



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

	Investment return <sup>2</sup>	Cost impost <sup>3</sup>	Net Return <sup>4</sup>	FY17 Return	Pre tax 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%
31 Aug 16	4.3%	-0.7%	3.6%	20.0%	27.6	327%	88%
30 Sep 16	-1.5%	-0.6%	-2.1%	17.5%	27.0	359%	142%
31 Oct 16	4.9%	-0.7%	4.2%	22.4%	28.1	427%	137%
<b>30 Nov 16</b>	<b>4.9%</b>	<b>-1.1%</b>	<b>3.8%</b>	<b>27.0%</b>	<b>29.2</b>	<b>541%</b>	<b>76%</b>

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

In the wake of more buoyant equity markets, the East 72 Holdings Limited (**E72**) portfolio again produced a positive return of 4.9% during the month of November prior to costs; after fully accrued costs, which were higher than normal due to AGM related expenses, the return was 3.8%. E72 again moved its exposures significantly during the month, and late in the month began a more concerted program of hedging exposures after strong recent run ups in markets. E72 views markets as still exhibiting large divergences between expensive annuities versus cheaper asset based and cyclical companies.

The estimated major positive influences on investment return in the month of November 2016 were long positions in Bank of America (+28% in local currency terms), Greenlight Capital Re (+14.3%), Barclays PLC (+13.4%) and Amex (+8.5%) together with closure of a short position in Amazon Inc (-9.1%). Major detractors were long positions in shipping companies Tanker Investments (-25%) and AP Moller Maersk (-10.4%).

### Equity exposure as at 30 November 2016 (as percentage of month end pre-tax equity):

Australian long exposures	98.3%	Overseas long exposures	210.2%	TOTAL	308.5%
Australian short exposures	(14.7%)	Overseas short exposures	(53.4%)	TOTAL	(68.1%)
Australian index	(48.7%)	Overseas index	(115.8%)	TOTAL	(164.5%)
<b>NET AUSTRALIAN</b>	<b>34.8%</b>	<b>NET OVERSEAS</b>	<b>41.0%</b>	<b>TOTAL</b>	<b>75.8%</b>

### For further information:

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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 pre-tax net asset value – assumes index  $\partial$  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 pre-tax net asset value – assumes index  $\partial$  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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