



**EGP Concentrated Value Fund**  
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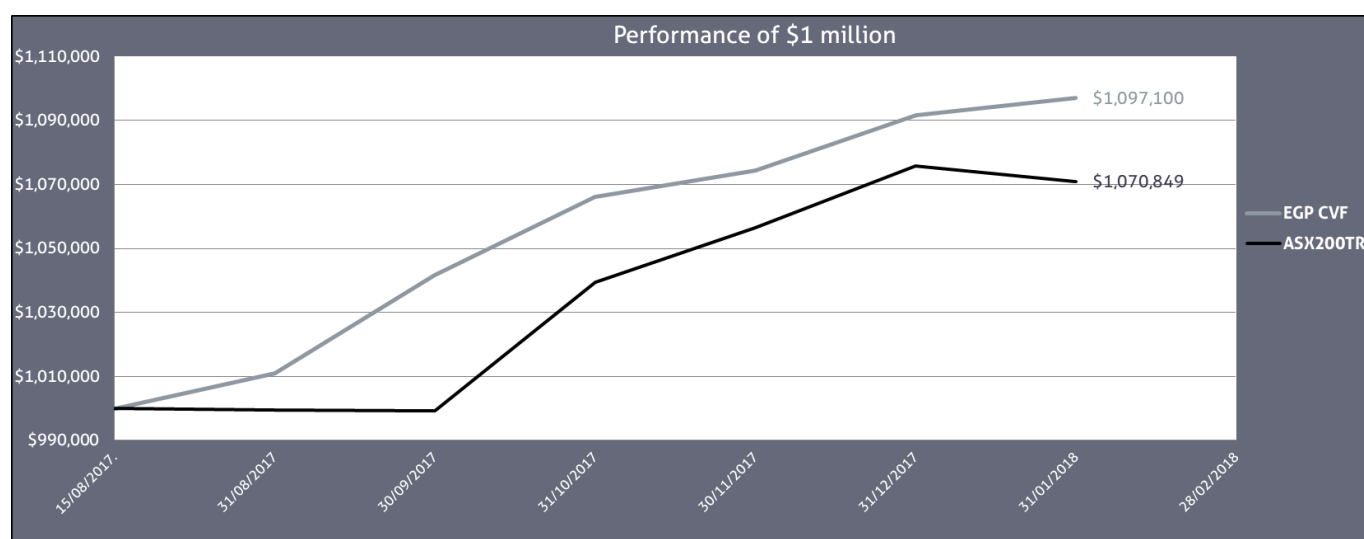
## EGP Concentrated Value Fund – 31 January 2018

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%	2.4%	0.8%	1.6%	0.5%						9.71%

Benchmark	Jul	Aug*	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
<b>FY18</b>	N/A	(0.1%)	(0.0%)	4.0%	1.6%	1.8%	(0.5%)						7.08%

\*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 gained 0.5% in January. Our benchmark fell by (0.5%).

The fund only conducted some relatively modest trading over the month, with more selling than buying. We added significantly to one of our top 10 holdings and trimmed or disposed of several others.

We have not outlined our disposals in this month’s blog as we usually do; we will give a more comprehensive recount of the selling we’ve been doing in next month’s blog. Now that we’re settling into a more natural portfolio construction, we’re trying to gradually trim down to our targeted maximum of 25 holdings. We will do this by opportunistically adding to the most undervalued of our holdings whilst eliminating those that we no longer wish to own in the most price-effective way.

We will hopefully return to the gradual revelation of our top 10 holdings with next month’s update, but at this stage, we would still like to ensure that we are able to add to each of the undisclosed

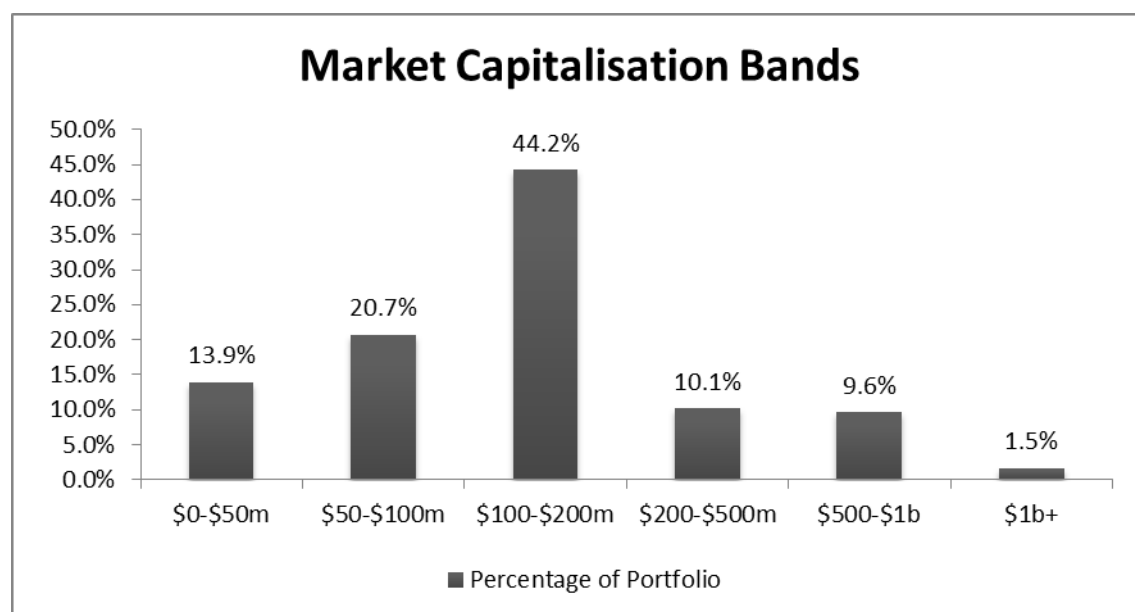
positions through reporting season with as little competition as possible if the results are pleasing and the prices remain at attractive levels.

Our top 10 holdings at 31 January 2018 were:

Rank	Holding	Percentage Equity Weighting	Percentage Portfolio Weighting
1	Kangaroo Plantation (KPT.ASX)	11.6%	8.1%
2	United Overseas Australia (UOS.ASX)	10.0%	6.9%
3	Global Construction Services (GCS.ASX)	9.7%	6.7%
4	Blackwall Limited (BWF.ASX)	4.7%	3.3%
5	Undisclosed	3.8%	2.6%
6	Undisclosed	3.6%	2.5%
7	Locality Planning (LPE.ASX)	3.5%	2.4%
8	Undisclosed	3.5%	2.4%
9	Undisclosed	3.3%	2.3%
10	Undisclosed	3.3%	2.3%

Our largest 5 holdings now comprise 38.9% of our invested capital, our top 10 holdings are 57.0% and our top 15 represent 72.0%. Cash is 30.8% of the portfolio.

The market capitalisation graph is set out below. As a matter of interest for those investors who like to know such things, I'll include the 'median' market capitalisation from now on too. This month, the median is \$116.2m:



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)

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Fund Features		Portfolio Analytics	
Min. initial investment	Closed	Sharpe Ratio <sup>1</sup>	4.15
Additional investments	\$5,000 (Minimum) \$200,000 (Maximum)	Sortino Ratio <sup>1</sup>	1.20
Applications/redemptions	Monthly	Annualised Standard Dev. – EGP Annualised S/D - Benchmark	3.36% 5.85%
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	50.0%
Auditor	Ernst & Young	Cumulative return <sup>2</sup> – EGP Cumulative return <sup>2</sup> – Benchmark	9.7% 7.1%
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	\$59.5m	5 year annualised return <sup>2</sup> – EGP 5 year annualised – Benchmark	N/A N/A
Mid-Price for EGPCVF Units	\$1.0971	Buy Price for EGPCVF Units	\$1.0987
Accumulated Franking per Unit	\$0.0024	Sell Price for EGPCVF Units	\$1.0954

<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	\$2.1557
EGP Fund No. 1 Pty Ltd Franking Credits	\$0.0000