



# East 72 Dynasty Trust

"a portfolio of quality businesses under the aegis of controlling shareholders"

ABN 43 935 022 778

## Monthly Report #7: October 2023

### FUND FEATURES

- \* Invested in companies controlled by a single shareholder
- \* Long term, global investment focus
- \* Reflects ethos of investee companies and controllers
- \* Invests globally, no currency hedging
- \* Typically 20 - 40 positions
- \* Cash exposure typically up to 20%
- \* No leverage, no short selling
- \* Benchmark unaware
- \* Value investment philosophy

### FUND FACTS

Designation	Wholesale
Commencement date	06-December-2022
Management fee	1% pa
Performance fee	8% of post fee return
Minimum Investment	\$50,000
Valuation	Monthly
Entry fee (end month)	0%
Exit fee (end Month)	0.25%
Manager	East 72 Management Pty Limited

### MONTHLY COMMENTS

October was our most difficult month to date arising from weaker European markets added to downwards movements by individual securities. The most notable theme in Dynasty's portfolio was the worsening sentiment towards auto-related securities, partly arising from marginally downgraded volume expectations by Volkswagen (shares - 8.4%, impacting on PAH (-9.6%) as well as D'Ieteren (-12.4%). Magellan Financial declined 29.6% after some poor institutional outflow figures and the later month departure of the CEO. Investors have lost confidence despite the low attributable value of institutional money, significant asset backing and consolidation of the sector. Aviation PLC, the small aircraft lessor trading at half NTA, reported excellent results, a virtually fully leased fleet of 36planes (ATR-72 and Airbus A320) to mainly emerging country airlines. The shares trade at ~8.5x P/E. During October 2023, we sold our Yellow Brick Road holding ahead of the pending delisting, added to E-L Corporation as the discount to assessed NAV blows out well beyond 50%. We introduced a new holding in Lagardère, the French book and magazine publisher and travel retailer where there is over a 22% discount to the prior Vivendi takeover offer; Lagardère is replete with possibilities of potential asset sales and swaps, inside & out of the Bolloré Group.

### TOP 10 EQUITY EXPOSURES (31 October 2023)†

Vivendi	France	4.46%
Compagnie de L'Odet	France	4.34%
Societe des Bains de Mer	France/Monaco	3.95%
Virtu Financial	USA	3.89%
E-L Financial Corp	Canada	3.25%
D'Ieteren	Belgium	3.23%
HAL Trust	Netherlands	3.16%
Flow Traders	Netherlands	2.99%
MFF Capital Investments	Australia	2.69%
FRP Holdings	USA	2.68%

### ASSET EXPOSURE & NAV/UNIT

Equities	89.0%
Net liquidity	11.0%
# of equity positions	37

**Net asset value per unit (XD) \$0.9809**

† Top 10 equity exposures are measured as percentage of net assets

### PERFORMANCE

	<b>E72</b>
	<b>Dynasty</b>
One month	-3.1%
3 months	-7.2%
1 year	
3 years (pa)	
Inception	-1.7%

Performance calculations are adjusted for reinvested dividends, are after paid management fees and after all accrued return fees at end month, paid at June year if applicable.

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**SLIDE & VIDEO PRESENTATIONS:**  
[east72.com.au/dynasty-trust/presentations](http://east72.com.au/dynasty-trust/presentations)

Exor, Robertet, News Corp	27-Feb-23
Hal Trust, E-L Financial, Laurent Perrier	20-Jul-23
Exor, Vivendi, Virtu Financial	13-Oct-23

Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Fund Inception 6 December 2022. Returns denoted in A\$. Given the nature of the investment strategy, East 72 Dynasty Trust is a long only, absolute return fund, with no gearing or hedging, and is not benchmarked against any external index. Based on empirical research, we would expect the strategy to lag rapidly rising markets, but have scope for outperformance in other environments.

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