

Australia was a relative outperformer posting moderate gains compared to the retreats staged by major global equity markets in August. The Eley Griffiths Group Emerging Companies Fund finished +1.9%, outperforming the Small Ordinaries Accumulation Index which gained +0.6%. Since inception (March 2017) the Fund has returned +16.0% p.a. after fees for unitholders.

The month began on a positive note with equities surging upward after the eagerly anticipated U.S. Consumer Price Index (CPI) print announcement came in below expectations. The “risk on” exuberance was short lived after several U.S. Federal Reserve (Fed) voting members made headlines that a Fed pivot was unlikely and that further rate rises were needed to dampen inflation. Toward the end of August, the month’s steadily accrued gains took a blow with the Fed Chairman’s hawkish rhetoric at Jackson Hole confirming the Fed would continue its tightening policy until confident inflation is returned to target.

Small Resources (+5.6%) outperformed in the month driven by strength in Lithium/Battery Materials names. At the portfolio level, Leo Lithium (+32%) contributed to returns. Sentiment towards Mining Services names turned more positive after better-than-expected FY22 results. Strong

demand saw Monadelphous Group (+27%) post record revenue and a substantial new and extended contracts pipeline. Consumer Discretionary results were largely better than feared. EGG investment, fashion jewellery retailer Lovisa Holdings (+30%) was a standout.

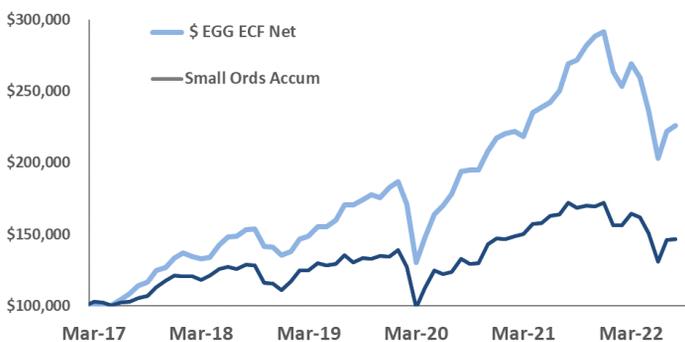
Information Technology (-4.6%) names remained volatile with weakness over the month. Global cloud connector Megaport (-25%) gave back some ground after July’s breakneck rally. Also weighing on performance was chemicals and logistic conglomerate DGL Group (-26%). While DGL announced a record profit, investors recoiled on the uncertain earnings outlook.

Overall, the domestic reporting season scorecard shows company earnings ‘beats’ trumped ‘misses’ verse expectations. Better than feared was bought, whereas downgrades were punished by the market. The season highlighted the deterioration effect higher than normal buffer inventories had on cash flow. Higher operational expenditure a consistent feature with both labour and material cost inflation. Finally, management outlook statements suggested that the consumer is still spending with no sign of slowdown yet.

| Returns post fees | 1 Month % | 3 Months % | 1 Year % | 3 years % p.a. | 5 years % p.a. | Incep^ %p.a. |
|--|--------------|--------------|--------------|----------------|----------------|--------------|
| EGG Emerging Companies Fund | 1.90 | -4.32 | -16.05 | 9.86 | 14.69 | 16.00 |
| S&P/ASX Small Ord Accumulation Index (XSOAI) | 0.58 | -2.59 | -14.66 | 4.10 | 6.85 | 7.24 |
| Outperformance | +1.32 | -1.73 | -1.38 | +5.76 | +7.84 | +8.76 |

^Fund inception March 2017. Total net returns represent past performance only. Past performance is not a reliable indicator of future performance. Total returns (net) have been calculated using exit prices and take into account the applicable buy/sell spread and are net of Eley Griffiths Group’s management fees and assumes reinvestment of distributions. No allowance has been made for taxation or any fees charged by operators of master trusts or wrap accounts through which the products are offered. Returns of more than one year are annualised. Returns of the Fund can be volatile and in some periods may be negative. The return of capital is not guaranteed.

\$100,000 SINCE INCEPTION (AFTER FEES)



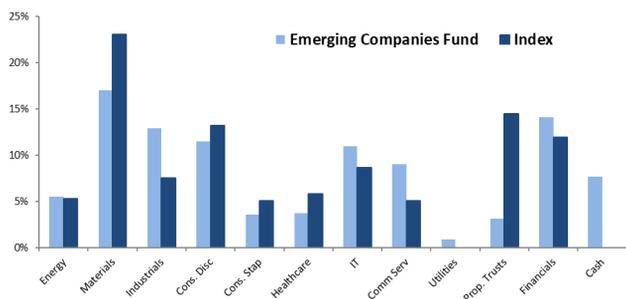
^Fund inception March 2017. Past performance is not an indicator of future performance

STOCK ATTRIBUTION*

| Code | Stock | Sector |
|----------------------------|----------------------------|------------------------|
| Top 3 Contributors | | |
| HAS | Hastings Technology Metals | Materials |
| LOV | Lovisa Holdings | Consumer Discretionary |
| MND | Monadelphous Group | Industrials |
| Bottom 3 Detractors | | |
| DGL | DGL | Materials |
| MP1 | Megaport | Information Technology |
| WGN | Wagners Holdings | Materials |

** Alphabetical order as at 31 August 2022*

FUND SECTOR ALLOCATION



TOP 5 ACTIVE POSITIONS*

| Code | Stock | Sector |
|--------|--------------------|------------------------|
| CMM | Capricorn Metals | Materials |
| MFT.NZ | Mainfreight | Industrials |
| MND | Monadelphous Group | Industrials |
| RIC | Ridley Corporation | Consumer Staples |
| SPK | Spark New Zealand | Communication Services |

** Alphabetical order as at 31 August 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: \$269.3m as at 31 August 2022

Minimum Investment: \$10,000

Unit Price: Daily

APIR Code: PIM5346AU

ARSN CODE: 616328128

Investment Enquires:

John Price | Head of Distribution & Investment 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.

DISCLAIMER: This document has been prepared by Eley Griffiths Group Pty Limited (ABN 66 102 271 812) (EGG) as the investment manager of the Eley Griffiths Group Emerging Companies Fund (Fund) and issued by The Trust Company (RE Services) Limited ABN 45 003 278 830, AFSL 235 150 (Perpetual) as the Responsible entity and issuer of units in the Fund. The information provided in this document is general information only and does not constitute investment or other advice. The content of this document does not constitute an offer or solicitation to subscribe for units in the Fund. EGG nor Perpetual accepts no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. You should consider the product disclosure statement and target market determination is available at <https://eleygriffithsgroup.com/invest/> prior to making any investment decisions. If you require financial advice that takes into account your personal objectives, financial situation or needs, you should consult your licenced or authorised financial advisor. Past performance is not a reliable indicator of future performance. Neither EGG nor Perpetual guarantee repayment of capital or any rate of return from the Fund. Neither EGG nor Perpetual give any representation or warranty as to the reliability or accuracy of the information contained in this document. All opinions and estimates included in this document constitute judgments of EGG as at the date of this document and are subject to change without notice. Total returns shown for the Eley Griffiths Group Emerging Companies Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation.