

Monthly NTA Statement

June 2017

Ellerston Asian
Investments Limited
ACN 606 683 729

12th July 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 June 2017:

NTA per share	30 June 2017
NTA before tax	\$1.0540
NTA after tax	\$1.0397

The NTA is based on fully paid share capital of 111,600,739

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 13 2016, EAI announced an on-market buy-back of up to 10% of its shares, commencing September 27 2016 and continuing for twelve months.

As at 30 June 2017, a total of 8,399,262 shares had been bought back.

The company's gross performance before tax for the month of June was -1.75%.



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 – June 2017

Commentary

EAI was down 1.7% on a gross basis during the month and the pre-tax NTA as of June 30, 2017 was \$1.0540. We performed in line with the MSCI Asia ex Japan (AUD) during the month and continued to buy back shares.

Absolute performance in June was negatively impacted by the appreciation of the Australian dollar (AUD), which rose from 0.7442 to 0.7670 throughout the month for a total appreciation of 3.1%.

There are currently 40 stocks in the portfolio with an average market cap of \$86b. At the June Board meeting, we decided to increase the maximum number of stocks allowed in the portfolio from 40 to 50. This is due to an increase in the number of stocks in our benchmark. The MSCI Asia ex Japan Index has increased from 604 members at the time EAI listed in 2015 to 637 members currently. More importantly, MSCI recently approved the addition of 222 China A shares to its Emerging Markets Index. Increasing the maximum stock count to 50 stocks keeps the level of concentration versus our benchmark roughly stable.

As mentioned above, on June 17 MSCI announced its decision to include Chinese A shares in the Index starting in May 2018. We had anticipated this decision and it is a cornerstone of our long held "Liberalization of Chinese Capital Markets" thematic. We owned three A shares going into the decision, Midea, Moutai and Goertek, all of which traded well on announcement. We also own Hong Kong Exchange, which will benefit from increased flows into Chinese A shares.

The largest sector weights in the portfolio remain financials, technology and consumer, with financials the largest sector overweight. We have recently taken profits in Samsung, Tencent and TSMC as these stocks have performed very well and were (and still are) susceptible to profit taking and sector rotation risk.

In terms of country allocation, our biggest overweight is India and the biggest underweights are Taiwan and Korea. This country positioning has been consistent since the launch of the fund.

Alibaba, Samsung and TSMC were the biggest contributors to absolute performance in June, whilst Sinopec and Prada were the largest detractors. Cash is at approximately 14% as we did not immediately reinvest the proceeds from the sale of tech stocks.

During the month of June our team travelled extensively in Asia, visiting China, Hong Kong, Macau, India, Vietnam and the Philippines. In the first half of 2017, the team has travelled to 11 different Asian countries and has done approximately 150 meetings, site visits and one on one calls with Asian corporates. As such, we feel we have a very good feel for what is happening on the ground and have an in depth understanding of the opportunities and challenges facing our portfolio companies.

Key Information

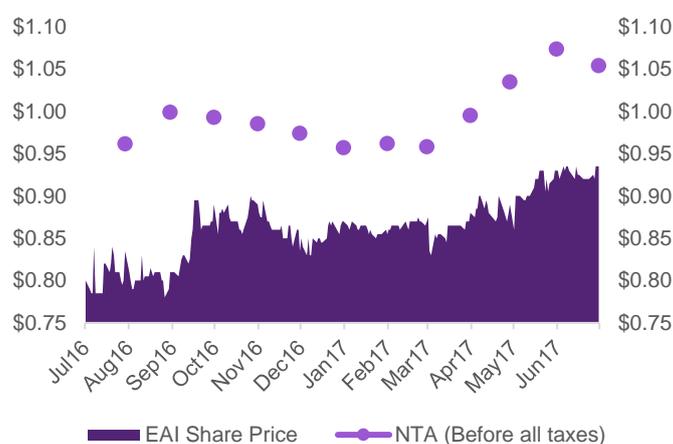
ASX Code: Shares	EAI
Listing date	15 September 2015
Share price at 31/6/2017	\$0.935
NTA (before tax)	\$1.05
NTA (after tax)	\$1.04
EAI Market Capitalisation	\$104.3m
ASX Code: Options	EAI0
Option price	\$0.030
Exercise price	\$1.00
Avg Management Fee	0.84% pa
Performance Fee	15%

Performance

Metric	EAI Gross	EAI Net *	MSCI Asia ex Japan (AUD)
1 Month	-1.7%	-1.8%	-1.9%
3 Months	6.2%	5.9%	6.9%
6 Months	10.8%	10.1%	14.8%
1 Year	14.5%	13.1%	20.5%
ITD	10.9%	8.6%	18.5%

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

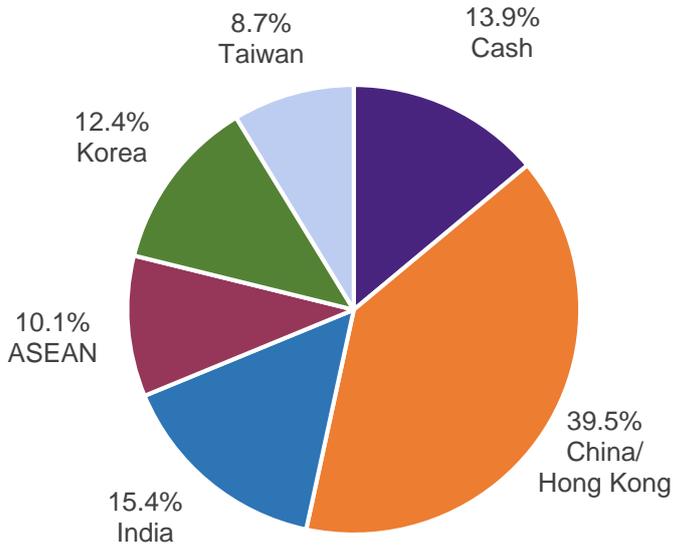
EAI Share Price Vs NTA (Before all taxes)



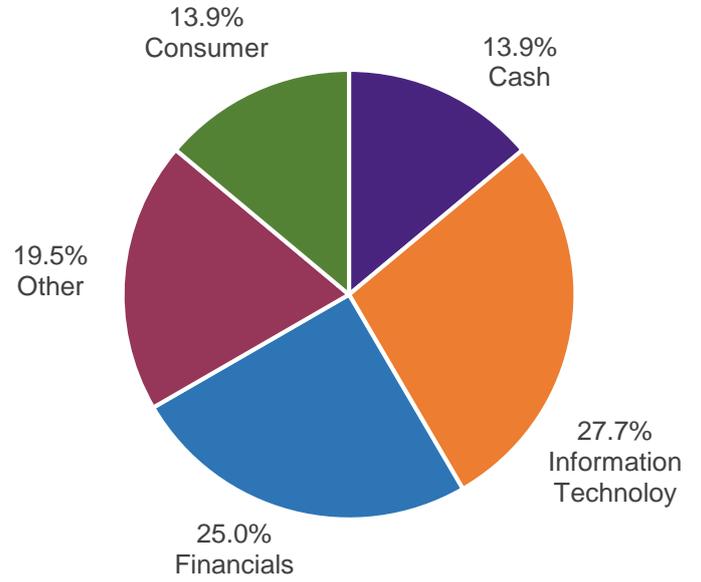
Top 10 Holdings

Top 10 Holdings	%
SAMSUNG ELECTRONICS CO LTD	5.5
TENCENT HOLDINGS LTD	4.9
TSMC	4.4
ALIBABA GROUP HOLDING LTD	4.0
DBS GROUP HOLDINGS LTD	3.6
LARSEN AND TOUBRO LTD	3.0
CHINA PETROLEUM AND CHEMICAL	2.9
INDUSIND BANK LTD	2.8
BAIDU INC	2.8
CHINA COMMUNICATIONS CONSTRUCTIONS	2.7

Geographical Exposure



Sector Allocation



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DISCLAIMER

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