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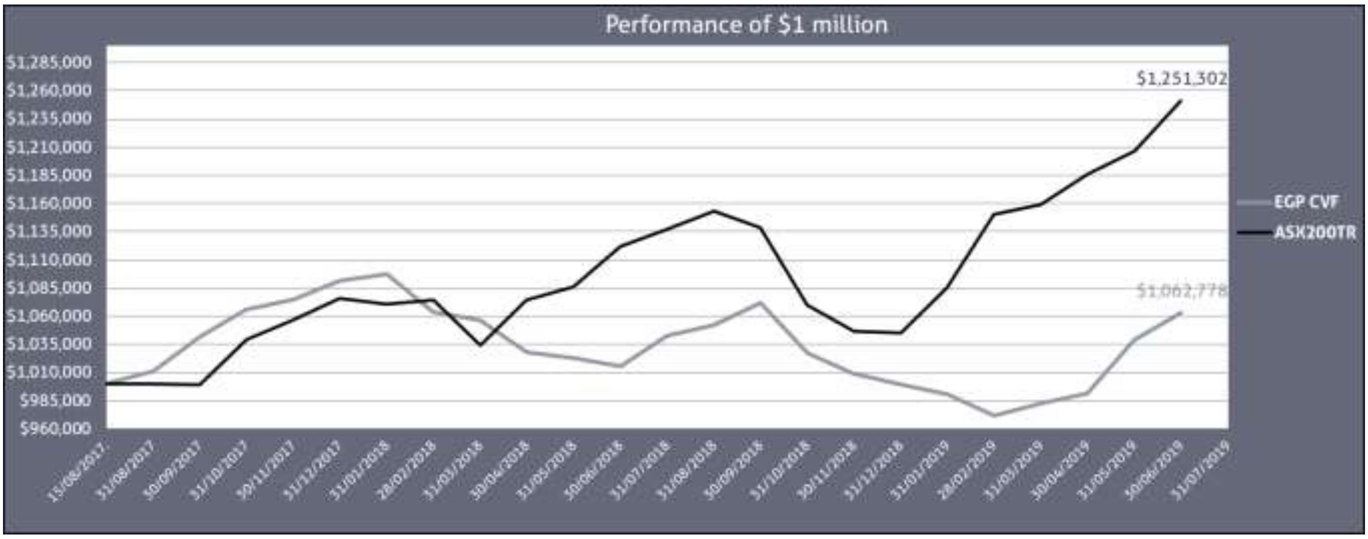
Erik A. (Tony) Hansen – Investment Manager 30 June 2019

Please find below a cumulative table, which will demonstrate over time what Albert Einstein called ***"the most powerful force in the universe"*** – compound interest. The intention is that over time, relatively modest advantages over the benchmark will accumulate to a substantially superior overall performance:

Since Inception Annualised Comparison Tables:-

Financial Year	EGP Concentrated Value Fund (after fees & costs)	Benchmark ASX200TR	Outperformance/ (Underperformance)
2018*	**1.58%**	**12.18%**	**(10.60%)**
2019	**4.63%**	**11.55%**	**(6.92%)**
Cumulative	**6.28%** [1]	**25.13%** [1]	**(18.86%)**

* 2018 is the 10.5 month period from 15 August 2017 (EGPCVF inception) to 30 June 2018
1 Assumes reinvestment of dividends/distributions



<u>The General Market:-</u>

The ***S&P/ASX 200 Annual Total Return Index*** (hereafter referred to as '**the benchmark**') was at 63,015.41 points before the opening of trading on 01 July 2018. Including reinvestment of dividends earned, the benchmark finished FY2019 at 70,291.79 points. The average Australian investing experience in the stock market during FY2019 was therefore a gain of 11.55%.

The benchmark over a period of years will approximate the median result of leading investment companies before fees & charges. Such investment companies are the most probable alternative investments for the majority of fellow Australian investors when they seek exposure to equities.

The benchmark was selected in advance and represented a logical choice in our view. It covers more than $2 trillion in market capitalisation and over 80% of Australian listed stocks by value; it presents no pushover. After fees; nearly 80% of active managers will fail to exceed the benchmark over the medium-term. A research report was included in the FY2015 annual letter explaining this fact in greater detail and is available on our website: www.egpcapital.com.au.

Our Experience:-

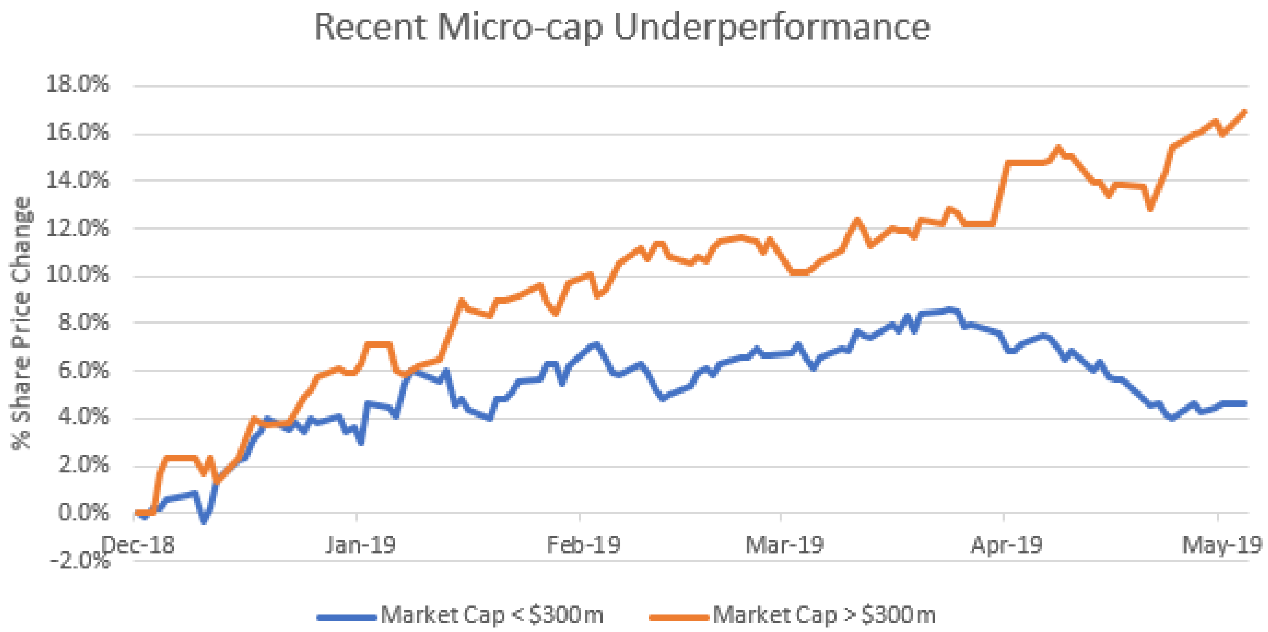
EGP Concentrated Value Fund (hereafter referred to as '**EGPCVF**') commenced 01 July 2018 at $0.9770 per unit. EGPCVF closed FY2019 at $1.0222.

This resulted in a gain of 4.63% after allowing for all expenses, no fees were earned by the fund manager as we underperformed our benchmark. The EGPVCF uses the same investment strategy that we have had in place with our original fund that has been operating since 2011. The graph and table on the front page set out the performance history of EGPCVF which was created in August 2017. A combined history of both funds EGP has operated since 2011 is set out in **Appendix 1** and should be considered for completeness when assessing performance.

FY2019 was our second consecutive year of underperformance after outperforming for our first six years of EGP's operation. The results over the past 18 months in particular have been a stark reminder that no investment program will ever outperform in all environments. There have been three key reasons for the poorer than expected results. The first is obviously stock selection; there have been a few errors I have made in assessing the prospects of some of our holdings. I have spoken about these in our monthly reports, but will revisit a couple of the larger errors in the body of this report. Of the three reasons for underperformance, stock selection/analytical errors hurt twice, because in many cases they could have been avoided and because allocation to underperforming ideas directs capital away from better performing ideas.

The second is in the timing of expected developments in our holdings. We will also discuss this deeper in the report, but a good example is the length of time it has taken to progress the approval of the deep-water wharf on Kangaroo Island. When we first started accumulating stock in Kangaroo Plantation Timbers (KPT), we were very confident we would have had a decision on the wharf before the end of FY2019. The key harm done by a thesis taking longer than expected to work out is "opportunity cost", whereby although the idea might be right, better returns could have been earned elsewhere due to the length of time an idea took to mature. It stands to reason that if one expected to double one's money in 3 years and the idea instead took 4 years to bear fruit, then the return on an annualised basis is significantly diminished (about 7% per annum in the example described).

Finally, the fund has a primary focus on microcap stocks (those with a sub-$300m market capitalisation) and there has been a significant underperformance in stocks at this end of the market since early 2018. The total return performance for the Small Ordinaries index in FY19 was 1.92%. The Emerging Companies Index, the self-declared "premier benchmark to measure the performance of microcap stocks in the Australian equity market" fared even worse, falling by 2.89% including dividends in FY19. We don't worry about divergence from any index. No index will remotely capture the highly idiosyncratic nature of our holdings. Such variability resolves itself over the course of time in any case. The graphic below from Bloomberg (source linked in the picture) below visually demonstrates the scale of the divergence in recent months, it has been a very good time to own larger businesses.



The fact that microcaps have underperformed the broader market has obviously been unhelpful given the construction of our portfolio (80% of our holdings meet the definition of a microcap, and our median market capitalisation is $95.1m), but most unitholders in EGPCVF will be (correctly) indifferent to such matters, believing it the fund manager's job to navigate the market and find value. We are confident though that the majority of our investor base understands well that in order to deliver meaningfully ***better*** performance than the benchmark that the portfolio must be meaningfully ***different*** to the benchmark. Even if the outcome of this differently constructed portfolio is outperformance on a long enough time-scale, there will inevitably be periods of underperformance. We are hopeful that having endured an 18 month long period of weak performance that the latent value in our portfolio is so significant that further underperformance *feels* unlikely.

We mentioned last year that we like to test the short-term outcomes of the decision making over the course of the year by reviewing what would have happened if we had simply done nothing and taken the same portfolio allocation from 30 June last year to 30 June this year. This test makes the fruits of our labour over FY2019 look like they were very worthy. Had we done nothing with the portfolio we carried at the close of FY18 and neither purchased nor sold anything, our results would have been a loss of more than 3%. Pleasingly, this means our buying and selling added meaningful value over the course of FY19.

Major detractors included our holdings in Big River Industries (BRI), FSA Group (FSA), SRG Global (SRG), Konekt Limited (KKT), Locality Planning (LPE), Redbubble (RBL), Shriro Limited (SHM), Silverchef Limited (SIV) and Tempo Australia Limited (TPP). The sole saving grace of this list of dreadful performers in FY19 is that we mostly sized the poorer performers' small enough that they didn't do as significant a level of harm as they might otherwise have. Several of those names we anticipate will be meaningful positive contributors to our performance in FY20.

Part of our position sizing being helpful in FY19 was our steady increase in concentration to our largest holdings. Our top 5 positions spoke for 38.1% of the invested portfolio at the end of FY18 and at the end of FY19, this figure had risen to 43.7% at the end of FY19. This means we are steadily increasing our exposure to the ideas in which we have the most conviction. The intention of a concentrated portfolio is to have significant exposure to where we think the risk/reward is best skewed in our favour and to use the smaller positions to try and generate outperformance with the smaller sizing mitigating the higher risk levels. We would hope to have the size of our largest 5 positions nearer our long-run average of 50% by the end of FY20.

We will take a brief look at our five largest holdings:

1. (UOS.ASX) United Overseas Australia (14.6%) – The property developer focused primarily on Kuala Lumpur trades at 75 cents per share (cps). Our estimate of the Net Tangible Assets (NTA) per share at 30 June 2018 is that it should be about \$1.04 assuming currency (MYR/AUD) around current levels and no unexpected gains on sale from assets. In order for the stock to trade at NTA, it would need to rise about 40%. UOS is also one of our few EGP stocks that's not a microcap. It carries NTA of around AU\$1.5b.

   As we have frequently demonstrated in our monthly updates, NTA is extremely conservatively stated, if the land bank, the investment properties and all inventories were held at their current saleable valuations, we estimate the NTA could be around 40% higher than stated NTA. The assets of UOS have compounded at more than 20% annually for more than 30 years, with the significantly increased scale of operations, 20% is probably unrealistic for future years, but we think a compounding figure in the mid-teens is highly achievable with very low risk. We are very excited about the opportunity in Ho Chi Minh City, it is potentially akin to starting the business again, except this time they are properly capitalised to exploit the opportunity more fully.

2. (LGD.ASX) Legend Corporation (10.4%) – We began accumulating LGD shares on 4 July 2018. Over the course of the financial year, we acquired nearly 6.5% of the business. We wrote about our views on valuation several times in our monthly updates and towards the end of May 2019, there was a private equity bid for LGD for 36.5cps. We view the bid as under-priced, but given the board and management support, the relatively illiquid nature of the shares and the fact the business has traded at a perpetually low valuation since listing, it seems likely to proceed at the offer price in the absence of a rival bidder turning up.

   Should the deal settle as advertised on 30 August 2019, we will have earned an internal rate of return (IRR) of slightly better than 65% on a reasonably sizeable chunk of our capital. Given the takeover consideration includes a 7c fully franked dividend, and we have earned two reasonable sized franked dividends during our holding period, if we include the franking (as we correctly should, all returns should be calculated pre-tax and then taxed at the relevant rate for the investor) then our pre-tax IRR will be more like 83%.

Here I should point out the advantage of investing alongside a manager substantially all of their wealth inside their own fund. LGD has generally traded at 37-38c since the bid was announced, well above the 36.5c cash bid price. The reason (given the unlikely prospect of a counterbid) is that the consideration to investors with a low-taxation situation (charitable foundations, pension phase superannuation and the like) is effectively 39.5c. To someone in the right tax situation, buying even as high as 38c with two months before settlement, the effective outcome is a relatively riskless IRR of >26%.

Given we can count only post-tax returns, the smart thing for the performance figures of the fund would be to sell our holding at above the 36.5c bid price. If we were able to sell our entire holding at 38c, we would improve our reported performance by nearly 0.4%, but we would cost our unitholders that much again in foregone franking credits, and trigger a substantial capital gains tax bill. By holding to completion, we will generate almost 0.8% per unit of franking credits which will be streamed to our unitholders.

3. (KPT.ASX) Kangaroo Island Plantation Timbers (9.0%) – The road to value realisation in the case of KPT has been a much longer one than we'd anticipated. When we first started accumulating shares in late 2016, the value proposition was that there should be in excess of $25m per annum of sustainable earnings before interest and taxation (EBIT), based on the prevailing price at that time of US$152 per bone dry metric tonne (BDMT) and using an AU$/US$ price of >77c. Since that time, the benchmark price for Australian E.Globulus woodchips has been struck at US$182 (with the spot price recently exceeding US$200/BDMT) and the AU$ is trading at below US$0.70. We believe full-flight sustainable production at around current US$ and woodchip pricing figures should produce at least AU$40m per annum in sustainable EBIT.

   The current forward forecast by RISI is for 3.4% per annum average annual price increases over the next 5 years. As I have previously mentioned, the leverage to price is very good for KPT, with each percentage point improvement in AU$ woodchip price producing almost two percentage points of additional EBIT. To say the industry conditions are favourable is to significantly understate matters. When Midway (MWY), Australia's largest exporter of wood fibre listed in 2016, they produced in their prospectus the following statement from RISI about the expected supply/demand conditions:

   2. Industry Overview

   With relatively stable long-term demand forecasts, changes in supply will be the main variable determining the future supply/demand balance. Changes in supply from the major countries are discussed above, and RISI has combined its total supply and demand analysis to predict a significant future shortfall in hardwood woodchips supply in Asia. In RISI's base case scenario for hardwood woodchip demand and supply, a deficit of 4% (0.8 million BDMT) is predicted in 2020, which will increase to a deficit of 10% (2.0 million BDMT) by 2025 and to a deficit of 11% (2.1 million BDMT) by 2030. RISI observes that, despite the forecast woodchip supply deficit, supply and demand will, of course, be balanced in the market. This will most likely occur through higher pricing, which will tend to both reduce demand and increase supply from some marginal sources. However, even with higher prices, attracting additional volumes will be difficult.

   Hardwood woodchip prices have risen about 20% since then, the latest forecast is for a supply deficit by 2022 of almost 17% (compared to the 2016 prediction of

10% supply deficit by 2025). Predicted "*supply from some marginal resources*" has not materialised, despite price rises exceeding those forecast by RISI.
Still the major hurdle remains approval of the deep water wharf. The public display period for the environmental impact statement (EIS) is complete and KPT's responses to the submissions should be delivered before the end of July 2019. At that point the decision will be in the Minister's hands. We expect that a positive decision is probably worth 40-50% in uplift to the current share price with the certainty a wharf will be built.

Once the project achieves steady production, it is hard to imagine a highly predictable cashflow stream with industry tailwinds, a port facility with only limited required use by the owner (i.e. with considerable revenue upside) and an enormous land-holding in an increasingly productive region trades at less than 10x EV/EBITDA. Assuming the wharf is built at the forecast cost and there is no further need for additional equity, this implies a share price of almost $6.
As we pointed out last year, a key redeeming feature of a forestry resource compared to other types of resources is that the asset grows larger with each passing year, but the fact remains that without the required approval, this highly valuable asset remains stranded, along with it, the opportunity for a significant improvement in the prosperity of greater Kangaroo Island.

4. Undisclosed (4.9%) – Our fourth largest holding will remain undisclosed until further notice. We continue to accumulate stock in the business. To give a brief outline of our view of the upside, we note the business is in the process of selling an asset we believe could be worth three to six times the current market capitalisation (before taxation and sales costs), an adjacent asset with substantially identical features has just transacted for the equivalent of 5.86x the current market capitalisation. The business is also litigating a matter where a fully successful outcome would generate more than the current market capitalisation in cash. Finally, with funding provided by either one of these alternatives, the operating business could potentially be worth a multiple of the current market capitalisation in fairly short order, as there are a suite of opportunities that only require some modest investment to capitalise on.

5. (LAW.ASX) LawFinance Limited (4.8%) – A lengthy investment thesis for LAW was published in the March 2019 newsletter. We remain incredibly excited about the prospects of this business. As discussed in the March report, the balance sheet is stretched at present, but resolutions to this matter are likely to finalise over the course of FY20. With some minor improvements in operating metrics, more attractive terms on the debt used to fund the businesses and growth in the originations of new liens in the US business, we believe LAW can invest its equity at close to a triple digit return on equity. Furthermore, there is an opportunity of enormous scale at which they can reinvest the proceeds from these earnings. If the business can get through FY20 without requiring further equity, the upside is enormous. This is an opportunity where if the execution is good, the upside will be measured in multiples of the current valuation.

With the exception of LGD which will be turned into cash in August via takeover, the remainder of our top five holdings remain deeply undervalued in our estimation. UOS is the least likely of the other four holdings to turn in a truly spectacular year, but will likely continue to grind higher as it has done with monotonous regularity over more than 30 years. KPT, LAW and our undisclosed 4th largest holding all have the potential to more than double if things go anything like to plan.

There are a number of other holdings in the portfolio with similarly exciting prospects. As to what causes the market to agree with our perception of value, we cannot say. We can only hold patiently as we have done previously, confident our reasoning and analysis will eventually turn into capital growth and profits.

On Appropriate Time Frames:-

Results, I remind our investor group every year, should be considered over the longer term, preferably at least 3 – 5 years. Our results over the last three years trail our benchmark for the first time in our history and our 5 year record is the weakest it has ever been, although still marginally ahead of our benchmark.

Our track record since inception as set out in **Appendix 1** remains attractive, with 13.11% delivered annually after all fees and expenses. The benchmark over the same period has delivered 8.98% annually. We expect over the next 8 years that we will be capable of delivering performance that is something close to as good as we have done in our first 8 years. The exact timing of when outperformance is delivered remains impossible to forecast.

The key protection investing with EGP offers is that in the event of underperformance, at least you know your fund manager hasn't scraped a handsome fee for that unsatisfactory outcome. As I said last year, it probably feels like a pyrrhic victory, but it is one with important ethical considerations. A fund that holds itself out as capable of delivering performance above a benchmark should not make a comfortable living when they fail to do so. The comfortable times will come when delivery is good. In this regard, we will feel not even slightly awkward about taking a performance fee in FY2020 should our performance be sufficiently good to cover off all the present shortfall and put the fund ahead of the benchmark.

We consistently remind our unitholders that we would expect to have about one in six years over a long enough time scale that will be a negative result, and about one in four years where we underperform our benchmark. We have just endured for the first time ever, consecutive single-digit positive annual performances, which feels like a negative result and after two years of underperforming our benchmark, we are now at our one in four average and will be disappointed if FY2020 isn't meaningfully better.

Distributions:-

A distribution based on FY2019 of about 5.6 cents per unit (cpu) will shortly be paid to all unitholders, there will be 0.7cpu of franking credits distributed along with it. The distribution is unusually large this year because we had two of our five largest holdings (Mitula and APN Regional Property Fund) taken over through the course of the year.

With the settlement of the Legend Corporation takeover in August, we will start FY2020 with almost as many franking credits as at the end of FY2019, but because a substantial part of the consideration for that takeover will be the fully franked dividend, we will not create a significant capital gain. Barring other large holdings being taken over, we expect the distribution in FY2020 is likely to be smaller than in FY2019.

The Zero-Fee Manifesto:-

We talked at considerable length in last year's report about why we considered the delivery into mainstream investor consciousness the concept of zero or near zero fee active fund management a moral imperative. We remain absolutely committed to doing this, but given our results have fallen short of our benchmark since EGPCVF was created, our focus will remain on returning EGPCVF to its rightful position of outperformance before revisiting any attempts to advance this longer term aim.

We are still happy to talk with and assist any fund manager looking to establish a fund that agrees in principal with our fee for outperformance proposition. Unfortunately, progress toward the "Zero Fee Collective" outlined in broad strokes in the FY18 annual letter has been delayed by the weak patch of performance EGPCVF has encountered.

When Insider Alignment Doesn't Help:-

Our most expensive mistake since EGPCVF was created has been an investment in Silverchef Limited (SIV). To date, the decision to invest in SIV has cost the fund a little over 2% of our assets.

SIV is a business that had up until recently been an extraordinary success. Performance was remarkably consistent and strong. For 30 of the first 32 years of SIV's operations, profits were higher than in the prior year. The business was (as most lending businesses are) capital hungry, but had a strong brand and enormous demand for its product, which was a specialised lending around hospitality products, specifically mission critical products (such as a coffee machine to a café or a pizza oven to a pizza shop). Because of its dominance in the hospitality channel, SIV created a virtuous circle as it also had significant control of the second hand market and as such had the ability to recycle second hand equipment when the (inevitable in the industry) failures of some customers came. The business was a fantastic one that had prospered through many different business cycles.

However, the hospitality business had become mature, with growth getting harder to come by and a couple of years ago, SIV created a division called "Go Getta" that was outside of the original scope of operations and was primarily a vehicle financing business. The business was not nearly as good as the original business, but obviously had a much larger addressable market.

When a decision was made to shut down the Go Getta business to refocus on the higher returning hospitality division, it piqued our interest. One of the things we like to look for is situations which we liken to injured champion athletes. Like Tiger Woods' comeback win in The Master this year, a business which is demonstrably excellent and has made a mistake by perhaps branching unwisely into an adjacent business or perhaps making an ill-fated acquisition can sometimes be an excellent purchase. The key is to decide whether the injury the champion had suffered was "career-ending" or not.

The decision to close Go Getta indicated to me that SIV had acknowledged a mistake and the refocus on a core business that had demonstrated excellent economics looked likely to provide a good opportunity.

Unfortunately a confluence of events occurred that proved to make this a mistake. The first is that the damage from the misadventure of Go Getta proved more significant than seemed possible. The quality of the lending in the business was truly horrific and the losses experienced much worse than I've seen in almost any business of its type given the relatively benign operating environment. If their clients were in a recessionary environment, the losses would have been more understandable, but they were not.

The second issue was that the business entered into a warehousing facility for which it was not properly set-up to provide the necessary reporting. When the lender demanded the required reports be provided, the business effectively had to savagely slow the new business it wrote as the access to capital was effectively frozen. A lending business is dependent on writing a sufficient level of new business to replace the business rolling off each month, if it cannot, the future profitability of the business shrinks fairly swiftly.

The second issue triggered a third issue which was the fairly obvious need to raise alternative capital. This is where the cost of the large insider ownership came to the fore. There is significant ownership at the board level, which we like as when the board and executive feel poor decisions in the hip-pocket, we feel it usually improves decision making. In the case of SIV, we suspect it did nothing positive for shareholders. In discussions with other large shareholders, it was very clear the company needed to raise capital. The can seemed to get repeatedly kicked down the road as the least dilutive option was pursued. All the while the share price was cratering, meaning the dilution required to recapitalise the business was dramatically increasing.

In April this year, a "Non-Binding" offer for the business was made by a private equity group. The announcement indicated the founding shareholder would "form a different class", with the implication being they would keep their stake in the business as part of the takeover. The key risk of owning businesses with large founding shareholders is that minority shareholders get treated as a lesser entity. We try to mitigate this risk by observing the behaviour of these shareholders. Up until the takeover announcement, the treatment of minority shareholders by SIV had been very good.

The stock is currently halted pending a revised takeover announcement. Our view is that if the founder has the opportunity to roll their stake into any takeover vehicle, that the same offer must be made to all shareholders, or otherwise it should be voted against. The whole SIV experience has been a reminder that heavy insider ownership is not always as strong a protective cloak as we might think it is.

The most upsetting part about the whole situation is that the competitive environment in which SIV operates is the best it's been in years. Major competitor Axsesstoday has gone into administration and a number of minor competitors have withdrawn from the market. A properly funded business such as SIV would make excellent profits in coming years. Unfortunately, it seems likely that a private equity player will be the big winner from a managerial debacle of Silverchef's own making.

The final word:-

We expressed hope at this point in last year's letter of a good FY19; it turned out mediocre at best, proving the old adage that predictions are hard, especially about the future. We are confident we have some deeply undervalued prospects within our portfolio and a number of good opportunities to deploy the cash that will shortly be returning to the fund. The dichotomous nature of the market at present means that although one could reasonably describe the Australian market as significantly above fair value, there remain numerous deeply undervalued pockets that the disciplined investor can use to deploy capital for a return that adequately compensates the risks taken.

I always end my communications with an offer to make contact with me if you have any questions. Feel free to call (0418 278 298), email (tony@egpcapital.com.au) or drop by the office (note the new office address if you do!) if something is on your mind. I pride myself on being transparent and freely available to all investors who have placed their faith and future wealth into my hands.

Best Regards,

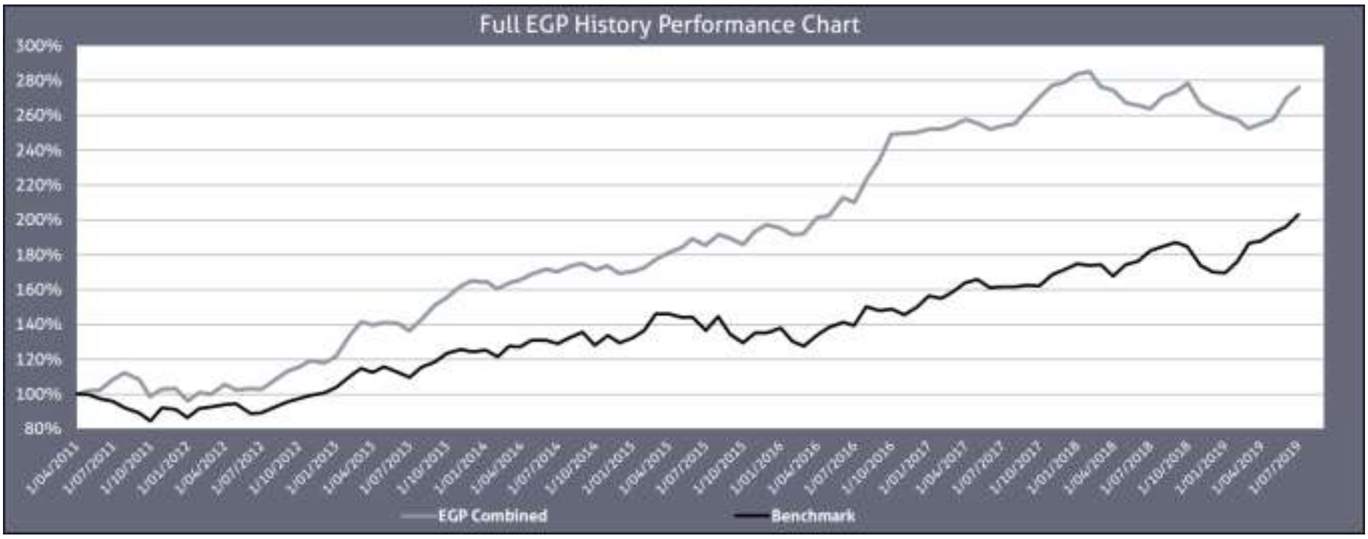
Erik A. (Tony) Hansen
Chief Investment Officer
EGP Capital

Appendix 1:

Combined performance of EGP Fund No. 1 (operating from 01 April 2011 to 15 August 2017) and EGP Concentrated Value Fund (operating since 15 August 2017):

Financial Year	Combined Funds (after fees)	Benchmark	Outperformance/ (Underperformance)
2012*	2.99%	-10.46%[1]	13.45%
2013	32.58%[1]	22.75%[1]	9.83%
2014	24.71%[1]	17.43%[1]	7.28%
2015	9.04%[1]	5.68%[1]	3.36%
2016	13.19%[1]	2.13%[1]	11.06%
2017	20.75%[1]	15.89%[1]	4.86%
2018	3.39%[1&2]	13.01%[1&3]	(9.62%)
2019	4.63% [1]	11.55% [1]	(6.92%)
Annualised	13.11%[1]	8.98%[1]	4.13%
Cumulative	176.25% [1]	103.29% [1]	72.96%

* 2012 is the 15 month period from 1 April 2011 (fund inception) to 30 June 2012 (first full financial year)
1 Assumes reinvestment of dividends/distributions
2 Comprises the 1.78% earned by EGP Fund No. 1 Pty Ltd between 1 July 2017 – 15 August 2017 & the 1.58% earned by EGPCVF between 16 August 2017 – 30 June 2018
3 Comprises the 0.75% earned by the benchmark between 1 July 2017 – 15 August 2017 & the 12.18% earned between 16 August 2017 – 30 June 2018
Past performance is not a reliable indicator of future performance.



	One Quarter	1-Year	3-Years	5-Years	Inception Annualised
Combined EGP Funds	8.13%	4.63%	9.54%	10.15%	13.11%
Benchmark*	7.97%	11.55%	13.43%	9.51%	8.98%
Value Added	0.16%	(6.92%)	(3.89%)	0.64%	4.13%

*ASX200TR Index

Appendix 2:

EGPCapital

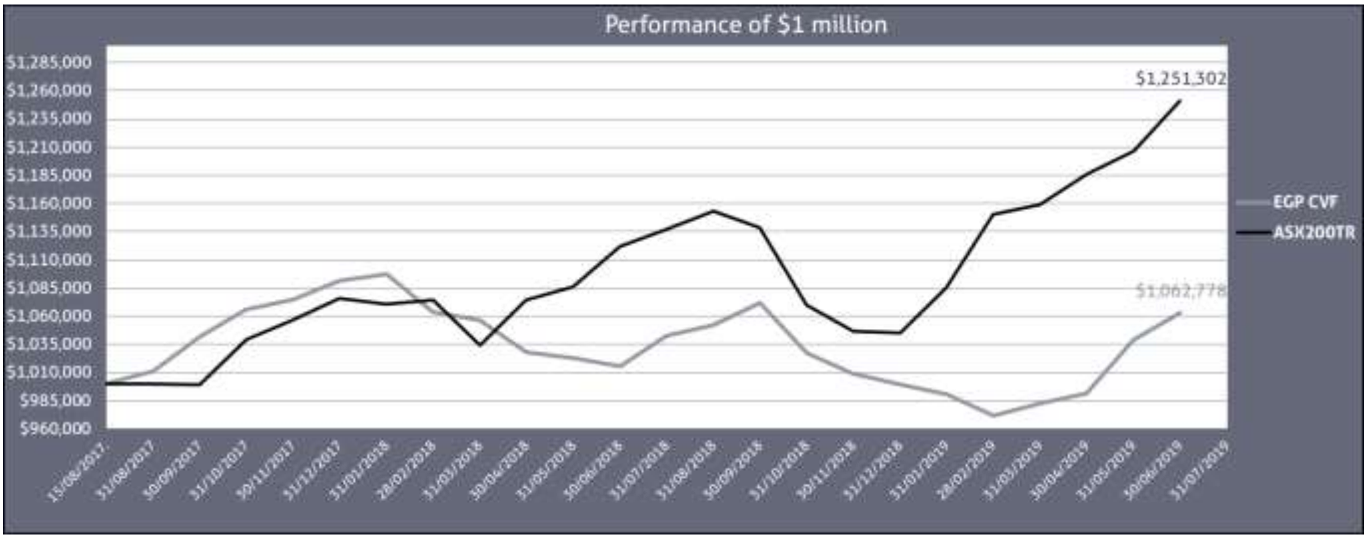
EGP Concentrated Value Fund
Address: Suite 2, Level 16, 56 Pitt Street
Sydney, NSW, 2000
Mobile: 0418 278 298

EGP Concentrated Value Fund – 30 June 2019

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.

	Jul	Aug*	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
EGPCVF FY18	N/A	1.1%	3.0%	2.4%	0.8%	1.6%	0.5%	(3.0%)	(0.7%)	(2.7%)	(0.6%)	(0.7%)	1.58%
Benchmark FY18	N/A	(0.1%)	(0.0%)	4.0%	1.6%	1.8%	(0.5%)	0.4%	(3.8%)	3.9%	1.1%	3.3%	12.18%
EGPCVF FY19	2.6%	1.0%	1.8%	(4.2%)	(1.7%)	(1.0%)	(0.9%)	(1.9%)	1.2%	0.9%	4.8%	2.3%	4.63%
Benchmark FY19	1.4%	1.4%	(1.3%)	(6.1%)	(2.2%)	(0.1%)	3.9%	6.0%	0.7%	2.4%	1.7%	3.7%	11.55%

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



The fund rose 2.3% in June. Our benchmark rose 3.7%.

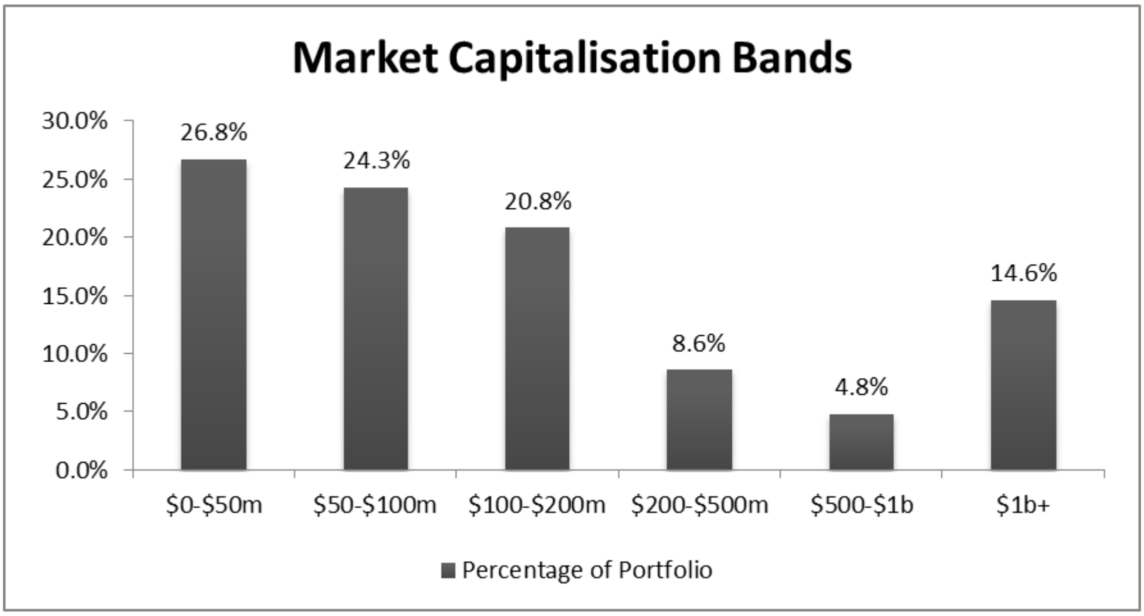
The benchmark is now up more than 19.7% in calendar 2019 with consensus thinking that the Australian economy has a tough few years ahead. I have followed the market for a long time and can't recall a time save for a brief period near the end of the "dot-com" mania when disparity in valuations between businesses with relatively stable, modest growth business models and high growth businesses, particularly those accompanied by a technology distributed model was this wide. To be fair, businesses such as Facebook, Google and Amazon have shown that the power of network effects can create enormous value very quickly, but we can't help but sense the heroic growth assumptions required to make many of the highly valued growth businesses in the Australian market stack up will prove unachievable.

Our top 10 holdings at 30 June 2019 were:

Rank	Holding	Percentage Equity Weighting	Percentage Portfolio Weighting
1	United Overseas Australia (UOS.ASX)	14.6%	12.5%
2	Legend Corporation (LGD.ASX)	10.4%	8.9%
3	Kangaroo Plantation (KPT.ASX)	9.0%	7.7%
4	Undisclosed	4.9%	4.2%
5	Lawfinance (LAW.ASX)	4.8%	4.1%
6	Dicker Data (DDR.NSX)	4.8%	4.1%
7	SRG Global (SRG.ASX)	4.5%	3.8%
8	Locality Planning (LPE.ASX)	3.9%	3.4%
9	Blackwall Limited (BWF.ASX)	3.8%	3.3%
10	Undisclosed	3.1%	2.7%

Our largest 5 holdings now comprise 43.7% of invested capital, our top 10 holdings 63.9% and our top 15 represent 75.7%. Cash and cash equivalents are 14.6% of the portfolio. Median portfolio market capitalisation is $95.1m.

The market capitalisation graph is set out below:



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

EGP Concentrated Value Fund FY2019 Performance Letter

Fund Features		Portfolio Analytics	
Min. initial investment	$50,000	Sharpe Ratio[1]	0.41
Additional investments	$5,000 (Minimum) $200,000 (Maximum)	Sortino Ratio[1]	0.37
Applications/redemptions	Monthly	Annualised Standard Dev. – EGP Annualised S/D - Benchmark	7.48% 9.36%
Distribution	Annual 30th June	Largest Monthly Loss – EGP Largest Monthly Loss - Benchmark	-4.2% -6.1%
Management fee	0%	Largest Drawdown – EGP Largest Drawdown - Benchmark	-9.4% -9.4%
Performance fee (<$50m) Performance fee (>$50m)	20.5% (inc GST) 15.375% (inc GST)	% Of Positive Months – EGP % Of Positive Months - Benchmark	55.6% 64.4%
Auditor	Ernst & Young	Cumulative return[2] – EGP Cumulative return[2] – Benchmark	6.3% 25.1%
Custodian/PB	NAB Asset Services	1 year return[2] – EGP 1 year return – Benchmark	4.6% 11.6%
Responsible Entity	Fundhost Limited	3 year annualised return[2] – EGP 3 year annualised – Benchmark	N/A N/A
Fund Size	$58.5m	5 year annualised return[2] – EGP 5 year annualised – Benchmark	N/A N/A
Mid-Price for EGPCVF Units Accumulated Franking per Unit	$1.0222 $0.0070	Buy Price for EGPCVF Units Sell Price for EGPCVF Units	$1.0238 $1.0207

1 Sharpe and Sortino Ratios calculated using the Monthly Benchmark ASX200 Total Return Index

2 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	$2.0936
EGP Fund No. 1 Pty Ltd Franking Credits	$0.0000