

The Eley Griffiths Group Emerging Companies Fund (Fund) increased +1.9% in August, outperforming the Small Ordinaries Accumulation Index which finished -1.3% lower. Since its inception in March 2017, the Fund has delivered a return of +13.8% per annum after fees for its unitholders.

In August, observers of the global macroeconomic landscape witnessed a potential peak in interest rates alongside further evidence of a decline in inflation. Despite Federal Reserve Chair Powell's cautious stance on inflation at the Jackson Hole summit, market analyst conceded a low likelihood of further rate hikes, and an eventual shift to potential rate cuts. International markets experienced weakness, primarily driven by concerns about China's economic slowdown and a fragile property market, with obvious repercussions for resource stocks.

Domestically, investors were trained on the reporting season. Short-term volatility persisted, and the reporting season yielded mixed results, with a greater number of companies surpassing expectations. However, there was a prevalence of FY24 profit downgrades outweighing upgrades. Consumer strength emerged as a significant topic of discussion, as certain consumer-oriented companies surpassed modest expectations, amid mounting headwinds in the retail sector. Meanwhile, cost management proved disappointing, primarily attributed to elevated interest and

labour costs, both having a discernible impact on sector profitability.

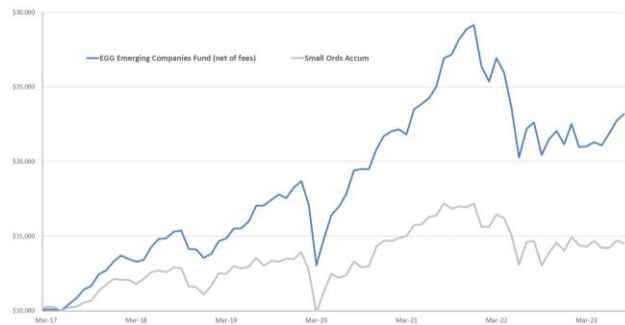
Detracting from the Fund's performance was international money services provider OFX Group (OFX), finishing -18% lower following a robust rally in the previous quarter. Investor sentiment soured post the AGM trading update despite management reiterating its earnings guidance and providing commentary that short term trading conditions had stabilised.

This reporting season, investor support favoured early-stage companies with improved cash management and those nearing profitability. Notable examples, and key contributors to performance included Audinate (AD8) and Siteminder (SDR), with returns of +48% and +16% respectively. Media networking solutions provider AR8 reported a 40% revenue increase and achieved its first-ever profit. Hotel software company SDR nearly doubled its global hotel customer base in a year. The company's focus on customer growth and cost reduction positions it for profitability in FY24.

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	+1.93%	+9.92%	+2.47%	+6.10%	+8.65%	+13.80%
S&P/ASX Small Ord Accumulation Index (XSOAI)	-1.31%	+2.22%	-1.12%	+3.00%	+2.40%	+5.90%
Outperformance	+3.24%	+7.70%	+3.59%	+3.10%	+6.25%	+7.90%

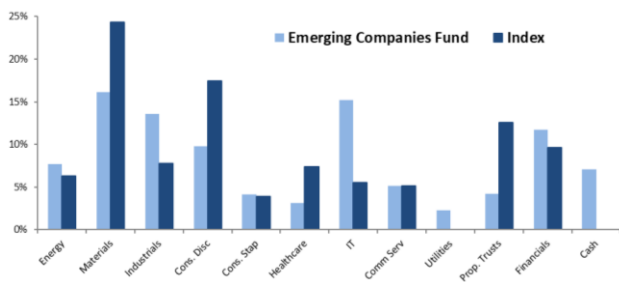
^AFund inception March 2017. Total net returns represent past performance only. **Past performance is not a reliable indicator of future performance.** Total returns (net) have been calculated using exit prices and take into account the applicable buy/sell spread and are net of Eley Griffiths Group's 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.

\$10,000 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		
AD8	Audinate Group	Information Technology
GMD	Genesis Minerals	Materials
SDR	SiteMinder	Information Technology
Bottom 3 Detractors		
AFG	Australian Finance Group	Financials
OFX	OFX Group	Financials
PLY	Playside Studios	Communication Services

* Alphabetical order as at 31 August 2023

TOP 5 ACTIVE POSITIONS*

Code	Stock	Sector
AD8	Audinate Group	Information Technology
GMD	Genesis Minerals	Materials
MND	Monadelphous Group	Industrials
RIC	Ridley Corporation	Consumer Staples
SDR	SiteMinder	Information Technology

* Alphabetical order as at 31 August 2023

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: \$268.2m as at 31 August 2023

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

Existing investor administration:

Link Fund Solutions

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

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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.