

The Eley Griffiths Group Small Companies Fund (Fund) increased +2.7% in June, outperforming the Small Ordinaries Accumulation Index, which remained flat for the month. Over the financial year, the fund achieved a gain of +16.6%. Since its inception in September 2003, the Fund has delivered a return of +9.8% per annum after fees for its unitholders.

Global markets displayed strength in June, with positive sentiment fuelled by lower-than-expected inflation figures and encouraging economic data in the United States. The S&P 500 index surged by +6.5% and officially entered a bull market, defined as a 20% rise from recent lows. On the other hand, the local market showed a more subdued performance, influenced by the Reserve Bank of Australia (RBA) raising interest rates due to resilience in the labour market and wage pressures, thereby creating uncertainty about the ultimate peak in rates.

Contributions to performance during June included Navigator Global Investments (NGI +34%) Paladin Energy (PDN +34%) and HMC Capital (+15%).

NGI reached an agreement with Dyal Capital to expedite an outstanding payment due in 2026, which allowed for the acquisition of the remaining profit distributions from a portfolio consisting of six minority ownership interests in alternative asset managers. PDN, which holds a majority stake in the Namibia-based Langer Heinrich

mine, rebounded following reports that Namibia did not intend to nationalise any natural resources as speculated in May, and there were no plans to seize stakes from existing license holders in minerals or petroleum.

Detractors to performance included Capricorn Metals (-7%), EBOS Group (EBO -13%), and Monadelphous Group (-4%).

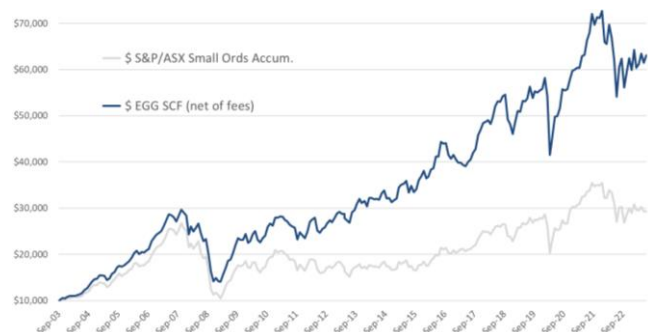
EBO, a pharmaceutical distributor, received news that its supply contract with Chemist Warehouse would not be renewed. The new supplier offering an ownership stake in their business to the pharmacy giant as a component of the new agreement.

Looking ahead, we maintain a positive outlook for small and emerging companies. Valuations have adjusted and earnings profiles have normalised. As investor confidence in the inflation/interest rate outlook increases, we anticipate a return of capital to the smaller end of the ASX into discounted stocks, similar to that observed after the Global Financial Crisis (GFC) and the COVID-related market lows.

Returns post fees	1 Month %	3 Months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Incep^ % p.a.
<b>EGG Small Companies Fund</b>	+2.68%	+3.12%	+16.61%	+8.07%	+3.48%	+8.90%	+9.76%
<b>S&amp;P/ASX Small Ord Accumulation Index (XSOAI)</b>	+0.03%	-0.54%	+8.45%	+5.16%	+2.25%	+6.81%	+5.58%
<b>Outperformance</b>	<b>+2.65%</b>	<b>+3.66%</b>	<b>+8.16%</b>	<b>+2.91%</b>	<b>+1.23%</b>	<b>+2.09%</b>	<b>+4.18%</b>

*^Fund inception September 2003. 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)**

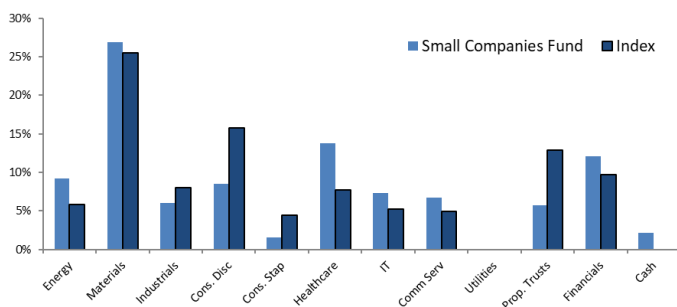


**STOCK ATTRIBUTION\***

Code	Stock	Sector
<b>Top 3 Contributors</b>		
<b>HMC</b>	HMC Capital	Real Estate
<b>NGI</b>	Navigator Global Investments	Financials
<b>PDN</b>	Paladin Energy	Energy
<b>Bottom 3 Detractors</b>		
<b>CMM</b>	Capricorn Metals	Materials
<b>EBO</b>	EBOS Group	Health Care
<b>MND</b>	Monadelphous Group	Industrials

\*Alphabetical order as at 30 June 2023

**FUND SECTOR ALLOCATION**



**TOP 5 ACTIVE POSITIONS\***

Code	Stock	Sector
<b>BLD</b>	Boral	Materials
<b>CMM</b>	Capricorn Metals	Materials
<b>FPH</b>	Fisher & Paykel Healthcare	Health Care
<b>GMD</b>	Genesis Minerals	Materials
<b>KAR</b>	Karoo Energy	Energy

\* Alphabetical order as at 30 June 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 listed stocks outside the S&P ASX 100

**Fund Inception:** September 2003

**Cash distributions or unit reinvestments:** Annually

**Management fees:** 1.25%p.a.

**Performance fees:** 15% p.a. of Outperformance above the S&P/ASX Small Ordinaries Accumulation Index (After Base Management Fee)

**Fund size:** \$344.2m as at 30 June 2023

**Minimum Investment:** \$25,000

**Unit Price:** Daily

**APIR Code:** EGG0001AU

**ARSN CODE:** 106171224

### Investment Enquires:

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### Existing investor administration:

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## ELEY GRIFFITHS SMALL COMPANIES FUND

The Small Companies Fund offers investors exposure to a diversified portfolio of Australian listed small companies that reside outside the S&P ASX100 Index. The Fund is benchmarked against the S&P ASX Small Ordinaries Accumulation Index and has a 19 year track of record of outperformance.

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 (5%) 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 16 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 14 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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