

EAGLE CAPITAL GROWTH FUND, INC.

Form N-Q

October 04, 2016

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United States

Securities and Exchange Commission

Washington, D.C. 20549

Form N-Q

Quarterly Schedule of Portfolio Holdings of Registered  
Management Investment Company

Investment Company Act file number: 811-05807

Eagle Capital Growth Fund, Inc.

(Exact name of registrant as specified in charter)

225 East Mason Street, Suite 802, Milwaukee, WI 53202-3657

(Address of principal executive offices) (zip code)

Luke E. Sims, President

Eagle Capital Growth Fund, Inc.

225 East Mason Street

Suite 802

Milwaukee, WI 53202-3657

(414) 765-1107

(Name and address of agent for service)

Registrant's telephone number, including area code:

(414) 765-1107

Date of fiscal year end: December 31, 2016

Date of reporting period: September 30, 2016

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ITEM 1. SCHEDULE OF INVESTMENTS

Eagle Capital Growth Fund, Inc.

Portfolio of Investments (as of September 30, 2016) (unaudited)

Common Stock (69.4% of total investments)

<u>Industry</u>	Shares	Cost	LEVEL ONE Market Value	% Total Inv.
Consumer				
Colgate-Palmolive Co.	12,000	\$72,938	\$ 889,680	
PepsiCo, Inc.	10,000	168,296	1,087,700	
			\$ 1,977,380	(6.5 %)
Data Processing				
Automatic Data Processing, Inc.	15,000	455,833	1,322,775	
Paychex, Inc.	23,000	583,060	1,331,010	
			\$ 2,653,785	(8.7 %)
Health Care/Pharma				
Abbott Laboratories Inc.	7,500	175,588	317,175	
Johnson & Johnson	4,000	45,500	472,520	
Stryker Corp.	11,000	47,141	1,280,510	
			\$ 2,070,205	(6.8 %)
Industrial				
CSW Industrials, Inc.*	25,750	756,821	834,043	
Deere & Company	3,000	220,308	256,050	
Emerson Electric Co.	18,000	810,169	981,180	
Illinois Tool Works Inc.	13,000	583,134	1,557,920	
Waters Corp.*	6,000	302,341	950,940	
			\$ 4,580,133	(15.0 %)
Insurance				
Berkshire Hathaway Inc. B*	8,000	590,996	1,155,760	
Markel Corp.*	1,300	831,360	1,207,401	
White Mountains Insurance Group, Ltd.	1,000	730,019	830,000	
			\$ 3,193,161	(10.5 %)
Mutual Fund Managers				
Franklin Resources, Inc.	60,000	2,093,152	2,134,200	
T. Rowe Price Group, Inc.	33,500	2,281,865	2,227,750	
			\$ 4,361,950	(14.3 %)
Retail				
eBay Inc.*	29,500	694,959	970,550	
			\$ 970,550	(3.2 %)
Closed-End Funds				
Full Circle Capital Corp.*	502,268	1,339,590	1,325,988	
			\$ 1,325,988	(4.4 %)
Total common stock investments			\$ 21,133,152	
Money Market Funds (30.6% of total investments)			LEVEL ONE	
Federated Government Oblig. #5 Inst., 0.26%			9,323,700	
Total investments			\$ 30,456,852	
All other assets less liabilities			41,006	
Accrued investment advisory fees			(22,538 )	

Total net assets

\$ 30,475,320

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Footnote:

The following information is based upon federal income tax cost of portfolio investments, excluding money market investments, as of September 30, 2016:

Gross unrealized appreciation	\$8,468,267
Gross unrealized depreciation	118,185
Net unrealized appreciation	\$8,350,081

Federal income tax basis	\$12,783,070
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ITEM 2. Controls and Procedures

As of October 3, 2016, an evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) was performed by management with the participation of the registrant's President and Chief Executive Officer (who is the principal executive officer of the registrant) and the registrant's Chief Financial Officer (who is the principal financial officer of the registrant).

Based on that evaluation, the registrant's President and Chief Executive Officer and Chief Financial Officer (a) concluded that the registrant's disclosure controls and procedures are effectively designed to ensure that information required to be disclosed by the registrant is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms, and that information required to be disclosed by the registrant has been accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, or persons performing similar functions as appropriate to allow timely decisions regarding required disclosure.

Fair Value Accounting—Accounting standards require certain assets and liabilities be reported at fair value in the (b) financial statements and provides a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.