



## UNAUDITED MONTHLY PORTFOLIO UPDATE<sup>1</sup>: AUGUST 2016

	Investment return <sup>2</sup>	Cost imposition <sup>3</sup>	Net Return <sup>4</sup>	FY17 Return	NAV/share (cents)	Gross Exposure <sup>5</sup>	Net Exposure <sup>6</sup>
26 May 16 <sup>†</sup>					23.8		
30 Jun 16 <sup>††</sup>	-4.3%	-3.3%	-7.4%		22.0	301%	145%
31 July 16	17.1%	-1.2%	15.8%	15.8%	25.5	316%	90%
<b>31 Aug 16</b>	<b>4.3%</b>	<b>-0.7%</b>	<b>3.6%</b>	<b>20.0%</b>	<b>27.6</b>	<b>327%</b>	<b>88%</b>

† commencement date of portfolio †† audited- period from 26 May to 30 June 2016

The East 72 Holdings Limited (**E72**) portfolio produced a strong return of 4.3% during the month of August prior to costs; after fully accrued costs, the return was 3.6%. E72 raised additional equity during the month and has maintained a less than fully invested exposure with significant index hedges and selected short positions.

### Investment return:

The estimated major positive influences on investment return in the month of August 2016 were long positions in Aercap Holdings (+9% in local currency terms), ING Groep (+12.2%), Credit Suisse (+15.2%), Hornbach Baumarkt (+10.8%), Barclays PLC (+11.4%) and Exor spa (+5.8%). The major detractors were long positions in Cabcharge (-18.2%), Fairpoint Communications (-13.6%) and a short position in Pioneer Natural Resources (+9.1%).

### Equity exposure as at 31 August 2016 (as percentage of month end shareholders funds):

Australian long exposures	66.3%	Overseas long exposures	141.2%	TOTAL	207.5%
Australian short exposures	-	Overseas short exposures	(53.5%)	TOTAL	(53.5%)
Australian index	(35.2%)	Overseas index	(30.6%)	TOTAL	(65.8%)
<b>NET AUSTRALIAN</b>	<b>31.1%</b>	<b>NET OVERSEAS</b>	<b>57.1%</b>	<b>TOTAL</b>	<b>88.2%</b>

### For further information:

Andrew Brown

**Executive Director**

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<sup>1</sup> East 72 Holdings Limited (**E72**) provides monthly **unaudited** updates on its company performance and exposure supplemented by a more substantial quarterly note. Readers are referred to footnotes 2-6 explaining the derivation of the numbers. All returns are pre-tax unless stated otherwise. At the current level of net assets, cost imposition is estimated at 0.7% per month over the course of the full year and is fully accrued monthly according to the best estimates of management. Readers are explicitly referred to the disclaimer on page 2.

<sup>2</sup> Calculated as change in market value of all investments – cash and derivatives – after interest charges, dividends receivable, dividends and fees paid away divided by opening period net asset value and time weighted for equity raisings

<sup>3</sup> Calculated as all accrued expenses for company administration (eg. listing fees, audit, registry) divided by opening period net asset value and time weighted for equity raisings

<sup>4</sup> Calculated as 2 (above) minus 3 (above)

<sup>5</sup> Calculated as total gross exposures being nominal exposure of all long and short positions (cash and derivative) divided by end month net asset value – assumes index ∂ of 1

<sup>6</sup> Calculated as total net exposures being nominal exposure of all long minus short positions (cash and derivative) divided by end month net asset value – assumes index ∂ of 1



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Any projections contained in this communication are estimates only. Such projections are subject to market influences and contingent upon matters outside the control of E72 and therefore may not be realised in the future.

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