

The Eley Griffiths Group Mid Cap Fund – Class A (Fund) increased +2.9% in March compared to the 70% S&P/ASX Mid Cap 50 Accumulation/30% S&P/ASX Small Ordinaries Accumulation benchmark which finished up +3.9%. Since inception on 13<sup>th</sup> November 2023, the Fund has increased +16.9% after fees.

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 mid cap space continues to build. Virgin Money UK (VUK) was bid at a healthy 38% premium by Nationwide Building Society.

This follows Alcoa bidding for its JV partner Alumina (AWC) and Renesas Electronics offer for Altium (ALU) in late February.

After a spongy few months for the equities, gold's breakout to new all-time highs underpinned Genesis Minerals' (GMD; +21%) performance in March. Coincidentally, GMD released its much anticipated 5-year strategic plan, highlighting the strong sequential production growth to come.

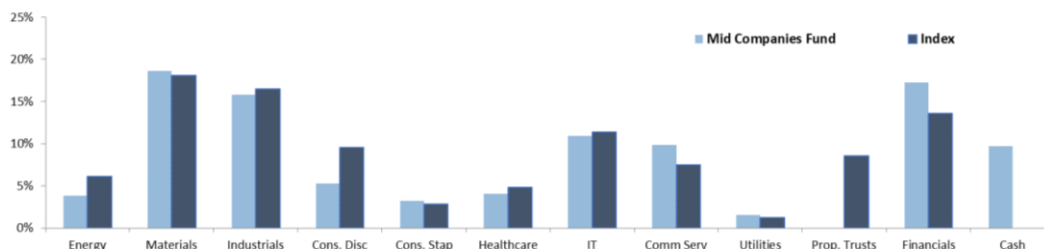
Energy names were also key contributors for the month. Beach Energy (BPT; +14%) firmed as new management outlined its cost-out strategy. Unfortunately, that was undone in early April on news of further delays and additional capex required at its Waitisia JV with Mitsui. Karoon Energy (KAR; +11%) followed oil prices higher as the market becomes more comfortable with its recent Gulf of Mexico purchase.

Among the detractors were the online classifieds - Carsales (CAR; -1.8%) and REA Group (REA; -4.5%), which have been stellar performers over the last six months.

Returns post fees	1 Month	3 Months	6 Months	1 year p.a.	Inception to date (Total)
EGG Mid Cap Fund – Class A	+2.86%	+8.01%			+16.93%
70% S&P/ASX Mid Cap 50 Accumulation 30% S&P/ASX Small Ordinaries Accumulation	+3.85%	+6.90%			+16.29%
<b>Outperformance</b>	<b>-0.99%</b>	<b>+1.11%</b>			<b>+0.64%</b>

*^Fund inception 13 November 2023. 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 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.*

## FUND SECTOR ALLOCATION



## STOCK ATTRIBUTION\*

Code	Stock	Sector
<b>Top 3 Contributors</b>		
A2M	a2 Milk Company	Consumer Staples
BPT	Beach Energy	Energy
GMD	Genesis Minerals	Materials
<b>Bottom 3 Detractors</b>		
CAR	CAR Group	Communication Services
LYC	Lynas Rare Earths	Materials
REA	REA Group	Communication Services

## TOP 5 ACTIVE POSITIONS\*

Code	Stock	Sector
BLD	Boral	Materials
BRG	Breville Group	Consumer Discretionary
CAR	CAR Group	Communication Services
GMD	Genesis Minerals	Materials
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:** 70% S&P/ASX Mid Cap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index

**Number of stocks:** 25-45

**Universe:** ASX & NZX listed stocks outside the S&P ASX 20

**Fund Inception:** 13 November 2023

**Cash distributions or unit reinvestments:** Annually

**Management Fees and Cost:** 1.05% of the NAV of the Fund inclusive of GST and RITC.

**Fund size:** \$35.1m

**Unit Price:** Daily

**APIR Code:** ETL1914AU

**ARSN CODE:** 667 460 639

### Investment Enquires:

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## ELEY GRIFFITHS GROUP MID CAP FUND – CLASS A

The Fund offers investors exposure to a diversified portfolio of Australian and New Zealand listed small and mid cap companies that reside outside the S&P ASX20 Index. The Fund is benchmarked against the 70% S&P/ASX Mid Cap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries.

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.

## LEAD PORTFOLIO MANAGERS



**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.

## 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.

**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.

Equity Trustees Limited (“Equity Trustees”) (ABN 46 004 031 298, AFSL 240975), is the Responsible Entity for the Eley Griffiths Group Mid Cap Fund – Class A (“the Fund”). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

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Eley Griffiths Group Mid Cap Fund – Class A PDS and Target Market Determination are available [here](#). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.