

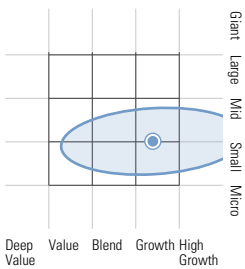
Eley Griffiths Group Small Companies

10463

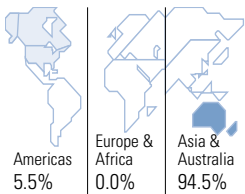


Morningstar Category Equity Australia Mid/Small Growth	Category Index S&P/ASX Small Ordinaries TR AUD	Total Assets 443 Mil AUD	Inception Date 12/09/03	Domicile AUS	Currency AUD	Morningstar Rating ★★★
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Equity Style Map



Equity Region Exposure



People

Ben Griffiths	09/03	—	9	12	10	5	2	3	4	7	15	15 %
Brian Eley	09/03	—	37	36	26	33	38	33	29	31	30	30 %
Total Named Managers	2	—	54	52	64	62	60	64	67	61	55	55 %

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assets	46	42	51	45	50	52	34	61	53	38	26
Assets (Millions)	34.57	16.98	-47.56	64.34	14.20	-15.83	18.50	13.43	0.64	20.16	8.84
Assets (Millions)	-1.36	-2.39	1.13	2.42	0.49	-0.92	3.48	-4.37	-0.89	0.44	2.53
Assets (Millions)	0.37	-0.08	5.62	6.92	1.15	5.60	11.92	14.19	4.45	10.01	-4.34
Assets (Millions)	—	9	12	10	5	2	3	4	7	15	15 %
Assets (Millions)	—	37	36	26	33	38	33	29	31	30	30 %
Assets (Millions)	—	54	52	64	62	60	64	67	61	55	55 %
Assets (Millions)	2.09	1.25	1.26	1.26	1.24	1.24	1.24	1.25	2.13	1.24	— %

Performance 31/12/16

Growth of 10,000 Annualized AUD	Value AUD	Ret %
Fund	23,071	7.90
Category	22,611	7.70
Index	13,048	2.45

▼ Full Manager Change

Morningstar Rating
★★★★★

Quartile Rank in Category
Percentile Rank in Category
Total Return AUD
+/- Category
+/- Index

Process

Equity Style Box

Asset Allocation (Long Positions)

- Equity
- Cash
- Fixed Interest
- Other

Equity Supersectors

- Defensive
- Sensitive
- Cyclical

Price Expense Ratio (ICR/MER)

Despite a change at the top, this fund remains a great choice.

Analyst View

Alexander Prineas

Senior Analyst



Morningstar Pillars

Process Page 2-3	Positive
Performance Page 4	Positive
People Page 5	Positive
Parent Page 6	Positive
Price Page 7	Negative

Role in Portfolio: Supporting

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum



Oct 31, 2016 | Eley Griffiths Group Small Companies remains composed, despite the retirement of one of the business' founders and portfolio managers, and we think the vehicle will continue to deliver. Sadly, Brian Eley left the firm in November 2015 because of ill health, leaving the running of the firm to his longtime business partner Ben Griffiths. The pair started out managing small-cap portfolios together in 2000, and over the years we have seen them build out a quality team. This gives us confidence that the strategy will continue to reward investors after the change. David Allingham joined as an analyst in 2004 before taking on portfolio management responsibilities and equity in the firm in 2012. Subsequent appointments of analysts Tim Serjeant in 2012 and Nick Guidera in 2016 added further depth.

Eley's departure did raise uncertainty around his 47.5% share in the business. However was resolved in October 2016. Eley's stake has been sold to other staff members. Griffiths has increased his stake to 51% and retained control,

which we think is good for continuity and stability of the business. David Allingham increased his stake to 30%; Tim Serjeant debuted at 14% and dealer Lachlan Ridhalgh at 5%. There have been no material changes to the portfolio or process as a result of the change. The team tends to stick to what it believes are quality stocks, resulting in a portfolio of 35-55 names. These are generally tilted more towards the liquid end of the small- and mid-cap segment, and, given this offering's size, it has limited exposure to micro-caps, where some competitors have found value. However, the team is mindful of this issue, and we're encouraged by its efforts to handle inflows appropriately.

The fee structure is acceptable, and a perpetual high-water mark structure means investors pay for outperformance only once. Despite the retirement of one of the partners, the fund remains one of our preferred Australian small-cap options.

Eley Griffiths Group Small Companies

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Process: Approach

Morningstar Category
Equity Australia Mid/Small Growth

Category Index
S&P/ASX Small Ordinaries TR AUD

Index Proxy
iShares S&P/ASX Small Ordinaries

A tried-and-tested process involving a lot of in-depth, on-the-ground research.

Process Pillar + Positive

Oct 31, 2016 | On establishment, Eley Griffiths' co-founders Brian Eley and Ben Griffiths adopted the same process they used at former employers ING and BT. As the outfit expanded, the process remained, based on the belief that company visits are the cornerstone to getting insight on small-cap companies. The team look for stocks that look

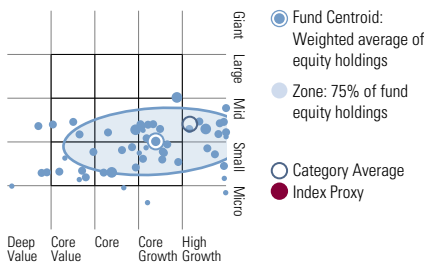
most attractive from both qualitative and quantitative perspectives. They assess industry conditions and a company's competitive position, as well as management's track record and future plans.

From a quantitative perspective, the team examines a company's historical balance sheet, profit and loss, and cash flow items to forecast future three-year earnings, focussing deliberately on the closer one-year outlook. This shorter-term focus means that this strategy's portfolio turnover can tick up at times, which may lead to higher

transaction costs and less tax-efficient returns. The squad's favourite valuation yardstick is price/earnings ratio comparisons (factors such as gearing levels are adjusted for on the qualitative side of the equation). Eley Griffiths has developed about 80% of its valuation models in-house. The remainder are sourced from brokers, with the team then tinkering with the externally sourced models to arrive at its own earnings expectations.

Equity Style 31/12/16

Holdings-Based Style Map

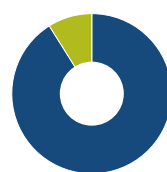


Equity Style Box Factors

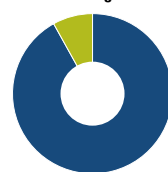
	Fund	3-Yr Avg	Category	Proxy
Market Cap				
Giant/Large	4.1	2.9	23.8	1.5
Mid	47.3	53.1	43.0	50.7
Small/Micro	48.6	44.0	33.2	47.9
Avg Market Cap Bil AUD	1.3	1.4	2.4	1.3
Value Measures				
Price/Prospect. Earnings	17.2	18.3	18.1	15.2
Price/Book	1.5	2.0	2.5	1.7
Price/Sales	1.0	1.2	2.0	1.2
Price/Cash Flow	9.1	8.7	10.7	8.0
Dividend Yield	3.7	3.2	3.6	4.1
Growth Measures				
Long-Term Earnings %	14.8	14.1	10.9	9.6
Historical Earnings %	4.0	12.1	9.9	4.9
Sales %	-1.3	-7.4	2.0	-0.8
Cash Flow %	-6.4	5.5	0.9	-3.2
Book-Value %	-5.8	-1.0	-26.2	-3.3

Asset Allocation (Net Positions) 31/12/16

Current Allocation



3-Year Average



Assets %	Fund	3-Yr Avg	Category	Proxy
Australian Equity	91.1	91.9	0.0	0.0
International Equity	0.0	0.0	0.0	0.0
Aus. Fixed Interest	0.0	0.0	0.0	0.0
Int'l Fixed Interest	0.0	0.0	0.0	0.0
Cash	8.9	8.1	0.0	0.0
Other	0.0	0.0	0.0	0.0

Region Exposure 31/12/16

Market Type Equity %	Fund	3-Yr Avg	Category	Proxy
Developed	100.0	100.0	99.8	100.0
Emerging	0.0	0.0	0.2	0.0

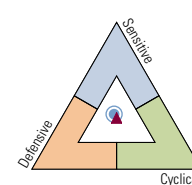
Top 5 Countries Equity %	Fund	3-Yr Avg	Category	Proxy
Australia	83.2	86.8	88.2	91.1
New Zealand	11.3	11.4	6.5	5.7
United States	3.7	1.2	2.6	2.8
Canada	1.9	0.3	0.0	0.4

Key Ratios 31/12/16

	Fund	3-Yr Avg	Category	Proxy
Net Margin %	10.9	16.0	13.4	15.3
ROA %	5.4	7.5	7.2	5.5
Debt/Total Capital %	20.6	27.1	32.1	24.4
ROE %	10.3	13.2	15.6	10.6

Sectors 31/12/16

Sector Delta



Larger sector concentrations versus the index move the investment to the corner of the triangle corresponding to that equity Super Sector.

Equity Sectors	Fund	3-Yr Avg	Category	Proxy
Defensive	15.0	11.7	27.0	15.4
Consumer Defensive	4.3	2.5	8.4	7.3
Healthcare	10.7	8.9	16.4	7.3
Utilities	0.0	0.3	2.1	0.8
Sensitive	29.7	30.1	29.2	25.6
Communication Serv.	0.0	2.8	3.6	1.9
Energy	3.8	1.5	1.0	3.6
Industrials	16.8	15.5	7.6	12.5
Technology	9.1	10.3	17.0	7.6
Cyclical	55.3	58.2	43.9	59.0
Basic Materials	30.7	18.5	9.1	22.1
Consumer Cyclical	15.7	19.6	19.3	18.2
Financial Services	3.4	11.2	13.3	7.5
Real Estate	5.5	8.9	2.2	11.2

Economic Moat 31/12/16

	Fund	3-Yr Avg	Category	Proxy
Wide Moat	0.0	7.2	3.4	0.5
Narrow Moat	24.5	42.8	50.9	28.5
No Moat	75.5	50.1	45.7	71.0
Coverage Ratio	53.9	57.7	62.5	59.9

Eley Griffiths Group Small Companies

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Process: Portfolio

Morningstar Category Equity Australia Mid/Small Growth	Category Index S&P/ASX Small Ordinaries TR AUD	Index Proxy iShares S&P/ASX Small Ordinaries
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A relatively diverse portfolio of small- and mid-cap Australian companies.

Process Pillar + Positive

Oct 31, 2016 | As its name suggests, the team behind Eley Griffiths Small Companies focuses its time at the smaller end of the Australian share market. The team tends to stick to what it believes are quality stocks, resulting in a portfolio of 35-55 names. These are generally tilted towards the more liquid small- and mid-cap segment, and,

given this shop's large asset book of more than AUD 1.5 billion, the team finds it difficult to dip into micro-caps, where some competitors have found opportunities.

No sectors of the fund's S&P/ASX Small Ordinaries Index benchmark are off limits, and returns have come from all corners. The average stock holding has been around 2% of portfolio value, with only a handful of stakes less than 1%, demonstrating that the investment team likes to take reasonably weighty positions across the board. Any stocks that transition into the

S&P/ASX 100 Index have a grace period of two years before they must be sold.

The inherent riskiness of small caps means that Eley Griffiths is best used as a small slice of the broader Australian equities asset allocation in a balanced portfolio. As a Supporting Player, it should not comprise more than one third of an investor's exposure to this asset class, as it likely has a strong and persistent bias to an investment style or sector or a willingness by the manager to take on greater active risk.

Similarity to Index Proxy 31/12/16

Index Proxy Overlap		Top Five Index Holdings		Top Five Index Sectors	
	Number of Equity Holdings		Fund %	Proxy %	
	Fund	Oz Minerals Ltd	1.34	1.83	Basic Materials
	Index Proxy	Evolution Mining Ltd	—	1.64	Consumer Cyclical
	Fund Overlap With Index Proxy	WorleyParsons Ltd	1.93	1.48	Industrials
	Holdings Overlap	Macquarie Atlas Roads Group	2.36	1.46	Real Estate
	Asset Overlap	Metcash Ltd	—	1.44	Technology
					Fund %
					Proxy %
					30.66
					15.73
					16.84
					5.50
					9.08

Portfolio Holdings 31/12/16

Previous Portfolio Date 30/11/16	Equity Holdings 58	Bond Holdings 0	Other Holdings 1	Assets in Top 10 Holdings 30%	Turnover Ratio (Reported) 77%
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Top 10 Holdings	Country	Assets % 31/12/16	Assets % 30/11/16	Index % 31/12/16	Days Trading	Morningstar Rating for Stocks	Economic Moat	Sector	1-Yr Total Ret % (AUD)
✱ Cash & Cash Equivalents	—	8.89	—	—	—	—	—	—	—
⊕ Cleanaway Waste Management Ltd	AUS	4.26	3.82	1.21	6	★★	None	Industrials	58.77
Fletcher Building Ltd	NZL	3.73	3.66	1.12	2	★★	None	Basic Materials	54.11
Sims Metal Management Ltd	USA	3.33	3.31	1.39	2	★	None	Basic Materials	80.96
IRESS Ltd	AUS	3.21	3.19	1.06	5	★★★	Narrow	Technology	24.07
Nufarm Ltd	AUS	2.99	2.85	1.08	4	★★	None	Basic Materials	10.89
⊕ Independence Group NL	AUS	2.81	2.73	1.41	<1	★	None	Basic Materials	71.20
Premier Investments Ltd	AUS	2.67	2.61	0.89	2	★★★	None	Consumer Cyclical	6.52
⊕ Ebos Group Ltd	NZL	2.46	2.31	—	22	★★★	Narrow	Healthcare	29.07
Sigma Pharmaceuticals Ltd	AUS	2.46	2.39	0.92	6	★★★	Narrow	Healthcare	58.22

Change since previous portfolio: ⊕ Increase ⊖ Decrease ✱ New

Eley Griffiths Group Small Companies

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Performance

Morningstar Category
Equity Australia Mid/Small Growth

Category Index
S&P/ASX Small Ordinaries TR AUD

A dependable long-term performer.

Performance Pillar + Positive

Oct 31, 2016 | Measured from 1 Nov 2003 to 30 Sept 2016, this vehicle has far outperformed the benchmark S&P/ASX Small Ordinaries Index; however, this proved to be an easy benchmark for active managers to outdo. More importantly, Eley Griffiths has convincingly outperformed the average fund during that period. Reassuringly, the

shop has also maintained strong results since Eley's retirement was first announced in 2015.

However the strategy has struggled at times. When Australia's mining boom went sour, the shop took time to get to grips with the struggling resources sector--a previous favoured hunting ground. Returns lagged behind the average small-cap growth fund in 2011 and again in 2013-14, though the fund stayed well ahead of the index in those years.

Any investment in small caps should be for the long term, though. While Eley Griffiths

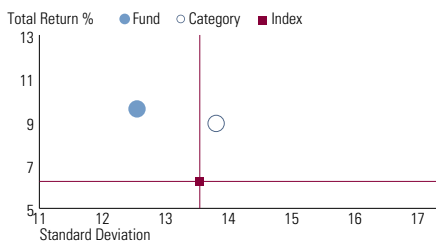
makes some shorter-term investments, ultimately they should be measured against long-term results, and in that regard they are towards the top of performance tables--the group's 10-year return sits just outside the top quartile despite the relatively difficult period from 2011.

Morningstar Rating and Risk 31/12/16

Period	Total Ret %	Morningstar Ret vs Cat	Morningstar Risk vs Cat	Morningstar Rating
3 Years	9.59	Avg	Below Avg	★★★
5 Years	12.08	Avg	Low	★★★
10 Years	5.54	Avg	Avg	★★★
Overall Morningstar Rating				★★★

Risk Analysis 31/12/16

3-Year Return and Risk Analysis



3-Year Risk Measures

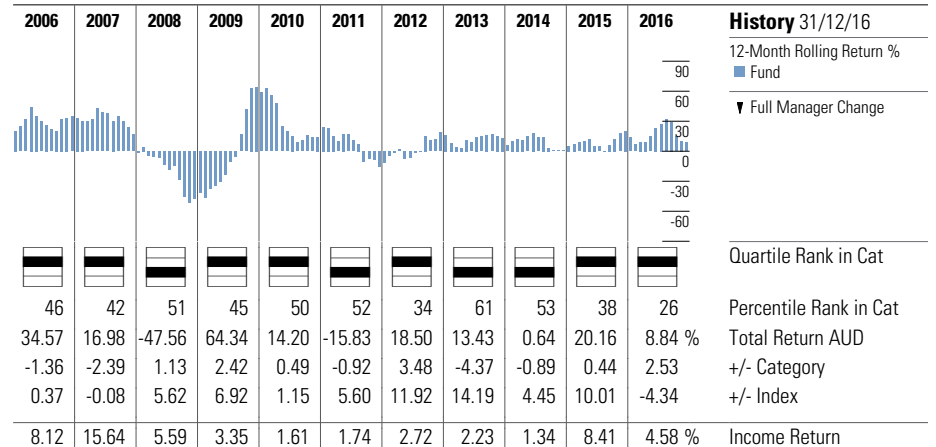
	Fund	Category	Index
Standard Deviation	12.55	13.80	13.54
Sharpe Ratio	0.61	0.53	0.35
R-Squared	88.01	73.38	—
Beta	0.87	0.87	—
Alpha	3.61	3.04	—

Max Drawdown 01/01/07 to 31/12/16

	Fund	Category	Index
Max Drawdown (%)	-52.57	-54.37	-60.87
Peak Date	11/07	11/07	11/07
Valley Date	02/09	02/09	02/09
Max Drawdown (Months)	16	16	16

Upside/Downside 01/10/03 to 31/12/16

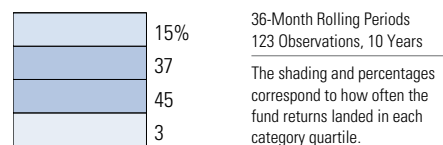
	Fund	Category	Index
Upside Capture Ratio	98.12	99.08	100.00
Downside Capture Ratio	73.53	77.37	100.00



Returns 31/12/16

	Total Ret %	Investor Ret %	% Rank in Cat	Cat Ret %	Index Ret %
1 Year	8.84	9.08	26	6.31	13.18
3 Years	9.59	9.25	44	8.92	6.24
5 Years	12.08	12.65	37	11.57	4.87
10 Years	5.54	4.70	25	5.27	-0.28
Tenure 09/03	11.33	—	—	10.90	5.69
Inception 09/03	11.33	—	—	10.90	5.69

Rolling Return Summary



Calendar Year Returns

Year	Fund %	Category	Index %
2012	18.50	15.02	6.58
2013	13.43	17.80	-0.76
2014	0.64	1.53	-3.81
2015	20.16	19.72	10.16
12/16	8.84	6.31	13.18

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Morningstar Analyst Rating
 Silver

People

Morningstar Category
Equity Australia Mid/Small Growth

Category Index
S&P/ASX Small Ordinaries TR AUD

This remains a strong team despite the loss of a key member.

People Pillar

 Positive

Oct 31, 2016 | Brian Eley and Ben Griffiths set up shop in January 2003 but have managed small-cap strategies together since April 2000. The pair was jointly responsible and enjoyed considerable success at ING's and later BT's Australian small-cap strategies before heading out on their own at the beginning of 2003. Both have been in the

game for many years, since 1990 and 1987, respectively. Unfortunately, Eley retired in November 2015 because of ill health. His departure was well-flagged, though, and the firm's approach to succession planning has been sensible. Eley had been based in a separate Perth office while the rest of this team is based in Sydney.

The firm expanded the team in June 2004 when David Allingham took on analyst responsibilities, and it boosted resources further in 2006 by adding dealer Lachlan Ridhalgh and additional analysts Tim Serjeant in 2012 and Nick Guidera in

2016. Allingham is now a co-portfolio manager, and he and Serjeant are both minority shareholders in the Eley Griffiths business. Profits of the business are based on funds under management and performance fees. With the business closed to institutional investors and remaining open only to retail investors, the performance fees become relatively more important, which adds to the level of incentive the team has to deliver performance.

Management Team

Number of Managers	Longest Tenure
2	13.33 Years

Advisor

Eley Griffiths Group Pty Ltd

Subadvisor (0 of 0)

Ben Griffiths 09/03 to Present

Years of Experience	Current Funds Managed	Fund AUM
19	3	557 Mil AUD

Largest Funds Managed

	Tenure Dates	Role	Net Assets Mil AUD	Portfolio Turnover %	Tenure Ret %	Index Ret %
Eley Griffiths Group - Small Companies	09/03-to Present	1 of 2	443	61	11.33	5.69
F T. Rowe Price European Smaller Coms Eq	01/16-to Present	Lead	115	—	-0.33	0.86

Brian Eley 09/03 to Present

Years of Experience	Current Funds Managed	Fund AUM
25	1	443 Mil AUD

Largest Funds Managed

	Tenure Dates	Role	Net Assets Mil AUD	Portfolio Turnover %	Tenure Ret %	Index Ret %
Eley Griffiths Group - Small Companies	09/03-to Present	1 of 2	443	61	11.33	5.69
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Eley Griffiths Group Small Companies

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Parent

Morningstar Category
Equity Australia Mid/Small Growth

Category Index
S&P/ASX Small Ordinaries TR AUD

Strong culture and alignment helped the group cope with the loss of one of its founders.

Parent Pillar + Positive

Oct 31, 2016 | Eley Griffiths Group (EGG) is a wholly staff-owned fund management boutique established by Ben Griffiths and Brian Eley in 2002. The pair worked closely together since early 2000 and shared a strong rapport. Unfortunately poor health forced Eley into retirement in November 2015. While this was undoubtedly a loss for

the business, succession planning has been part of the group's long-term strategy. David Allingham was brought into the firm in 2004 as an analyst before progressing to portfolio manager in 2012 and later being granted a minority equity holding. Analytical resources were bolstered with the appointment of Tim Serjeant in 2012 and Nick Guidera in 2016. Dealer and office manager Lachlan Ridhalgh was hired in 2006.

Eley's equity stake was a source of uncertainty, however this has been resolved in a way that we think maintains stability. As we anticip-

ated, the stake has been sold to existing staff members. Griffiths increase his stake to 51% and retains control of the business, which we think is important for stability at the shop. Allingham increased his stake to 30%, while Serjeant takes a 14% stake and Ridhalgh a 5% stake.

Throughout its existence, EGG has pleasingly focused on its core competency of Australia small-cap equities. It benefits from a strong culture. The team's willingness to invest in the strategy alongside investors aids alignment.

Fund Family Details

Largest Funds		Category Name	Net Assets Mil AUD	Morningstar Rating Overall	Return % 3-Year	Rank in Cat % 3-Year	Return % 5-Year	Rank in Cat % 5-Year	Fee Level
Eley Griffiths Group Small Companies		Equity Australia Mid/Small Growth	442.7	★★★	9.59	44	12.08	37	Below Avg
Best Performing Funds		Category Name	Net Assets Mil AUD	Morningstar Rating Overall	Return % 3-Year	Rank in Cat % 3-Year	Return % 5-Year	Rank in Cat % 5-Year	Fee Level
Eley Griffiths Group Small Companies		Equity Australia Mid/Small Growth	442.7	★★★	9.59	44	12.08	37	Below Avg
Worst Performing Funds		Category Name	Net Assets Mil AUD	Morningstar Rating Overall	Return % 3-Year	Rank in Cat % 3-Year	Return % 5-Year	Rank in Cat % 5-Year	Fee Level
Eley Griffiths Group Small Companies		Equity Australia Mid/Small Growth	442.7	★★★	9.59	44	12.08	37	Below Avg
Top Analyst Rated Funds		Category Name	Net Assets Mil AUD	Morningstar Analyst Rating	Return % 3-Year	Rank in Cat % 3-Year	Return % 5-Year	Rank in Cat % 5-Year	Fee Level
Eley Griffiths Group Small Companies		Equity Australia Mid/Small Growth	442.7	Silver	9.59	44	12.08	37	Below Avg
Most Recent Fund Launches		Category Name	Net Assets Mil AUD	Inception Date	Total Return% Since Inception	ICR	Fee Level		
Eley Griffiths Group Small Companies		Equity Australia Mid/Small Growth	442.7	2003-09-12	11.33	1.24	Below Avg		

Eley Griffiths Group Small Companies

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Price

Morningstar Category
Equity Australia Mid/Small Growth

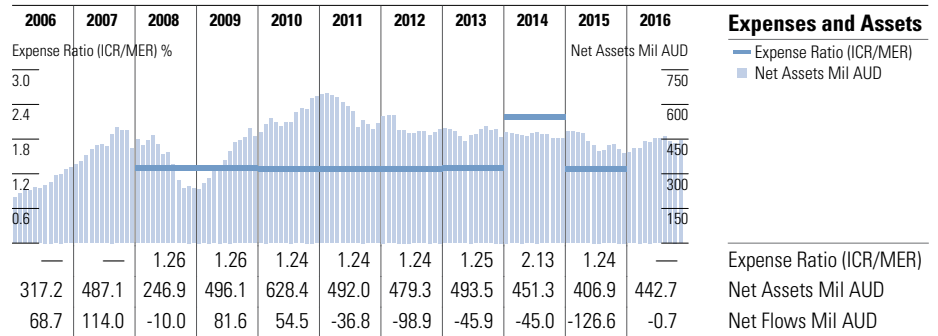
Category Index
S&P/ASX Small Ordinaries TR AUD

Can be costly when performance is strong.

Price Pillar

⊖ Negative

Oct 31, 2016 | The fund has a base fee of 1.23% and may also charge an additional 2 basis points of recoverable expenses. On top of this, the firm charges a well-structured 15% performance fee, which is payable only on returns exceeding the index, provided the strategy's overall return is positive and above the historical high-water mark.



Expenses and Assets

— Expense Ratio (ICR/MER)
■ Net Assets Mil AUD

Expense Ratio (ICR/MER)
Net Assets Mil AUD
Net Flows Mil AUD

Expense Breakdown

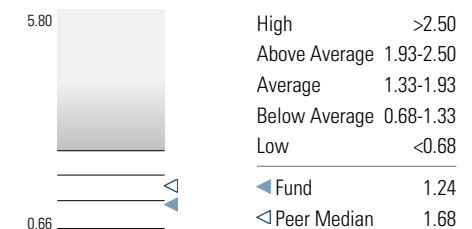
Indirect Cost Ratio (ICR)	
Annual Report 30/06/15	1.24
Performance Fee	
Actual Performance Fee	0.83000
Hurdle	1.00
High Watermark	yes
Selected Components	
Max Management	1.25
Tax Cost Ratio (3-Year)	-0.750

Fee Level

Fee Level
Below Avg

Peer Group
Australian Equities - Small-caps Min Initial Below 50,000

Fee Level Breakpoints



Share Class Information Largest 1 of 1

Share Class	APIR	Category Name	Fee Level	ICR	Fees (Max) — Mgmt Admin	Minimum Initial Inv	Assets Mil AUD	1-Yr Flow Mil AUD	
Eley Griffiths Group Small Companies	EGG0001AU	Equity Australia Mid/Small Growth	Below Avg	1.24	1.25	—	25,000	442.68	-0.70

Global Fund Report Disclosure Statement

Currency

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For further information as to:

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- ▶ the process by which products are selected for coverage,
- ▶ the filters and research methodology applied, and
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