



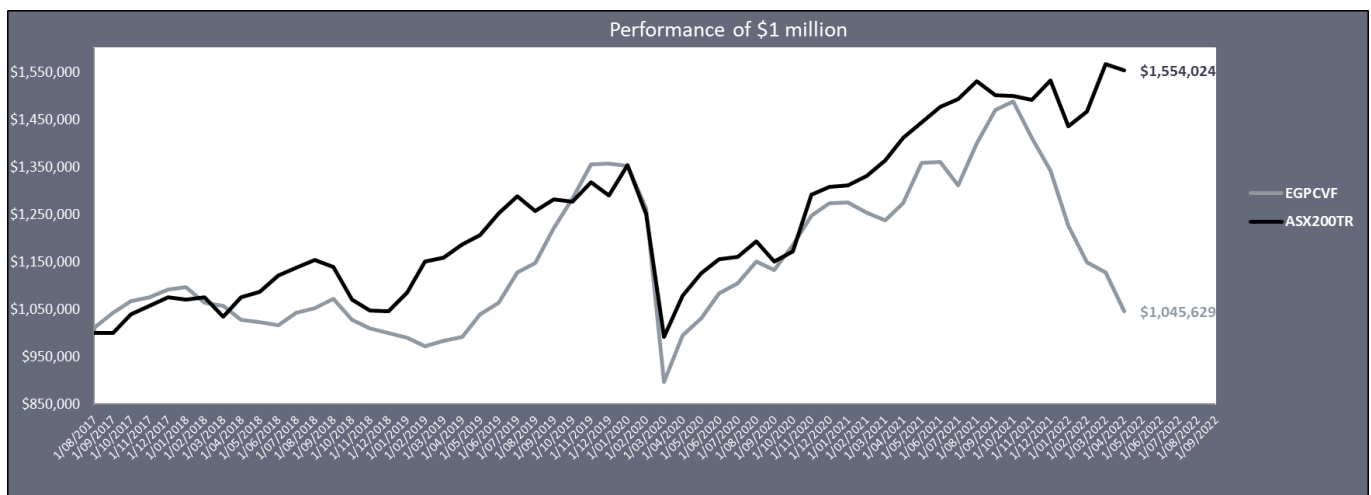
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EGP Concentrated Value Fund – 30 April 2022

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%
EGPCVF FY20	6.1%	1.8%	6.4%	5.2%	5.5%	0.1%	(0.3%)	(6.7%)	(28.9%)	11.0%	3.6%	5.1%	1.99%
Benchmark FY20	2.9%	(2.4%)	1.8%	(0.4%)	3.3%	(2.2%)	5.0%	(7.7%)	(20.7%)	8.8%	4.4%	2.6%	(7.68%)
EGPCVF FY21	1.9%	4.1%	(1.5%)	4.6%	5.3%	2.2%	0.1%	(1.7%)	(1.3%)	2.9%	6.7%	0.1%	25.50%
Benchmark FY21	0.5%	2.8%	(3.7%)	1.9%	10.2%	1.2%	0.3%	1.5%	2.4%	3.5%	2.5%	2.3%	27.80%
EGPCVF FY22	(3.6%)	6.7%	5.1%	1.2%	(5.2%)	(4.8%)	(8.7%)	(6.2%)	(1.9%)	(7.3%)			(23.14%)
Benchmark FY22	1.1%	2.5%	(1.9%)	(0.1%)	(0.5%)	2.8%	(6.4%)	2.1%	6.9%	(0.9%)			5.26%

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



The Month That Was: -

The fund fell (7.3%) in April. Our benchmark fell (0.9%). The type of comeback we will require to get back in front of our benchmark anytime soon would make the effort of Lasse Virén in the 1972 Olympics look pedestrian. I am frankly dumbfounded by the events of the past 6 months; it feels like the rules of investing I have applied successfully for the past twenty years have been thrown out the window. Nonetheless, with my entire investable asset base in the fund

and a substantial portion of the asset base of most friends and family also invested alongside us, I will continue to work hard to turn around the poor performance of the past half year.

Once again, this month, the primary harm to our unit price was caused by the same three holdings (Cettire - CTT, PPK Holdings - PPK and Li-S Energy - LIS) that have caused the lion's share of the negative performance over the past six months. Given the enormous level of damage these three holdings have had on the unit price, I thought it prudent to address our thinking on the valuation of these businesses.

Cettire: -

CTT was valued at an enterprise value (EV) of about \$1.78b at its peak toward the end of last year, at the time of writing, the EV is about \$250m. If it were to return to the peak valuation tomorrow, it would add more than 12% to the unit price, which gives investors a sense of the harm CTT has caused the fund. Given the incredible revenue growth CTT has delivered since inception, that substantial valuation could still be justified, my [November 2021 newsletter outlined how](#) (.PDF). With that said, not trimming the position more aggressively given how large a holding CTT had become was clearly a mistake in hindsight. I generally abhor trimming a holding just because it has gone up a lot, unless the prospective return is clearly below the double-digit minimum we target over five-year periods. I did not assess this to be the case for CTT.

The revenue trajectory in the November newsletter appears to be on track to exceed the level I estimated was required to deliver a 20% investment internal rate of return (IRR) over 5 years from the \$3.80 share price CTT closed November 2021 at. If the same terminal valuation can still be achieved five years out from the 83c share price at this time of writing, the prospective IRR over the next 5 years is now more than triple that 20% figure given the much lower starting valuation.

With that said, for reasons I have discussed in the past few newsletters, there are some challenges CTT face that are clearer now than they were then. We previously discussed the enormous market power of the gatekeepers of internet traffic (Google and Facebook mostly), who are capturing increasingly larger shares of the value of the traffic they control. CTT's customer acquisition cost (CAC) has increased from \$76 at IPO to \$126 in the December 2021 half year. Part of this is the more aggressive advertising expenditure after raising capital at IPO to chase accelerated growth, but part of it is the pernicious harvesting of retail margin by these gatekeepers. Average order value (AOV) for new customers in the recent half was \$643, product margin was 37.6% and delivered margin (after the cost of returns etc) was 21.7%. In the first ever piece I wrote about CTT, I suggested a sensible ceiling for CAC should be the profitability a customer delivers on first purchase, which at present is ~\$140. This means they have acquired the customer without losing money and provided they can retain the customer and have enough of them become loyal future customers, they will an ample return on future transactions to justify not profiting on the first transaction.

At a \$126 CAC against ~\$140 current margin on first purchase, they are clearly paying close to the highest price that makes safe economic sense to acquire new customers and if the traffic gatekeepers continue to push CAC higher, eventually this will impede growth. Marketing as a percentage of sales revenue went from 8.8% to 16.1% half on half, as the combination of an incredibly aggressive marketing push from CTT met the higher prices charged by the traffic gatekeepers. Extreme aggression in maximising customer footprint appears to make sense at this early stage of CTT's development. Returning customers have shown an increasing propensity to buy more often and in larger basket sizes as CTT has become a more established retail brand. Returning customers were spending 18.1% more than new customers at the time of the IPO, that figure had increased to 27.1% with the latest results. Active customers are also returning 27.7% more frequently than they were at IPO (1.52 orders per year compared to 1.19 at IPO). Luxury buyers are clearly finding a compelling value proposition once they become Cettire customers. This means that the lifetime value of a CTT customer is significant, so if they can be acquired for \$0 by paying away the average margin of the first sale, then that is an excellent investment for the business.

My sense is that investors are overlooking the significant value of the customer cohort CTT has already captured. If we work on customer attrition taking 3 years once a customer is acquired (given the orders per active customer is growing fast, 3 years feels conservative), with CTT reporting 208,721 active customers in December and annual revenue per customer at \$1,082 per active customer per year, the business seems to have the next \$678m of revenue over the next 3 years locked in without capturing another customer. At the current level of delivered margin, that is ~\$150m of gross profit in the book over the next 3 years just from the existing book of captured customers. If CTT

were to wind marketing as a percentage of sales back to just 7 or 8%, I estimate they could still grow revenue at >30% annually and profitability would explode.

The “yield curve inversion” and high inflation levels indicating the high likelihood of recessionary activity globally in coming years are another factor most investors were overlooking until recently. A recession is unlikely to do more than moderate CTT’s growth rate in my view. Although luxury goods are theoretically a highly discretionary purchase, CTT have such a small market share, they will likely still grow significantly (by growing market share) even if the forecast growth rate of 16% in their segment (online luxury) ends up below projections. CTT should deliver >\$200m of revenue in FY2022 into an addressable market for the segments they currently operate that is around \$700b. If you are Amazon or Walmart and own perhaps a quarter of the market you operate in, a recession is a big concern, when you are CTT with three basis points (0.03%) of the market you compete in, the quality of your offering will be the primary determinant of success.

On the investor call a unitholder asked why given our view that CTT (and LIS/PPK) offers exceptional upside we have not maintained their portfolio weightings as the prices have fallen. In the case of CTT, the fact the valuation was initially quite full (we were trimming the position when the share price traded above \$4) combined with the substantial insider sell-down conducted recently (discussed in last month’s newsletter) we think it is prudent to wait to see the next company update before committing further capital. This decision has so far prevented significant additional downside, but assuming the next results confirm our expectations that the business continues to perform very well, it is entirely possible this decision will see us miss out initially on a very significant reversal. With extremely high growth situations such as CTT, sentiment and price swings can be quite breathtaking.

It is oft-quoted (usually by fund managers explaining why they have held onto something the market is selling off severely) that Amazon fell more than 90% from peak to trough in the dot-com crash and that investors who bought right at the peak still earned ~20% annually over the next two decades (despite first losing >90%) from their purchase price. What is seldom considered is that the fund manager who had a 20% Amazon weighting heading into the dot-com crash still saw more than 18% of their fund evaporate from a single investment before the two-decade Amazon bull-run arrived, and if their investors did not have the stomach to tolerate the movement, may well have lost their fund even if their investment decision was proven very right eventually. Having the right group of investors is critical to the success of a fund, in this regard I am incredibly thankful for how steadfast most of our unitholders have been so far.

I am not comparing CTT to Amazon, but the point remains that the reasons we considered CTT attractive remain largely the same now as they were before the price began falling. CTT has nearly \$1 billion of product available to sell on their website and app (launched this month and already has more than 5,000 downloads on Play Store and is fast rising through the ranks of the Apple App Store), despite no inventory on their balance sheet. This is more than a quarter of a million different products from about two thousand five hundred different brands.

CTT has an incredibly diverse offering, with no brand counting for more than a single digit proportion of revenue. What investors will be looking for in the next update is a moderation of the aggressive marketing expenditure accompanying a continuation of the outstanding revenue growth. I remain confident about the continued revenue growth, my primary concern is that the aggressive marketing expenditure will continue and although it might be the best decision for the business long-term, the current near-term focus of the market will defer the return of a valuation that more accurately reflects the prospects of CTT. That CTT, which has >\$200m of annualised revenues growing at more than 100% annually and the proven capacity to operate with attractive profitability if they just ease off on marketing spend is commanding a valuation as low as it does mark a significant failure of the market in my estimation.

Postscript to the above on CTT when they released an update on 28 April (after the above CTT piece had been drafted) which showed the exceptional revenue growth rates continued with \$162.4m of sales revenue compared to \$58.5m at the same point in the prior year. It also showed active customers were up from the 208,721 used above to 246,880 in the quarter. Unfortunately, management did not disclose the advertising costs, but from the announcement of 242% growth for January compared with the final March quarter growth rate of 178% would indicate management have acknowledged the signal from the share-price movement and taken their foot of the advertising accelerator. This should bode well for the cash generation in the June half. The decision not to disclose cashflow or advertising expenditure for the quarter looks incredibly naïve to this observer. Any analyst worth their salt would have been aware March was going to have a substantial negative cashflow, every negative working capital retailer does as the

massive expenditures of the Christmas period unwind with the much weaker March revenues. And not providing the marketing expenditure will only leave observers to assume that is because the number remained too high relative to revenues. This being the case, we are unlikely to add to our position until an update properly outlining all the information management themselves would like if they were to be considered properly updated is provided.

Li-S Energy: -

We had a meeting with Chairman and CEO of LIS in the first week of April. They had just returned from 4 weeks in Europe meeting with battery manufacturers, prospective customers, and the like to discuss how the LIS battery and Lithium Nano-Mesh offerings can improve the next generations of batteries. There was visible excitement on the CEO's face for the first time I can recall, he has always seemed so prone to focus on the many obstacles that must be cleared for success to result.

The biggest thing I took from the meeting was the insistence that the development timeline will take as long as it takes, there are certain steps that must be completed in sequence and there is no meaningful way to accelerate this process. This became clear in response to a question I asked about whether it would make sense to take an equity investment from a prospective industry partner to accelerate the commercialisation. LIS are insistent that they have more than enough capital to progress through the required steps to commercialise and even if they had twice as much money, it would still take basically the same amount of time. They did acknowledge that despite not needing the capital that they understood validation via co-investment from an industry major would be a valuable signal for investors.

Regarding research progress, they are stepping through this process nicely. The expansion of the battery factory on the Deakin campus announced early April will provide the capacity to prove the commercial bona fides of the Lithium Sulphur battery. They have already tested a 4-layer battery which maintained similar characteristics as the single layer battery referenced at IPO. That being the case, the 10, 20 and 50 layer steps in the process are unlikely to alter the significant efficacy advantage the Lithium-Sulphur battery commands.

The second largest takeaway from the meeting was the re-confirmed prospectivity of the near-term commercial opportunities for Lithium Nano-Mesh. Lithium Metal batteries are considered the next step in battery technology with meaningfully better performance than Lithium-Ion. Lithium Metal batteries are much more similar in construction to Li-Ion batteries, meaning the costs to retrofit gigafactories to produce them would be relatively modest. Lithium-Sulphur batteries remain much better than Lithium Metal but would require more meaningful capital cost to reconfigure factories. The issue for Li-Metal has been dendrite formation which Lithium Nano-Mesh can solve.

There was likewise greater confidence expressed that the Li-S battery will also be cost-competitive, which combined with the technological superiority greatly enhances the probability of commercialisation.

Deriving a valuation remains difficult with the timing of revenues hard to predict, but these facts about EV's remain:

1. LIS possess the best currently known battery technology.
2. There were almost [7 million EV's](#) (EV is shorthand for both enterprise value and in this case electric vehicle, I have assumed henceforth readers understand which is meant when I use the term) sold globally in 2021 and there are expected to be [27 million sold globally](#) in 2030.
3. The size of EV batteries for currently offered vehicles is [30-200 kWh](#) and averages 90kWh.
4. The current cost of batteries is US\$132 kWh meaning the EV battery market is currently worth about US\$83b per annum and if battery prices were to remain static (they will likely fall in pricing somewhat) then the EV battery market will be worth US\$320b per annum by 2030.

This is only the prospective EV market, the cumulative value of the many other applications (drones, power tools, PC's, mobile phones, aircraft etc) for lighter, longer lived battery technology probably amount to a similar dollar value. By 2030, the addressable market will therefore likely be in the vicinity of half a trillion US dollars annually. A sliver of this market would create a multi-billion-dollar business. To derive a valuation, we need to probability weight the likelihood of success.

My expectation is that there is a better than 50% chance LIS end up with a product or more likely a royalty stream (from licensing their technology) in the market within 5 years. Assume that by 2030, Li-S technologies can be found in just 5% of batteries sold globally, this is US\$25b of batteries annually. If the royalty plus the margin Li-S get from selling

the Boron Nitride Nanotubes (BNNT) their licensee require amounted to only 0.5% of the total revenue Lithium-Sulphur batteries generate in 2030, that amounts to a US\$1.25b revenue stream. Assume there is an incredible amount of corporate bloat creep into the business by this stage (unlikely) plus some COGS for the BNNT and you might get to a US\$1b profit before tax (PBT). Such a capital light business in a hyper-growth industry will likely attract at least a 30x PBT multiple for a US\$30b valuation. Cut that in half by our 50% probability of success we get US\$15b (~AU\$21b). Discount this valuation by an aggressive 15% per annum over the next 8 years and you would get a roughly AU\$7b net present value (NPV) for LIS if my estimates of a 50% probability of success and only 5% market share capture within 8 years is possible (and assuming my 0.5% revenue capture is accurate). The current EV of LIS is about \$360m which implies the current LIS share price is undervalued by about 19.5x.

That is not to say LIS should trade at \$13.20 per share right now, but we need a fundamental basis about which to frame valuation, others are welcome to apply their own probabilities, but my point is that the current valuation imputes an incredibly low probability of success, or an incredibly low revenue capture.

This being the case, perhaps a better alternative is to invert this and instead back-solve the probability of success for LIS the market is effectively ascribing at the present valuation.

1. \$360m current EV x 15% equity discount rate implies a ~\$1,100m prospective EV in 2030.
2. Using our US\$30b (AU\$42.25b) 2030 valuation if only 5% of the battery market was captured by Li-S Lithium Sulphur batteries and only a 0.5% revenue capture (which both feel very low given how far ahead of any competing technology the Li-S battery is), this implies a 2.6% probability of commercial success at the current valuation.

In my estimation, whether you frame the valuation on an NPV basis using conservative assumptions, or on a probability of success basis, the current valuation grossly undercounts the prospective worth of the business on a probability weighted basis.

PPK Holdings: -

The announcement of the [demerger of the PPKME \(Mining Equipment\) business](#) (.PDF) on the last trading day of April gives an outstanding insight into how shareholder friendly and capital allocation savvy the board and management of PPK are. This business earned a \$2.3m profit in the first half and generated \$3.4m of operating cashflow. The business is booming at present and profitability should grow steadily for the next few years. The business is being spun out in a highly tax effective way (in-specie dividend and capital reduction) at only a \$16m valuation, or less than 4x earnings.

The tax-effective way the business is being spun out and the fact that it is a mining services business servicing coal miners is valuable to PPK shareholders in two main ways. Firstly, numerous prospective PPK investors with ESG mandates have been unable or unwilling to invest in PPK to date, despite the massive prospective gains BNNT can bring to several critical renewables and sustainability applications, the demerger eliminates this impediment. Secondly, as a standalone business, PPKME will be able to focus on value creation independent of the distractions the incredible growth opportunities in BNNT business presents the PPK board, the substantial acquisition being considered that is outlined in the demerger document demonstrates this.

The main reason investors are attracted to PPK remains the BNNT opportunity. PPK holds about half of the LIS business outlined above, which is itself deeply undervalued if our analyses are correct. But the real valuation kicker for PPK will be sales of BNNT, in that regard, batteries are just one of numerous industries where sales are likely to be generated in coming years.

There are already real sales occurring globally for BNNT, as per the table overleaf from PPK's primary rival in BNNT production (Tekna), they were producing and selling more than 33 kilograms of BNNT per annum as far back as 2019, with their production price falling by about 3.5% per annum from US\$823/g in 2014 to US\$687/g in 2019. If Tekna's falling production cost trend held over the past few years, their production cost will now be about US\$617/g this year. By contrast, with the unique BNNT production process PPK and Deakin have perfected, I estimate the can now produce BNNT at below US\$50/g (and is still improving on a "Moore's Law" trajectory according to management). If that estimate is accurate, it means PPK could make a 91.9% gross margin by selling BNNT at the same price as the production cost of the main BNNT production rival.

Table Tekna Boron Nitride Nanotubes (BNNT) Capacity, Production (g), Revenue (K USD), Price (USD/g) and Gross Margin (2014-2019)

	2014	2015	2016	2017	2018	2019
Capacity (g)	1500	252000	252000	252000	252000	252000
Production (g)	1025.3	26082	29887.2	31348.8	32659.2	33868.8
Price (USD/g)	1288	1249	1199	1127	1071	1020
Revenue (K USD)	1320.59	32576.42	35834.75	35330.1	34978	34546.18
Cost (USD/g)	823	807	783	744	715	687
Gross (USD/g)	465	442	416	383	356	333
Gross Margin	36.10%	35.39%	34.70%	33.98%	33.24%	32.65%

Source: Tekna; Secondary Sources, Press Releases and QYResearch

PPK will sell their BNNT far below that price in fact, PPK's [BNNT Technology website](#) has a price of US\$300/g for orders of 201-500g, and by negotiation for larger orders. When you can profitably sell your product at less than half of your primary competitors cost of production, you have a very attractive business provided there is a market of meaningful size for your product. The creation of a market has been the

“pinch-point” for BNNT sales.

The issue I am persuaded is that most prospective users of BNNT remain unaware of the existence of the breakthrough. There are dozens of companies in dozens of industries that should already be experimenting with BNNT. My strong suggestion to management has been that they should send a few grams of free samples to the top 100 research universities globally. They should probably do the same with the top 20 or 30 players in a handful of the most obvious industries where BNNT is likely to have applications. For example, there are more than 20 aerospace companies with revenues exceeding AU\$10b annually, these 20 companies should all be sent some BNNT if for no other reason than to ensure they are aware it exists.

Despite the lack of sales announced for BNNT to date, the value that can be generated in that business is astronomical. Assume my estimate of US\$50k/kg for PPK's production cost is accurate, furthermore, assume they can find buyer/s for 1000kg per annum of BNNT. At US\$200k/kg, which is a price roughly 1/3 of their competitor's production cost, PPK would make US\$150m (~AU\$210m) in gross margin out of the sale of this relatively modest quantity of BNNT. PPK have already stated that on a single shift 5-day week, they can produce about 500kg of BNNT per annum with their installed capacity. Expand this to 7-day multi-shift operations and they could comfortably produce two tonnes per annum, or more than \$400m of annual gross margin if the end market can be found.

A tonne of a relatively new nanomaterial may sound like a lot, but by way of comparison, Carbon Nanotubes (CNT's) are forecast to [ship about 3,400 tonnes](#) in 2022. CNT's were discovered in the lab only a few years before BNNT's, but they were able to be produced commercially much earlier than the PPK/Deakin process made BNNT economically viable. BNNT have a much wider range of potential applications than CNT's, given their broader range of characteristics. That being the case, the likelihood of there not being a multi-tonne market for BNNT within a few years seems unrealistic.

If we were to assume the LIS batteries outcome described above is a logical end market for BNNT by 2030, what does that imply for market size? EV batteries are currently between 180kg-1,330kg ([the Hummer EV!](#)). If we assume given their better efficacy that the median LIS EV battery weighs only 200kg by 2030 and that there is only 10 grams of BNNT required for construction of each EV battery, then given our calculations in the LIS section above about 5% EV market share capture, then there would be 1.35m EV's produced with BNNT in the battery, then the EV market alone would have created 1,350kg of BNNT demand annually. If our assumption that the EV market was only about half of the end market for LIS batteries, then there is another 1,350 kilograms. Add in any modest success in hardened alloys, precious metals, ballistic glass and other yet un contemplated uses and it is hard to conceive of there not being at least 5 or 10 tonnes of demand for BNNT by the end of the decade.

Under the conservative 2030 demand assumptions of only about 10 tonnes, even if production costs fell considerably, it is unlikely the >\$200m of gross profit the sale of a single tonne of BNNT could generate now would not be meaningfully higher at ten tonnes of sales.

The primary risks as ever remain two, firstly that the anticipated demand for BNNT does not materialise. With so many prospective uses currently under investigation, this seems like a long shot. The second is that other players figure out how to produce BNNT at a price that makes PPK uncompetitive. Given they are currently producing at less than 10% of the cost of their main competitor, this also seems like a distant prospect.

If neither of these two major risks materialise, PPK should have a clear runway to create a multi-billion-dollar business.

The ZFC update: -

As explained in the March newsletter, the launch of Cipher Fund is now expected in 2023.

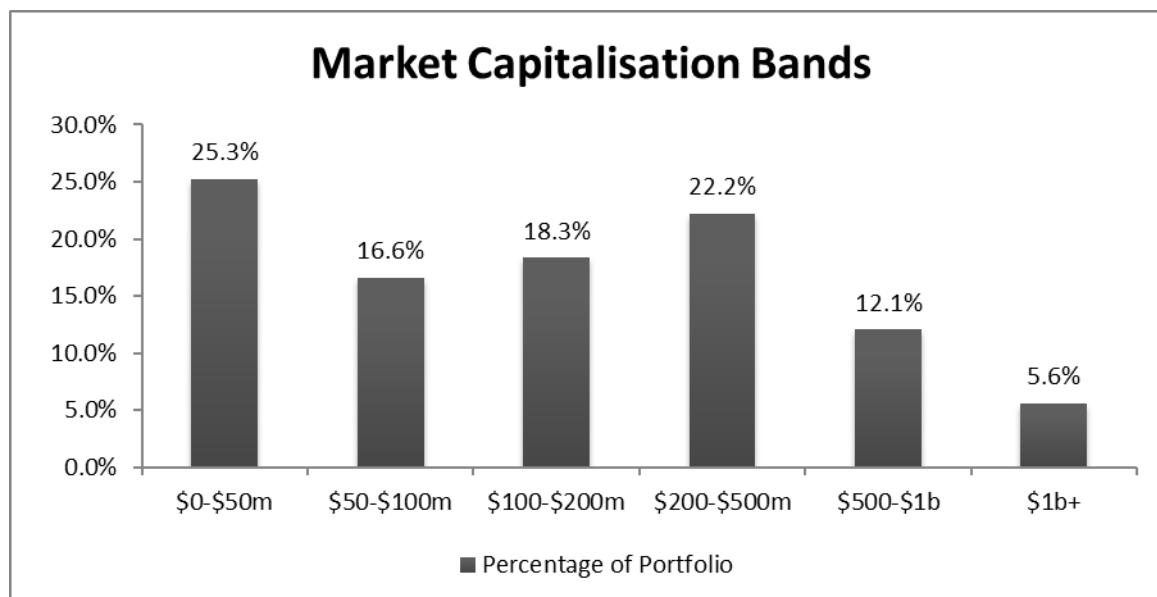
Prospective managers and investors are invited to contact CEO of ZFC, Brad Hughes (brad.hughes@thezfc.com.au) or myself.

Key Portfolio Information: -

Our top 10 holdings on 30 April 2022 were:

Rank	Holding	Percentage Equity Weighting	Percentage Portfolio Weighting
1	United Overseas Australia (UOS.ASX)	12.1%	11.7%
2	Smartpay (SMP.ASX)	7.6%	7.4%
3	Shriro Holdings (SHM.ASX)	7.1%	6.9%
4	Dicker Data (DDR.ASX)	5.6%	5.4%
5	Tellus (unlisted)	5.5%	5.3%
6	PPK Group (PPK.ASX) inc. White Graphene pre-IPO holding	4.4%	4.2%
7	Blackwall Limited (BWF.ASX)	4.3%	4.2%
8	National Tyre & Wheel (NTD.ASX)	4.4%	4.1%
9	SRG Global (SRG.ASX)	4.2%	4.0%
10	Li-S Energy (LIS.ASX)	3.9%	3.8%

Our largest 5 holdings comprise 37.9% of our invested capital, our top 10 holdings are 58.9% and our top 15 represent 74.4%. Cash and cash equivalents are 2.5% of the portfolio. The median market capitalisation is \$163.1m. Weighted average market capitalisation is \$368m.



As always, investors with any questions, suggestions, comments, or investment ideas should feel free to call (0418 278 298), or send me an email – Tony@egpcapital.com.au

Fund Features		Portfolio Analytics	
Min. initial investment	Fund Closed	Sharpe Ratio ¹	-0.13
Additional investments	Fund Closed	Sortino Ratio ¹	0.09
Applications/redemptions	Redemptions only, monthly	Annualised Standard Dev. – EGP Annualised S/D - Benchmark	19.2% 15.1%
Distribution	Annual 30 th June	Largest Monthly Loss – EGP Largest Monthly Loss - Benchmark	-28.9% -20.7%
Management fee	0%	Largest Drawdown – EGP Largest Drawdown - Benchmark	-33.9% -26.7%
Performance fee (<\$50m)	20.5% (inc GST)	% Of Positive Months – EGP	59.6%
Performance fee (>\$50m)	15.375% (inc GST)	% Of Positive Months - Benchmark	66.7%
Auditor	Ernst & Young	Cumulative return ² – EGP Cumulative return ² – Benchmark	4.6% 55.4%
Custodian/PB	NAB Asset Services	1-year return ² – EGP 1-year return – Benchmark	(17.9%) 10.2%
Responsible Entity	Fundhost Limited	3-year annualised return ² – EGP 3-year annualised – Benchmark	1.8% 9.4%
Fund Size	\$56m	5-year annualised return ² – EGP 5-year annualised – Benchmark	N/A N/A
Mid-Price for EGPCVF Units	\$0.8557	Buy Price for EGPCVF Units	\$0.8570
Accumulated Franking per Unit	\$0.0078	Sell Price for EGPCVF Units	\$0.8544

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.

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Appendix 1: -

Combined funds cumulative return since inception:

