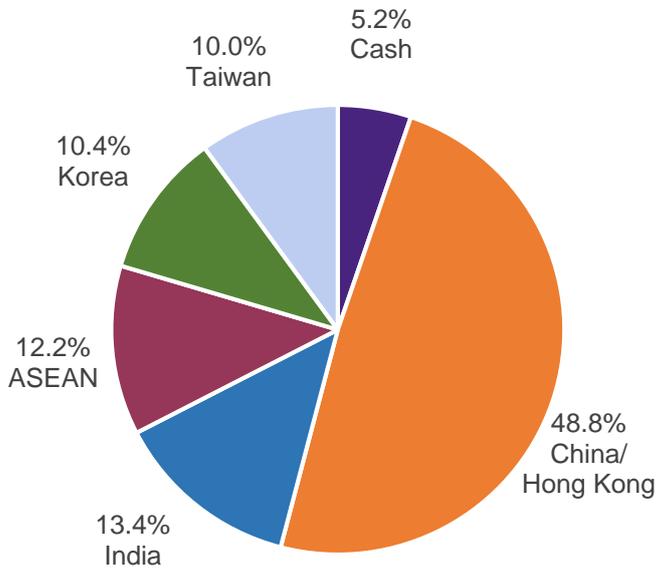
[^]Performance fee commencement

EAI Share Price Vs NTA (Before all taxes)

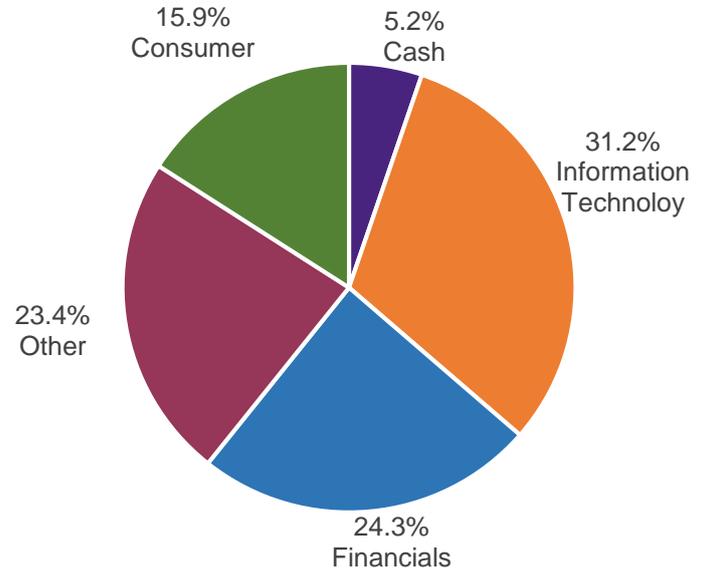


Top 10 Holdings	%
TENCENT HOLDINGS LTD	6.5
TSMC	5.7
ALIBABA GROUP HOLDING LTD	4.7
DBS GROUP HOLDINGS LTD	4.7
SAMSUNG ELECTRONICS CO LTD	4.4
ICBC	3.3
CHINA CONSTRUCTION BANK CORP	3.1
LARSEN AND TOUBRO LTD	3.0
MARUTI SUZUKI INDIA LTD	2.6
PING AN INSURANCE GROUP	2.3

Geographical Exposure



Sector Allocation



[REGISTER FOR ROADSHOW](#)

Please join us for our 2017 **Investor Roadshow** in October/November where you will hear from Mary Manning, showcasing the team's best investment ideas and the context in which they are investing throughout the rest of 2017 and beyond.

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