



## Emerging Companies Fund

# Monthly Report

## November 2017

### Portfolio Performance and Strategy

The Eley Griffiths Group Emerging Companies Fund (ECF) delivered +2.00% in November. After a strong October (+6.84%) the portfolio struggled to keep pace with the strong momentum in the small cap market. Small Resources, which outpaced Small Industrials yet again, are now up an eye-catching 29% financial year to date. In our view, resources remain under-owned and under-valued vs. industrials. This enthusiasm is somewhat tempered by our near-term concerns around a tightening in global liquidity (led by the Fed), potential for a counter trend rally in the USD and slowing growth momentum in China. The portfolio remains overweight mining services (more selectively than earlier in the year) and underweight base metals and lithium. AGM season has been volatile this year and the portfolio was negatively impacted by a holding in

### Unit Price at 30 November 2017

<b>Application</b>	\$1.2485
<b>Redemption</b>	\$1.2425
<b>Fund Size</b>	\$21 million
<b># stocks held</b>	56

Macpherson's (MCP) which confessed to a soft trading environment. Maca (MLD) also flagged loss making contracts in its structural, mechanical and piping business and its Victorian civil business. The core contract mining division remains on track and well positioned to win work in CY18. Pleasingly, there was no lack of 'winners' in the month. Jumbo Interactive (JIN) was up 14.5% as the competitive threat from disruptor Lottoland was dealt a blow by regulators. CML Group (CGR) up +22%, Elmo Software (ELO) up +32% and Austock Group (ACK) up +27% were also significant contributors to the portfolio.

### Performance Statistics to 30 November 2017

	1 Month %	3 Month %	6 Month %	1 Year %	Inception % p.a.
<b>EGG Emerging Companies Fund (ECF)</b>	+2.00%	+11.42%	+26.54%	--	+34.51%
<b>S&amp;P/ASX Small Ordinaries Accumulation Index (XSOAI)</b>	+3.91%	+11.60%	+17.31%	--	+21.46%
<b>Outperformance</b>	<b>-1.91%</b>	<b>-0.18%</b>	<b>+9.23%</b>	--	<b>+13.05%</b>

\* Fund returns are calculated post fees.

## Attribution\*

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

- |                      |                 |
|----------------------|-----------------|
| 1. CML Group         | 1. MACA         |
| 2. Emeco Holdings    | 2. McPherson's  |
| 3. Jumbo Interactive | 3. Synlait Milk |

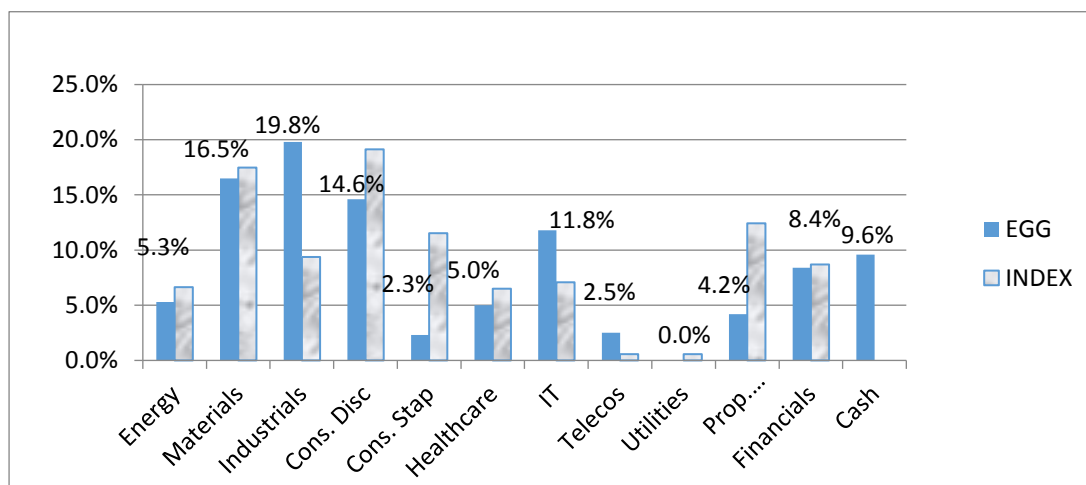
\* In alphabetical order, as at 30 November

## Top 10 Holdings\*

Name	Industry
1. Afterpay Touch Group Ltd	Information Technology
2. Alliance Aviation Services Ltd	Industrials
3. Capitol Health Ltd	Health Care
4. Emeco Holdings Ltd	Industrials
5. HUB24 Ltd	Financials
6. Jumbo Interactive Ltd	Consumer Discretionary
7. MNF Group Ltd	Telecommunication Services
8. Noni B Ltd	Consumer Discretionary
9. Pacific Current Group Ltd	Financials
10. Synlait Milk Ltd	Consumer Staples

\* In alphabetical order, as at 30 November

## 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>Recommended</b> 2 <sup>nd</sup> Highest Rating
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