

In a volatile month, the Eley Griffiths Group Emerging Companies Fund (ECF) increased +0.8%, outperforming the Small Ordinaries Accumulation Index (XSOAI) which declined -2.1%.

Contributing to September's weakness were fears that one of China's largest property developers, China Evergrande Group, would fail under \$300 billion in liabilities and leave 1.5 million buyers waiting for finished homes. The People's Bank of China has been steadily tightening property market restrictions to rein in ballooning prices and household debt driven by rising urbanisation. The government announced they would introduce policies to avoid a hard property market landing vowing to ensure a "healthy property market" and protect homeowners' lawful rights.

Adding to the volatility, The Fed indicated that the US central bank's purchases of bonds will start to wind down in November, paving the way for interest rates to potentially rise towards the end of next year. The hawkish commentary saw bond yields gap up quickly which halted the momentum of tech/growth stocks. EGG portfolio holdings caught in the growth selloff were online furniture and homewares retailer's Temple & Webster (-15%) and BlueBet (BBL; -24%). The performance of BBL was exacerbated when it withdrew its application for a Sports Betting Permit in the US State of Virginia.

Contributing to returns in the month was lithium explorer Liontown Resource (LTR; +53%). LTR announced it would spin off its non-lithium assets (gold, nickel and copper) in October under the Minerals 260 IPO. This will allow LTR to focus on the wholly owned Kathleen Valley Lithium Project, one of the world's highest grade lithium deposits. Demonstrating their conviction in the project's upside, last month LTR paid \$30m to buy out Ramelius Resources production royalty over the project.

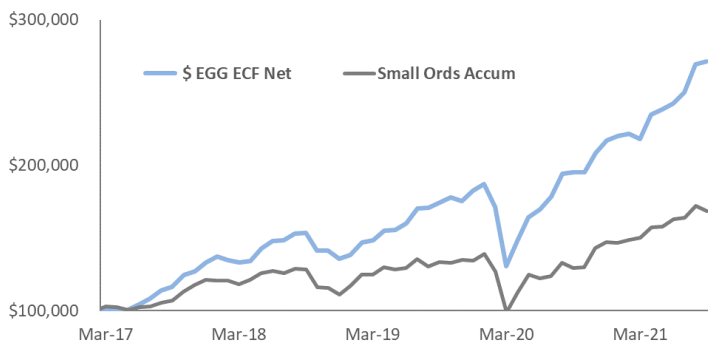
Aussie Broadband (ABB; +22%) continued its strong rise upon announcing a 10-year deal with the Victorian Government owned VicTrac to swap access to their respective fibre networks. The swap will significantly increase the geographic reach of ABB's fibre network, especially to potential new regional Victoria customers.

The 12 month forward looking Commonwealth Bank Household Spending Intentions series lifted sharply to a record high in September. The normalising of household saving ratios, credit growth and house price appreciation sets the scene for a rebound in economic activity as lockdowns end. The EGG portfolios have a significant skew to quality and liquidity, complimented with a targeted and fundamental exposure to resources companies.

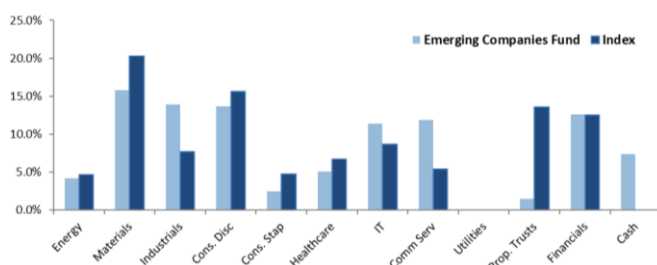
Returns post fees	1 Month %	3 Months %	1 Year %	2 years % p.a.	3 years % p.a.	4 years % p.a.	Incep [^] %p.a.
EGG Emerging Companies Fund	0.81	12.02	39.32	24.84	20.92	23.56	24.36
S&P/ASX Small Ord Accumulation Index (XSOAI)	-2.14	3.44	30.41	12.28	9.43	12.06	12.04
Outperformance	+2.95	+8.59	+8.91	+12.56	+11.49	+11.50	+12.32

[^]Fund inception March 2017

\$100,000 SINCE INCEPTION (AFTER FEES)



FUND SECTOR ALLOCATION



STOCK ATTRIBUTION*

Code	Stock	Sector
Top 3 Contributors		
ABB	Aussie Broadband	Communication Services
DGL	DGL Group	Materials
LTR	Liontown Resources	Materials
Bottom 3 Detractors		
BBT	Bluebet Holdings	Consumer Discretionary
TPW	Temple & Webster Group	Consumer Discretionary
VRT	Virtus Health	Health Care

TOP 5 ACTIVE POSITIONS*

Code	Stock	Sector
ABB	Aussie Broadband	Communication Services
DGL	DGL Group	Materials
MFT.NZ	Mainfreight	Industrials
UNI	Universal Store Holdings	Consumer Discretionary
VRT	Virtus Health	Health Care

* Alphabetical order as at 30 September 2021

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.

Our investment process and team have delivered consistent out performance through all market conditions for 18 years. We are style agnostic and can own both growth and value companies to construct portfolios.

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)

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 Accumulation Index (After Base Management Fee)

Fund size: \$275.6m as at 30 September 2021

Minimum Investment: \$10,000

Unit Price: Daily

APIR Code: PIM5346AU

ARSN CODE: 616328128

Investment Enquires:

John Price | Head of Distribution & 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 can outperform the market over the long-term.

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.

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