



Small Companies Fund

Monthly Report

November 2017

Portfolio Performance and Strategy

The Eley Griffiths Group Small Companies Fund (SCF) delivered +2.75% in November. After a strong October (+6.83%) 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. We have recently reduced our exposure to base metal stocks in preference for Steel and Oil & Gas exposure. 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. AGM season has been volatile this year and the portfolio was negatively

Unit Price at 30 November 2017

Application	\$2.2996
Redemption	\$2.2885
Fund Size	\$470 million
# stocks held	58

impacted by a holding in Webjet which confessed to an 'investment year' as it integrates its B2B acquisitions. Afterpay Touch Group (APT) closed the month lower as ASIC confirmed it is reviewing the rapid growth of the 'buy now, pay later' industry. APT fits within the current regulatory framework and is well positioned to adjust to any changes the regulator may require. Of note late in the month was buying interest in the retail sector, with a number of retail stocks outperforming. Holdings in Michael Hill (MHJ) and Premier Investments (PMV) contributed to performance.

Performance Statistics to 30 November 2017

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	10 Year % p.a.
EGG Small Companies Fund	+2.75%	+11.90%	+15.57%	+11.76%	+4.93%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	+3.91%	+11.60%	+20.50%	+7.40%	-0.58%
Outperformance	-1.16%	+0.30%	-4.93%	+4.36%	+5.51%

* Fund returns are calculated post fees.

Attribution*

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

- | | |
|-------------------------------|-------------------------|
| 1. ARB Corporation | 1. Afterpay Touch Group |
| 2. Michael Hill International | 2. Webjet |
| 3. Scottish Pacific | 3. Xero |

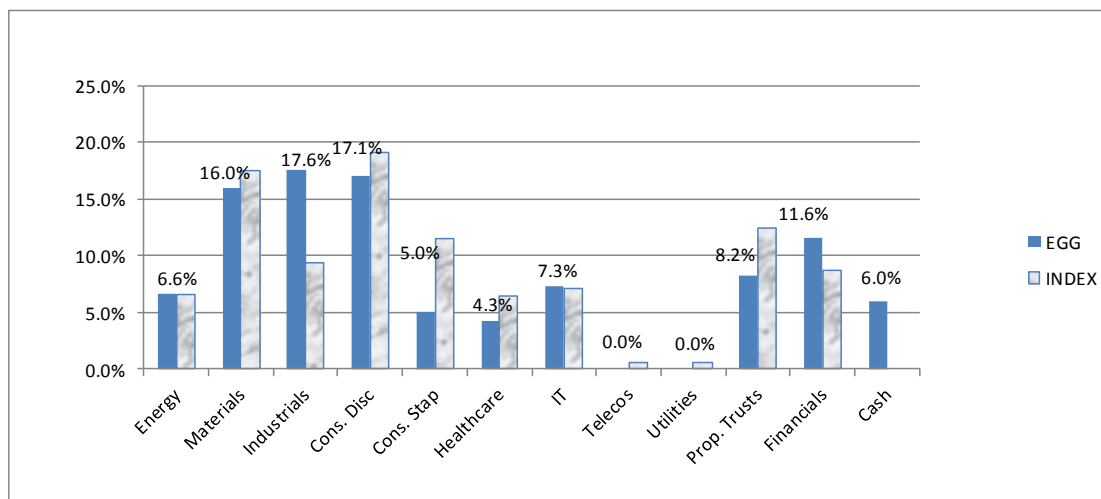
* In alphabetical order, as at 30 November

Top 10 Holdings*

Name	Industry
1. a2 Milk Co Ltd	Consumer Staples
2. Afterpay Touch Group Ltd	Information Technology
3. ARB Corp Ltd	Consumer Discretionary
4. Cleanaway Waste Management Ltd	Industrials
5. G8 Education Ltd	Consumer Discretionary
6. Nufarm Ltd	Materials
7. Premier Investments Ltd	Consumer Discretionary
8. Saracen Mineral Holdings Ltd	Materials
9. Seven Group Holdings Ltd	Industrials
10. SmartGroup Corp Ltd	Industrials

* In alphabetical order, as at 30 November

Eley Griffiths Group Small Companies Fund by Sector



Eley Griffiths Group Ratings

Morningstar October 2017 Zenith February 2017	Bronze 3 rd Highest Rating Recommended 2 nd Highest Rating	Lonsec February 2017 http://eleygriffiths.com.au/news-reports/	Recommended 2 nd Highest Rating
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