



## Emerging Companies Fund

# Monthly Report

## July 2017

### Portfolio Performance and Strategy

The Emerging Companies Fund (ECF) returned +3.87% in July, outperforming the market by +3.53% after fees. Our investment in underground drilling contractor Swick Mining (SWK) proved rewarding for unit holders in July with the stock rallying +34%. SWK's underground diamond rigs are operating at 100% utilisation and the stock still trades at a discount to NTA. Emeco Holdings, a new addition early in the month, made a positive contribution to the fund and reflects our continued view that excellent value still resides in the small cap mining services space. Metals X, the fund's largest resource investment was up +24% as high-grade drilling results at the Nifty mine continue to cement a path to 40kt p.a. of copper production. Whilst retail stocks have had a difficult CY17, women's apparel retailer Noni-B is up 45% and produced

### Unit Price at 31 July 2017

<b>Application</b>	\$1.0655
<b>Redemption</b>	\$1.0597
<b>Fund Size</b>	\$10.1 million
<b># stocks held</b>	48

further gains for unit holders in July. A recent broker initiation supported our investment case that the recent Pretty Girl acquisition provides shareholders with a large procurement and supply chain opportunity. Corporate activity assisted performance in July with financial services firm Pepper Group receiving an indicative proposal from KKR and Asia Pacific Data Centre (AJD) benefiting from a bidding war between real estate investor/agitator 360 Capital Group and AJD's landlord NextDC. There were no significant detractors during the month however we reduced our holding in Base Resources after mining legislative changes proposed by the Tanzania Government repriced African sovereign risk across the board.

### Performance Statistics to 31 July 2017

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	Inception % p.a.
<b>EGG Emerging Companies Fund</b>	+3.87%	+7.36%	--	--	+8.06%
<b>S&amp;P/ASX Small Ordinaries Accumulation Index (XSOAI)</b>	+0.34%	+0.24%	--	--	+2.65%
<b>Outperformance</b>	<b>+3.53%</b>	<b>+7.12%</b>	--	--	<b>+5.41%</b>

\* Fund returns are calculated post fees.

## Attribution\*

### Our best performing stocks for the month; Our biggest detractors for the month;

- |                          |                             |
|--------------------------|-----------------------------|
| 1. Metals X              | 1. Apollo Tourism & Leisure |
| 2. Noni B                | 2. Base Resources           |
| 3. Swick Mining Services | 3. Pwr Holdings             |

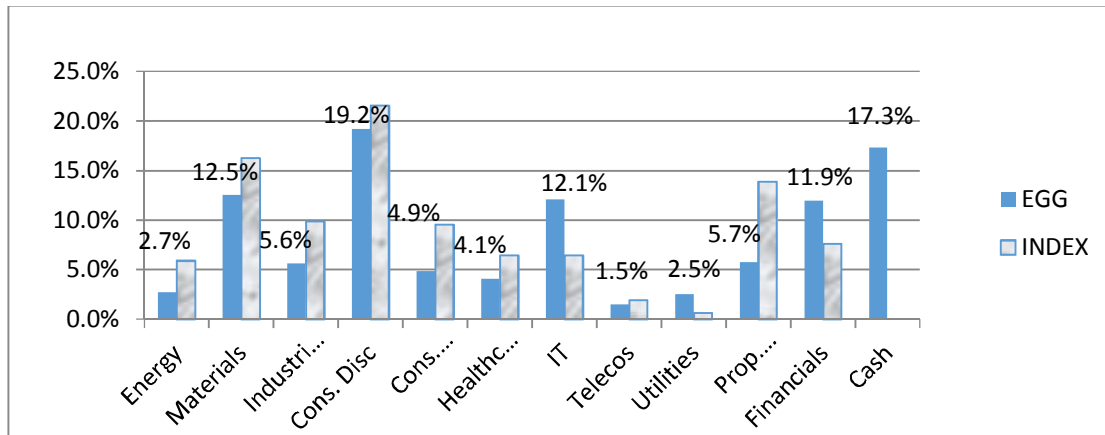
\* In alphabetical order, as at 30 June

## Top 10 Holdings\*

Name	Industry
1. Afterpay Holdings	Information Technology
2. Asia Pacific Data Centre Group	Real Estate
3. Capitol Health	Health Care
4. Emeco Holdings	Industrials
5. Helloworld Travel	Consumer Discretionary
6. HUB24	Financials
7. Noni B	Consumer Discretionary
8. Pacific Current Group	Financials
9. Swick Mining Services	Materials
10. Synlait Milk	Consumer Staples

\* In alphabetical order, as at 31 July

## Eley Griffiths Group Emerging Companies Fund by Sector



## Eley Griffiths Group Ratings

<b>Zenith</b> March 2017	<b>Recommended</b> 2 <sup>nd</sup> Highest Rating	<b>Lonsec</b> April 2017 <a href="http://eleygriffiths.com.au/news-reports/emerging-companies-fund/">http://eleygriffiths.com.au/news-reports/emerging-companies-fund/</a>	<b>Under Review</b> 2 <sup>nd</sup> Highest Rating
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