



Emerging Companies Fund Monthly Report

April 2017

Portfolio Performance and Strategy

The Emerging Companies Fund (ECF) outperformed the market by 0.20% for the month of April. Strong attributors to the portfolio included Afterpay (+8.9%) on its March quarter update, pointing to annualised sales on the platform exceeding \$700m, which was comfortably ahead of market expectations. Afterpay continues to attract new merchants and unique customers at impressive rates whilst improving transaction integrity and controlling overhead costs. Radiology group Capitol Health (+11.8%), post a recapitalised balance sheet, is benefiting from recovering volumes in Diagnostic Imaging (DI) outlays in the recent Medicare data. The end to its ill-fated 'roll-up' strategy and subsequent management changes has seen renewed focus on costs that had crept into the business. National Veterinary Care (+6.5%) continued its ascent, as did Base Resources (+8.5%) on recovering mineral

Unit Price at 30 April 2017

Application	\$0.9954
Redemption	\$0.9899
Fund Size	\$5.4 million
# stocks held	51

sands prices and further deleveraging of its balance sheet. By-and-large, it was a tough month for resource stocks, with the Small Resources Index (XSR) underperforming Small Industrials (XSI) by ~4%. Detractors to ECF performance included Red River Resources (RVR) on a pull-back (-5%) in zinc prices intra-month. RVR remains well capitalised and on-schedule to commence production later this year. Recreational Vehicle (RV) manufacturer and retailer Apollo Tourism & Leisure (-7.7%) drifted on little news. Our cash weighting 20% is optically higher at month's end (timing of flows); we expect cash to settle at lower levels as we continue to optimise portfolio positioning.

Performance Statistics to 30 April 2017

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	Inception % p.a.
EGG Emerging Companies Fund	-0.05%	--	--	--	+0.95%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	-0.25%	--	--	--	+2.41%
Outperformance	+0.20%	--	--	--	-1.46%

* Fund returns are calculated post fees.

Attribution*

Our best performing stocks for the month;	Our biggest detractors for the month;
1. Afterpay Holdings	1. Apollo Tourism & Leisure
2. Capitol Health	2. Mount Gibson Iron
3. National Veterinary Care	3. Red River Resources

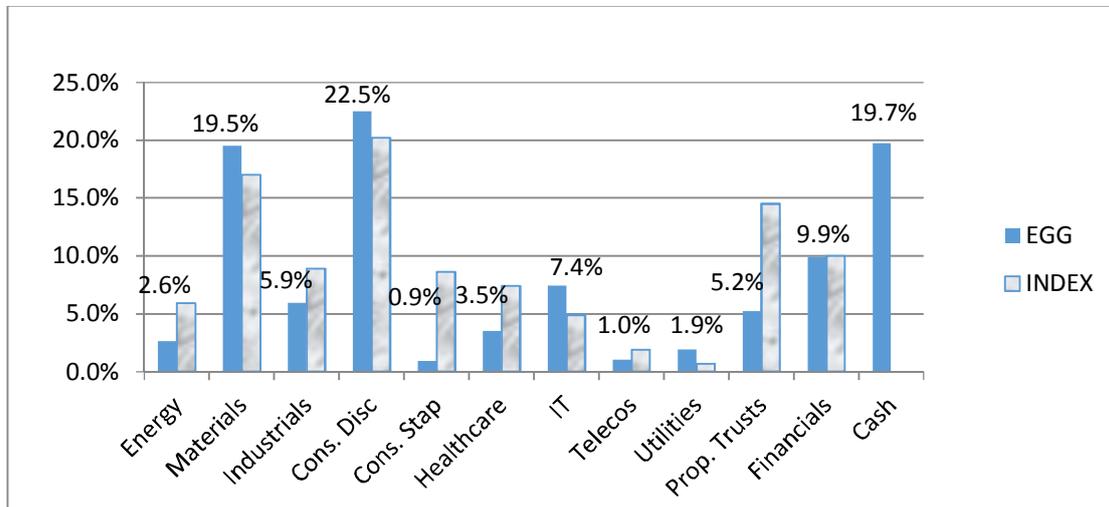
* In alphabetical order, as at 30 April

Top 10 Holdings*

Name	Industry
1. Afterpay Holdings	Information Technology
2. AUB Group	Financials
3. Base Resources	Materials
4. Gold Road Resources	Materials
5. Helloworld	Consumer Discretionary
6. Imdex	Materials
7. Metals X	Materials
8. Noni B	Consumer Discretionary
9. Paringa Resources	Energy
10. 360 Capital Group	Real Estate

* In alphabetical order, as at 30 April

Eley Griffiths Group Emerging Companies Fund by Sector



Eley Griffiths Group Ratings

Zenith March 2017	Recommended 2 nd Highest Rating	Lonsec April 2017 http://eleygriffiths.com.au/news-reports/emerging-companies-fund/	Under Review 2 nd Highest Rating
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