



**EGP Concentrated Value Fund**

Address: Suite 2, Level 11, 37 Bligh Street  
 Sydney, NSW, 2000  
 Mobile: 0418 278 298

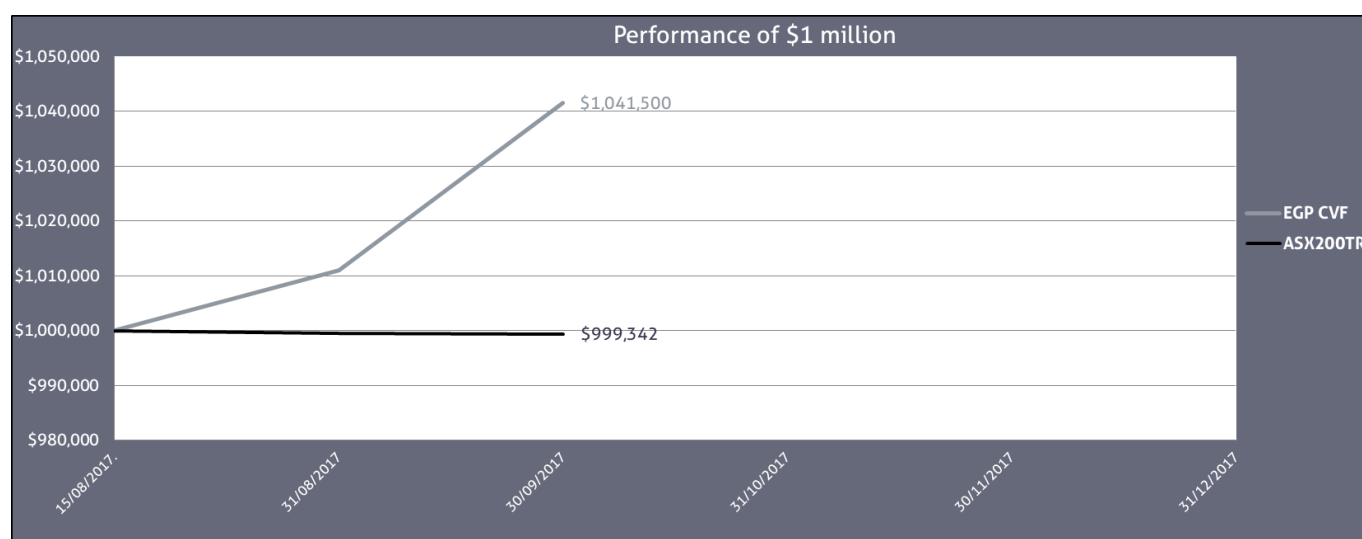
## EGP Concentrated Value Fund – 30 September 2017

EGP Concentrated Value Fund is a managed investment scheme focused primarily on owning Australian listed businesses. It targets 3 – 5% annual outperformance of Australia’s preeminent ASX200 index over the long term. Managed by a performance oriented co-owner, we run a portfolio that is genuinely different. The sole objective is to deliver the strongest possible risk adjusted returns. The fund manager has their entire investable asset base in the fund, meaning focus on risk is unusually intense.

EGPCVF	Jul	Aug*	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
<b>FY18</b>	N/A	1.1%	3.0%										4.15%

Benchmark	Jul	Aug*	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
<b>FY18</b>	N/A	(0.1%)	(0.0%)										(0.07%)

\*August 2017 is the period from August 15<sup>th</sup>-31<sup>st</sup> for both the fund and the benchmark in the above tables.



The fund had an excellent month, with our first really substantial new investment (the undisclosed second ranked investment in the table on the next page – undisclosed as we may yet add further to the position) performing very strongly, very quickly. We generated a gain of 3.01% in September. Our benchmark over the same period was slightly negative (-0.02%).

The fund remains 44% in cash after our final ever intake of new investors in September. Henceforth, existing investors only will be able to add to their investment (\$200k per month maximum). As a reminder, we intend to hard-close the fund once we reach \$100m of Funds under Management, so keep your eye on the “Fund Size” entry in the “Fund Features” table below so you don’t miss your chance to add.

There has been an intense initial flurry of investment which was a combination of weeks of planning prior to the launch of EGPCVF, and the fact the fund launched in the middle of earnings season. We now expect to return to our more sedate historic rate of capital deployment, whereby we will add a

new holding only very infrequently and add opportunistically to existing holdings as market gyrations permit.

Given our still considerable cash balance, we have obviously had some very good fortune in terms of the timing of some of our early forays in this new vehicle. Those who have invested with us over the past 6 or more years will be familiar with the frequent reminders I give that with equities, long periods of very modest returns can sometimes be broken up by very short periods of excellent returns, so don't take our hot start as 'normal'. They say taking out the best 10 days for the stock market each year reduces the overall annual return by more than 1/3. Remaining invested in a portfolio of sound businesses acquired at reasonable prices is usually better for the wallet than trying to time the market.

Our top 10 holdings at 30 September 2017 were:

Rank	Holding	Percentage Equity Weighting	Percentage Portfolio Weighting
1	Kangaroo Plantation (KPT.ASX)	12.8%	7.8%
2	Undisclosed	10.8%	6.6%
3	United Overseas Australia (UOS.ASX)	9.1%	5.5%
4	Undisclosed	4.7%	2.9%
5	Undisclosed	4.7%	2.9%
6	Undisclosed	4.2%	2.5%
7	Undisclosed	3.9%	2.4%
8	Undisclosed	3.9%	2.4%
9	Dicker Data (DDR.ASX)	3.9%	2.4%
10	Locality Planning Energy (LPE.ASX)	3.5%	2.1%

Our largest 5 holdings now comprise 42.1% of our invested capital, our top 10 holdings are 61.8% and our top 15 represent 77.9%.

We have revealed and reviewed the investment thesis for one of our previously undisclosed holdings, Locality Planning Energy, which is shown as the 10<sup>th</sup> ranked position in the table above. It is discussed further in this month's blog update on the website ([www.egpcapital.com.au](http://www.egpcapital.com.au)). If you are interested in better understanding our investments, I commend you to take the time to read it.

Subject to our feeling that a position is completed, we will try to publish a similar review of one of our holdings each month as we steadily finalise the construction of our portfolio and complete our buying programs with a number of new stocks.

As always, investors with any questions, suggestions, comments or investment ideas should feel free to drop me a line – [Tony@egpcapital.com.au](mailto:Tony@egpcapital.com.au)

---

**DISCLAIMER:**

*EGP Capital Pty Ltd (ABN 32 145 120 681) (EGP Capital) is the holder of AFSL #499193. None of the information provided is, or should be considered to be, general or personal financial advice. The information provided is factual information only and is not intended to imply any recommendation or opinion about a financial*

product. The content has been prepared without taking into account your personal objectives, financial situations or needs. You should consider seeking your own independent financial advice before making any financial or investment decisions. The information provided in this presentation is believed to be accurate at the time of writing. None of EGP Capital, Fundhost or their related entities nor their respective officers and agents accepts responsibility for any inaccuracy in, or any actions taken in reliance upon, that information. The EGP Concentrated Value Fund (ARSN 619879631) (Fund) discussed in this report is offered via a Product Disclosure Statement (PDS) which contains all the details of the offer. The Fund PDS is issued by Fundhost Limited (AFSL 233045) as responsible entity for the Fund. Before making any decision to make or hold any investment in a Fund you should consider the PDS in full. The PDS will be made available by contacting EGP Capital ([info@egpcapital.com.au](mailto:info@egpcapital.com.au)). Investment returns are not guaranteed. Past performance is not an indicator of future performance.

Fund Features		Portfolio Analytics	
Min. initial investment	Closed	Sharpe Ratio <sup>1</sup>	N/A
Additional investments	\$20,000 (Minimum) \$200,000 (Maximum)	Sortino Ratio <sup>1</sup>	N/A
Applications/redemptions	Monthly	Annualised Standard Dev. – EGP Annualised S/D - Benchmark	4.47% 0.08%
Distribution	Annual 30 <sup>th</sup> June	Largest Monthly Loss – EGP Largest Monthly Loss - Benchmark	N/A -0.1%
Management fee	0%	Largest Drawdown – EGP Largest Drawdown - Benchmark	N/A -0.1%
Performance fee (<\$50m)	20.5% (inc GST)	% Of Positive Months – EGP	100.0%
Performance fee (>\$50m)	15.375% (inc GST)	% Of Positive Months - Benchmark	0.0%
Auditor	Ernst & Young	Cumulative return <sup>2</sup> – EGP Cumulative return <sup>2</sup> – Benchmark	4.2% (0.1%)
Custodian/PB	NAB Asset Services	1 year return <sup>2</sup> – EGP 1 year return – Benchmark	N/A N/A
Responsible Entity	Fundhost Limited	3 year annualised return <sup>2</sup> – EGP 3 year annualised – Benchmark	N/A N/A
Fund Size	\$54.0m (after September intake)	5 year annualised return <sup>2</sup> – EGP 5 year annualised – Benchmark	N/A N/A
Mid-Price for EGPCVF Units	\$1.0415	Buy Price for EGPCVF Units	\$1.0431
Accumulated Franking per Unit	\$0.0025	Sell Price for EGPCVF Units	\$1.0399

<sup>1</sup> Sharpe and Sortino Ratios calculated using the Monthly Benchmark ASX200 Total Return Index

<sup>2</sup> Return is net of all fees and costs and assumes reinvestment of dividends. 1, 3 and 5 year figures are rolling annualised figures.

Past performance is not an indicator of future performance.

The information in the below table is provided for shareholders in EGP Fund No. 1, and does not relate to the EGPCV Fund.

EGP Fund No. 1 Pty Ltd Equivalent Price	\$2.0689
---	----------