

EAGLE CAPITAL GROWTH FUND, INC.

Form N-Q

October 17, 2018

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, 2018

Date of reporting period: September 30, 2018

Edgar Filing: EAGLE CAPITAL GROWTH FUND, INC. - Form N-Q

ITEM 1. SCHEDULE OF INVESTMENTS

Eagle Capital Growth Fund, Inc.

Portfolio of Investments (as of September 30, 2018) (unaudited)

Common Stock (99.7% of total investments)		LEVEL ONE		
<u>Industry</u>	Shares	Cost	Market Value	% Total Inv.
Consumer				
Colgate-Palmolive Co.	69,300	4,090,062	4,639,635	
Kimberly-Clark Corp.	7,000	704,472	795,480	
PepsiCo, Inc.	14,700	624,617	1,643,460	
Procter & Gamble Company	20,500	1,495,260	1,706,215	
			\$ 8,784,790	(25.6 %)
Data Processing				
Automatic Data Processing, Inc.	11,800	468,097	1,777,788	
Paychex, Inc.	23,500	831,439	1,730,775	
			\$ 3,508,563	(10.2 %)
Drug/Medical Device				
Abbott Laboratories Inc.	7,500	175,588	550,200	
Johnson & Johnson	4,000	45,500	552,680	
Stryker Corp.	9,600	40,950	1,705,728	
			\$ 2,808,608	(8.2 %)
Food				
Kraft Heinz Company	55,000	3,320,812	3,031,050	
			\$ 3,031,050	(8.8 %)
Industrial				
Illinois Tool Works Inc.	9,000	379,352	1,270,080	
Waters Corp.*	6,000	302,341	1,168,080	
			\$ 2,438,160	(7.1 %)
Insurance				
Berkshire Hathaway Inc. B*	8,000	590,996	1,712,880	
Markel Corp.*	1,300	831,360	1,545,037	
			\$ 3,257,917	(9.5 %)
Mutual Fund Managers				
Diamond Hill Investment Group	9,900	1,873,741	1,637,361	
Franklin Resources, Inc.	52,500	1,682,075	1,596,525	
T. Rowe Price Group Inc.	13,800	960,374	1,506,684	
			\$ 4,740,570	(13.8 %)
Restaurant				
Starbucks Corp.	30,000	1,471,080	1,705,200	
			\$ 1,705,200	(5.0 %)
Retail				
AutoZone Inc.*	1,500	797,565	1,163,550	
eBay Inc.*	42,900	1,072,753	1,416,558	
O'Reilly Automotive Inc.*	4,000	814,758	1,389,280	
			\$ 3,969,388	(11.6 %)
Total common stock investments			\$ 34,244,246	
Money Market Funds (0.3% of total investments)			LEVEL ONE	
Morgan Stanley Inst. Liquidity Fund, Treasury, yield 1.90%			94,976	

Edgar Filing: EAGLE CAPITAL GROWTH FUND, INC. - Form N-Q

Total investments	\$ 34,339,222
All other assets	48,340
Accrued investment advisory fees	(20,624)
All other liabilities	(8,987)
Total net assets	\$ 34,357,951

*Non-dividend paying security

Footnote:

The following information is based upon federal income tax cost of portfolio investments, excluding money market investments, as of September 30, 2018:

Gross unrealized appreciation	\$ 12,556,632
Gross unrealized depreciation	885,578
Net unrealized appreciation	\$ 11,671,054

Federal income tax basis	\$ 22,573,192
--------------------------	---------------

ITEM 2. Controls and Procedures

As of October 7, 2018, 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 concluded (a) 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.