

The downward trajectory of global equity markets continued in June as central banks displayed a willingness to hike rates aggressively in the near term to fight inflation. This hard stance increased concerns of a swift contraction in global economic activity. Against this backdrop, the Eley Griffiths Group Emerging Companies Fund finished lower by 14.2% versus the Small Ordinaries Accumulation Index, which declined 13.1%. Since inception in March 2017, the Fund has returned 14.2% p.a. net of fees.

The US Fed delivered a 75bp rate hike in June, the largest rise since 1994, after May's CPI accelerated at the fastest rate since 1981 (8.6%). Chair Powell signalled another large hike in July to fight inflation "expeditiously." Likewise in Australia, the RBA surprised markets with the largest rate hike in 22 years (50bp) to bring the cash rate to 0.85%.

The Fund's Materials allocation weighed on performance with small resources retracing by 22% on weaker commodity prices and shrinking demand concerns. The price of copper, a 'bellwether' for the economy, dropped below \$US8000 for the first time in almost 18 months and is now down 17% year to date. Developers and explorers were sold off more heavily than producers, albeit no one was immune. Portfolio holdings which

detracted from performance were Capricorn Metals (-17%) and Mount Gibson Iron (-21%).

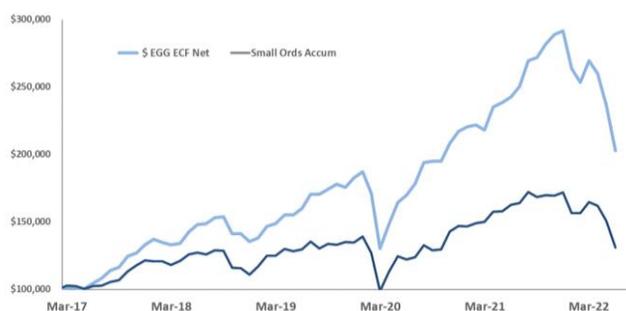
As a slew of earnings downgrades and profit warnings started to build momentum across the market, outperforming in the month were defensive portfolio holdings. An example being dental centre operator Pacific Smiles (+16%) which announced solid yoy growth in patient fees and that it would be growing its network by 19 new locations in FY22.

With signs of economic fragility proliferating, investors finished the month speculating how quickly central bankers will change their tune. Last week, the closely watched Atlanta Fed's GDPNow estimate of real GDP was slashed to -2.1% in the second quarter, highlighting the prospect that the US economy may already be in recession. As a result, bond markets are now trimming their expectations for future rate hikes and investors are betting the deteriorating consumer and business confidence will be enough for central bankers to call a pause or slow their hiking cycle.

Returns post fees	1 Month %	3 Months %	1 Year %	3 years % p.a.	5 years % p.a.	Incep ^A %p.a.
EGG Emerging Companies Fund	-14.18	-24.65	-16.33	8.25	14.23	14.19
S&P/ASX Small Ord Accumulation Index (XSOAI)	-13.09	-20.39	-19.52	0.38	5.07	5.20
Outperformance	-1.09	-4.26	+3.19	+7.87	+9.16	+8.99

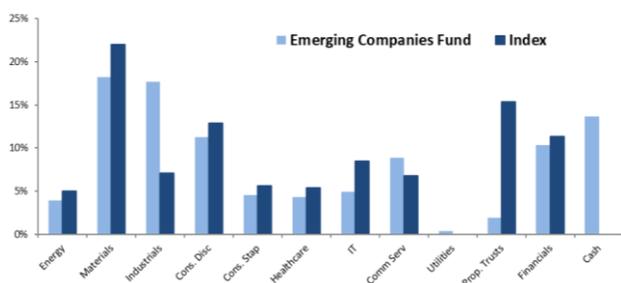
^AFund inception March 2017. Past performance is not an indicator of future performance

\$100,000 SINCE INCEPTION (AFTER FEES)



^AFund inception March 2017. Past performance is not an indicator of future performance

FUND SECTOR ALLOCATION



STOCK ATTRIBUTION*

Code	Stock	Sector
Top 3 Contributors		
CDP	Carindale Property Trust	Real Estate
PSQ	Pacific Smiles Group	Health Care
RIC	Ridley Corporation	Consumer Staples
Bottom 3 Detractors		
CMM	Capricorn Metals	Materials
FFX	Firefinch	Materials
MGX	Mount Gibson Iron	Materials

TOP 5 ACTIVE POSITIONS*

Code	Stock	Sector
CMM	Capricorn Metals	Materials
DGL	DGL Group	Materials
MFT.NZ	Mainfreight	Industrials
PSI	Psc Insurance Group	Financials
RIC	Ridley Corporation	Consumer Staples

* Alphabetical order as at 30 June 2022

ELEY GRIFFITHS GROUP

Founded in 2003, Eley Griffiths Group is a specialist investment management company focusing on Australian listed Small and Emerging Companies. Eley Griffiths is 100% independent & owned by staff.

We are style agnostic and can own both growth and value companies to construct portfolios. The aim of our investment process is to deliver consistent outperformance through all market conditions.

Our investment philosophy;

- A long-term bottom-up approach to stock picking (style agnostic)
- Forming strong macro views to derive accurate long-term earnings estimates.
- Using Price/Earnings ratios and cashflow as our fundamental valuation tools.
- The need for a systematic and disciplined stock selection process
- Risk control measures at a stock and portfolio level
- Extensive company visitation program (domestic & offshore)

This fund is appropriate for investors with “High” and “Very High” risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the [TMD](#) for further information

FUND INFORMATION

Benchmark: S&P/ASX Small Ordinaries Accumulation Index

Number of stocks: 35-55

Universe: ASX/NZX listed stocks outside the S&P ASX 200

Fund Inception: March 2017

Cash distributions or unit reinvestments: Annually

Management fees: 1.25%p.a.

Performance fees: 15.375% p.a. of Outperformance above the S&P/ASX Small Ordinaries Accumulation Index (After Base Management Fee)

Fund size: \$237.0m as at 30 June 2022

Minimum Investment: \$10,000

Unit Price: Daily

APIR Code: PIM5346AU

ARSN CODE: 616328128

Investment Enquires:

John Price | Head of Distribution & Operations

john@eg-group.com.au | +61 2 8311 5175

PDS & Online Applications Forms:

<https://eleygriffithsgroup.com/invest/>

Existing investor administration:

Link Fund Solutions

EleyGriffiths@linkmarketservices.com.au | +61 2 8767 1114

ELEY GRIFFITHS EMERGING COMPANIES FUND

The Emerging Companies Fund offers investors exposure to a diversified portfolio of Australian listed emerging companies that reside outside the S&P ASX200 Index. The Fund is benchmarked against the S&P ASX Small Ordinaries Accumulation Index and was launched 1 March 2017.

The team combines fundamental bottom-up research of companies with an in-depth qualitative assessment of their management and industry structure. Our proprietary investment process, known as SCOPE (Small Company Optimal Portfolio Evaluation), is a relative stock scoring tool that ranks stocks from highest to lowest based on their score. The portfolio comprises the best scoring stocks, subject to a number of risk constraints, such as maximum active position size (7%) and liquidity.

The outworking of this process is a portfolio that typically exhibits both growth and value characteristics that aims to outperform through the market cycles.

PORTFOLIO MANAGERS



Ben Griffiths has over 30 years of financial markets experience. He co-founded Eley Griffiths Group in 2002 following a successful career as joint head of small companies at both BT Financial Group and ING Investment Management. Ben previously worked in precious metals markets with MASE Westpac and as a stockbroker at Roach Tilley Grice & Co as well as CL May Mellor. Ben holds a Bachelor of Commerce majoring in Accounting, Finance and Systems from the University of NSW.

David Allingham is a Director and Portfolio Manager at Eley Griffiths Group and has over 15 years' experience analysing small and emerging companies at Eley Griffiths Group. Prior to joining EGG in 2004, David worked in marketing at EMI Music Australia. David holds a Bachelor of Commerce from the University of Sydney.

Tim Serjeant has over 13 years' experience analysing small and emerging companies. Prior to joining EGG in July 2012, Tim was a Resources Analyst at Argonaut, a boutique investment bank and stockbroking firm. Tim holds Bachelor of Commerce (Honours in Finance) and Bachelor of Arts degree from the University of Western Australia.

Nick Guidera joined Eley Griffiths in September 2016 after 6 years at the global equity research house CLSA, in both analytical and research sales roles in the US & Australia. Prior to financial markets Nick spent 4 years as a practicing lawyer. Nick holds a Bachelor of Laws & Graduate Certificate of Legal Practice from University of Technology and a Master of Financial Management from the Macquarie Graduate School of Management.

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