

The Eley Griffiths Group Emerging Companies Fund (Fund) increased +3.5% in March compared to the Small Ordinaries Accumulation Index gain of +4.8%. Since its inception in March 2017, the Fund has delivered a return of +15.4% per annum after fees for its unitholders.

Equity markets remained on a firm footing in March. The underlying strength of the US economy continues to surprise, underpinning the rise in stocks we have witnessed in recent months. The US Federal Reserve at its March meeting raised its 2024 GDP growth projection by 70bps, as well as affirming the intention to cut interest rates later this year. The market had priced 6 rate cuts (in the US) at the start of 2024; this had been wound in to less than 3 by month's end.

Strong price action across bellwether commodities in Gold (+9.1%), Brent Oil (+4.1%) and Copper (+4.0%) was noteworthy, particularly with moves in yields and currencies being rather benign. The only real blight was Iron Ore (-17.7%), which appears to be following its typical seasonal pattern.

M&A activity across the small and emerging company space continues to build.

Infrastructure fund Cyan Renewables sought to acquire oil services player Mermaid Marine (MRM; +22%) via scheme of arrangement in March. After several years of repositioning, MRM's fleet of support vessels appears well placed to participate in future offshore wind farm developments.

After a spongy few months for the equities, gold's breakout to new all-time highs underpinned the performance of Genesis Minerals (GMD; +21%) and Ora Banda (OBM; +10%) in March.

TUAS Ltd (TUA; +20%) was another key contributor upon release of its 1H24 results that exceeded expectations.

Aussie Broadband (ABB; -21%) was dealt a blow in its attempt to acquire rival telco Superloop (SLC; +30%), having lost a key contact with Origin Energy to its target.

A handful of strong performers in reporting season ceded some ground in March, notably Mass Group (MGH; -7%) & Audinate (AD8; -10%) which also weighed on performance.

Returns post fees	1 Month	3 Months	1 Year	3 years p.a.	5 years p.a.	7 years p.a.	Incep <sup>A</sup> p.a.
EGG Emerging Companies Fund	+3.45%	+11.90%	+30.83%	+8.03%	+13.11%	+15.39%	+15.35%
S&P/ASX Small Ord Accumulation Index (XSOAI)	+4.79%	+7.55%	+13.83%	+2.72%	+5.42%	+6.79%	+7.10%
Outperformance	-1.34%	+4.35%	+17.00%	+5.31%	+7.69%	+8.60%	+8.25%

<sup>A</sup>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.

### \$10,000 SINCE INCEPTION (AFTER FEES)



<sup>A</sup>Fund inception March 2017. Past performance is not an indicator of future performance

### FUND SECTOR ALLOCATION



### STOCK ATTRIBUTION\*

Code	Stock	Sector
<b>Top 3 Contributors</b>		
GMD	Genesis Minerals	Materials
MRM	MMA Offshore	Energy
TUA	Tuas	Communication Services
<b>Bottom 3 Detractors</b>		
AD8	Audinate Group	Information Technology
ABB	Aussie Broadband	Communication Services
MGH	MAAS Group Holdings	Industrials

\* Alphabetical order as at 31 March 2024

### TOP 5 ACTIVE POSITIONS\*

Code	Stock	Sector
CMM	Capricorn Metals	Materials
CDA	Codan	Information Technology
GMD	Genesis Minerals	Materials
MRM	MMA Offshore	Energy
PNI	Pinnacle Investment Management	Financials

\* Alphabetical order as at 31 March 2024

## ELEY GRIFFITHS GROUP

Founded in 2003, Eley Griffiths Group (“EGG”) is an Australian specialist investment management company. EGG is 100% owned by its staff and the investment team is heavily aligned with client outcomes.

**Philosophy:** EGG believes that markets do not always price small and mid cap companies efficiently and that these inefficiencies can be exploited using market experience and a disciplined stock selection methodology. The investment case for a stock can only be established through rigorous qualitative and quantitative analysis on a company-by-company basis and subject to several risk filters. The application of a proven investment process combined with active risk management is key to adding value through the market cycle.

**Style:** EGG is not constrained by traditional growth or value styles, believing an investment process and style needs to be flexible and adaptable to a dynamic global economy. Our portfolios are built from the “bottom up” and are based on forward-looking relative earnings growth subject to valuation and a qualitative overlay - an approach that ensures we are not anchored to any one *style* of investing. This approach aims to provide consistent outperformance through all market conditions, irrespective of the economic cycle and is generally known as style *neutral* or style *agnostic* investing.

## 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:** \$287.4m

**Minimum Investment:** \$10,000

**Unit Price:** Daily

**APIR Code:** PIM5346AU

**ARSN CODE:** 616328128

### Investment Enquires:

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### Existing investor administration:

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## ELEY GRIFFITHS GROUP EMERGING COMPANIES FUND

The 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.

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 and liquidity.

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.

## PORTFOLIO MANAGERS



**Ben Griffiths** is the managing director and a portfolio manager at EGG and has around 40 years of financial markets experience. He co-founded EGG in 2003 with Brian Eley following a successful career as joint head of small companies at both BT Financial Group and ING Investment Management. Ben is a graduate of the Australian Institute of Company Directors and holds a Bachelor of Commerce from the University of NSW.

**David Allingham** David Allingham is a portfolio manager at EGG and has over 19 years’ experience analysing mid, small and emerging companies at EGG. 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** is a portfolio manager at EGG and has over 17 years’ experience analysing mid, 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** is a portfolio manager at EGG with over 13 years of financial market experience. Nick joined Eley Griffiths Group in September 2016 after 6 years with stockbroker CLSA, in both analytical and research sales roles locally and in the US. 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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