



Emerging Companies Fund Monthly Report

August 2017

Portfolio Performance and Strategy

The Emerging Companies Fund (ECF) returned +5.20% in August, outperforming the market by +2.49% after fees. Reporting season came and went, bringing with it the usual intra-day volatility and consensus downgrades (almost 3:1 on balance this time). We were pleased with ECF's performance, particularly the breadth of stocks contributing to relative outperformance. Avid readers of our Monthly's will know our tilt towards cyclical names (Materials, Mining Services etc). Since May, this style of stock has been in vogue above all others. We think the root cause of their outperformance stems from an overcrowded long US\$ trade which, at best, is showing signs of fatigue, or at worst is in a 'topping' phase. This occurrence is something we had been positioning the portfolio for, should it arise. Emerging Markets, commodities, select financials

Unit Price at 31 August 2017

Application	\$1.1209
Redemption	\$1.1147
Fund Size	\$14.1 million
# stocks held	54

and retailers are, in theory, among the beneficiaries. Positioning is also important during the intense information periods, like August. Top 10 Holdings in Afterpay (+22%), Noni B (+21%), and Emeco (+29%) were among the better attributors for the month. Materials and Mining Services were solid performers too. CBL Corporation (-16%) disappointed with a softer-than-expected result and a surprise one-off reserve increase. We swiftly exited the position. We have found a number of new opportunities during Reporting Season (you'll note the increased stock count) which we believe will assist performance over the coming months.

Performance Statistics to 31 August 2017

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	Inception % p.a.
EGG Emerging Companies Fund	+5.20%	+13.54%	--	--	+13.68%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	+2.71%	+5.12%	--	--	+5.44%
Outperformance	+2.49%	+8.42%	--	--	+8.24%

* Fund returns are calculated post fees.

Attribution*

Our best performing stocks for the month;		Our biggest detractors for the month;	
1. Afterpay Touch Group		1. Austock Group	
2. Emeco Holdings		2. CBL Corporation	
3. Noni B		3. Oliver's Real Food	

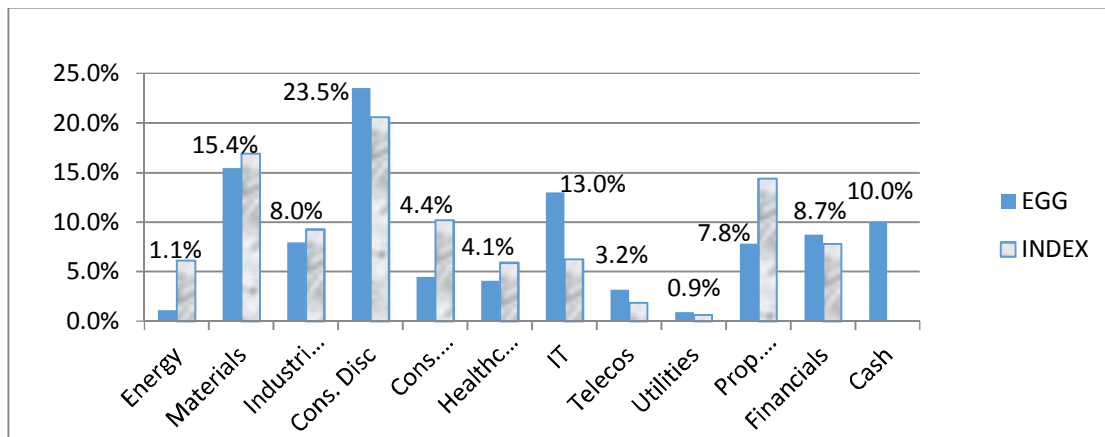
* In alphabetical order, as at 31 August

Top 10 Holdings*

Name	Industry
1. 360 Capital Group	Real Estate
2. Afterpay Holdings	Information Technology
3. Capitol Health	Health Care
4. Emeco Holdings	Industrials
5. Helloworld Travel	Consumer Discretionary
6. Imdex	Materials
7. McPherson's	Consumer Discretionary
8. Noni B	Consumer Discretionary
9. Pacific Current Group	Financials
10. Synlait Milk	Consumer Staples

* In alphabetical order, as at 31 August

Eley Griffiths Group Emerging Companies Fund by Sector



Eley Griffiths Group Ratings

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

DISCLAIMER: For wholesale clients use only. Not for retail clients use or distribution. This document is issued by Eley Griffiths Group Pty Limited (ABN 66 102 271 812) (EGG) in relation to the Eley Griffiths Emerging Companies Fund (Fund). The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235 150 (Perpetual) is the Responsible Entity of, and issuer of units in the Fund, and EGG is the investment manager of the Fund. The information provided in this document is general information only and does not constitute investment or other advice. The content of this document does not constitute an offer or solicitation to subscribe for units in the Fund. EGG accepts no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. Any investment decision in connection with the Fund should only be made based on the information contained in the disclosure document for the Fund. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance. Neither EGG nor Perpetual guarantee repayment of capital or any particular rate of return from the Fund. Neither EGG nor Perpetual give any representation or warranty as to the reliability or accuracy of the information contained in this document. All opinions and estimates included in this document constitute judgments of EGG as at the date of this document are subject to change without notice.