



Emerging Companies Fund Monthly Report

June 2017

Portfolio Performance and Strategy

The Emerging Companies Fund (ECF) returned 4.16% in June, outperforming the market by 2.17%. Noteworthy too was Small Cap outperformance over their Large Cap counterparts by almost 2% for the month. June performance highlighted the power of momentum in the smaller end of the market. Afterpay Touch Group (APT) and Capitol Health (CAJ) are two stocks we've mentioned in previous monthly dispatches; both again proved to be strong attributors for the portfolio. APT is benefitting from a market awakening as the combined group (Afterpay-Touchcorp Scheme completed in June) begins to feature on Small Cap radars. CAJ upgraded FY17 earnings concurrent with the sale of its Sydney Radiology business, which has cleansed the balance sheet and led to a further re-rate of the stock. Index (IMD) played catch-up to large cap peer

Unit Price at 30 June 2017

Application	\$1.0287
Redemption	\$1.0230
Fund Size	\$6.3 million
# stocks held	44

ALS, who in late May, highlighted the 23% uplift in mineral samples volumes, stabilising prices and resurgence in greenfields exploration. IMD is now net cash, having disposed of non-core businesses earlier in this year, enhancing its operational leverage to the clear industry tailwinds that have emerged. Detractors were Resource names by-and-large, which underperformed the benchmark by 2.45% for the month. ECF exposures Metals X (Copper, Tin) and Base Resources (Mineral Sands) fell on little news. We continue to seed the portfolio with new ideas, one of which being Synlait Milk (SM1) – a key supplier to A2 Milk (A2M) post a recent Christchurch site trip.

Performance Statistics to 30 June 2017

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	Inception % p.a.
EGG Emerging Companies Fund	+3.94%	+3.29%	--	--	+4.33%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	+1.99%	-0.35%	--	--	+2.31%
Outperformance	+1.95%	+3.64%	--	--	+2.02%

* Fund returns are calculated post fees.

Attribution*

Our best performing stocks for the month;	Our biggest detractors for the month;
1. Capitol Health	1. AUB Group
2. Imdex	2. Base Resources
3. Pacific Current Group	3. Metals X

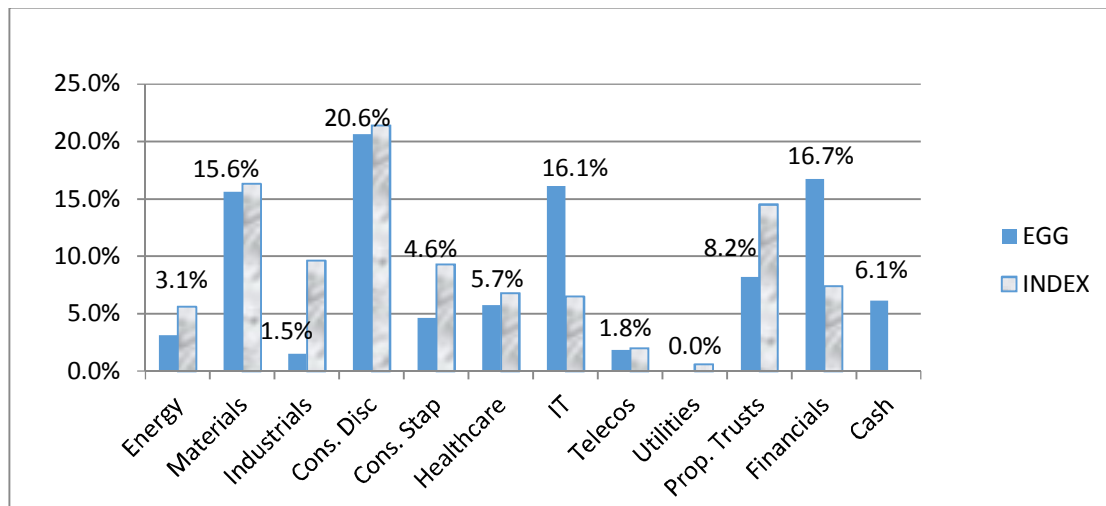
* In alphabetical order, as at 30 June

Top 10 Holdings*

Name	Industry
1. 360 Capital Group	Real Estate
2. Afterpay Holdings	Information Technology
3. AUB Group	Financials
4. Base Resources	Materials
5. Capitol Health	Health Care
6. Gold Road Resources	Materials
7. HUB24	Financials
8. Noni B	Consumer Discretionary
9. Pacific Current Group	Financials
10. Synlait Milk	Consumer Staples

* In alphabetical order, as at 30 June

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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