

In a strong month, the Eley Griffiths Group Small Companies Fund (ECF) finished +4.1%, modestly underperforming the Small Ordinaries Accumulation Index (XSOAI) which returned +4.9%. Only a handful of names finished in the red for the month, largely attributed to company specific matters, such as earnings revisions and operational setbacks.

The release of subdued inflation data in the month was welcomed by investors apprehensive about the possibility of a stimulus driven inflation spike which could eventuate into policy tightening. With concerns alleviated, investors returned with enthusiasm to small cap stocks, especially those aligned to the recovering economy. Information Technology (+10.1%) and Financials (+7.3%) were among the better performing sectors.

Thematically, Small Resources stocks surged 9.5% abetted by firmer commodity prices. Spot gold +5%, Iron ore prices rallied a further 15% and coal prices firmed whilst Copper surpassed decade highs. After successive down months, gold names found investor support and pushed higher. EGG portfolio holdings Capricorn Metals (+20.5%), Silverlake Resources (+16.7%) and Aurelia Metals (+13.5%) contributed to the funds performance in April.

Emergent oil/gas producer and EGG investee company Karoon Energy (KAR) rallied almost 20% after posting a quarterly update that exceeded market expectations and confirmed the turnaround strategy to be on track. Management issued bullish production guidance (inferring stronger and sooner cash flows)

as well as confirming an FID for the Patola asset in 2021. Further, the prospect of Brazil's state energy company, Petrobras, selling additional asset packages in the years ahead remain high parlaying nicely into a probable KAR cash build.

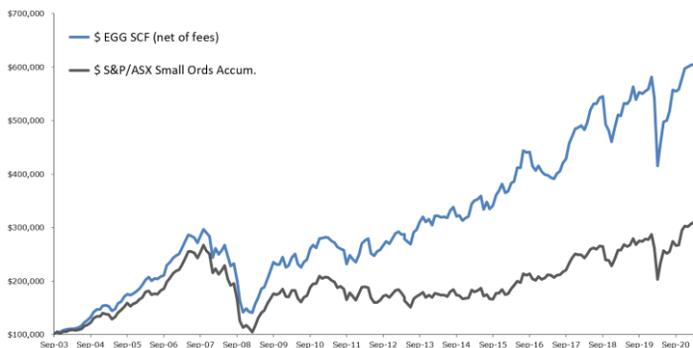
Long term portfolio holding and fund manager incubator, Pinnacle Investment Management Group Ltd (PNI; +15.0%) continued its steady march upward in April. PNI has equity in and provides 16 specialist investment managers with distribution, infrastructure, and support services. PNI's revenue model is centred on base and performance fee collections as well as revenues collected from various funds management support services.

Detracting from performance in the month were coal stocks which failed to follow the broader Materials sector higher. Prices of all types of coal have remained depressed in recent times, although enjoying relief in April. This recovery failed to elicit much support for listed coal stocks. EGG maintained a modest holding in Coronado Global Resources at month end.

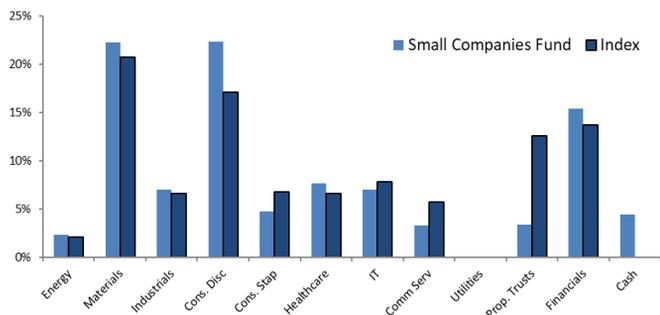
Top down, improving unemployment data and record high job ads suggests the domestic economic recovery continues to gain traction. The Treasurer stated in April that Fiscal tightening would not occur before unemployment stabilised and resided below 5%, a more aggressive objective than the 6% goal broadcasted in 2020. We await the prospect of additional stimulus being announced at the 11 May Budget.

Returns post fees	1 Month %	3 Months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Incep [^] % p.a.
EGG Small Companies Fund	4.12	4.80	38.11	8.25	10.25	8.64	11.05
S&P/ASX Small Ord Accumulation Index (XSOAI)	4.98	7.44	39.78	9.10	11.10	4.89	6.94
Outperformance	-0.86	-2.64	-1.67	-0.85	-0.85	+3.74	+4.11

\$100,000 SINCE INCEPTION (AFTER FEES)



FUND SECTOR ALLOCATION



STOCK ATTRIBUTION*

[^]Fund inception September 2003

Code	Stock	Sector
Top 3 Contributors		
KAR	Karoon Energy	Energy
MND	Monadelphous Group	Industrial
PNI	Pinnacle Investments	Financials
Bottom 3 Detractors		
CRN	Coronado Global Resources	Materials
CCP	Credit Corp Group	Financials
IDX	Integral Diagnostics	Health Care

TOP 5 ACTIVE POSITIONS*

Code	Stock	Sector
BWK	BWK	Consumer Staple
EBO	EBOS	Health Care
IRE	IRESS	Information Technology
PNI	Pinnacle Investments	Financials
SGM	Sims	Materials

*Alphabetical order as at 30 April 2021

ELEY GRIFFITHS GROUP

Founded in 2003, Eley Griffiths Group is a specialist investment management company focusing on Australian listed Small and Emerging Companies. Eley Griffiths is 100% independent & owned by staff.

Our investment process and team have delivered consistent out performance through all market conditions for 17 years. We are style agnostic and can own both growth and value companies to construct portfolios.

Our investment philosophy;

- A long-term bottom-up approach to stock picking (style agnostic)
- Forming strong macro views to derive accurate long-term earnings estimates.
- Using Price/Earnings ratios and cashflow as our fundamental valuation tools.
- The need for a systematic and disciplined stock selection process
- Risk control measures at a stock and portfolio level
- Extensive company visitation program (domestic & offshore)

FUND INFORMATION

Benchmark: S&P/ASX Small Ordinaries Accumulation Index

Number of stocks: 35-55

Universe: ASX listed stocks outside the S&P ASX 100

Fund Inception: September 2003

Cash distributions or unit reinvestments: Annually

Management fees: 1.25%p.a.

Performance fees: 15% p.a. of Outperformance above the S&P/ASX Accumulation Index (After Base Management Fee)

Fund size: \$487.0m as at 30 April 2021

Minimum Investment: \$25,000

Unit Price: Daily

APIR Code: EGG0001AU

ARSN CODE: 106171224

PDS & Applications Forms

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Investment Enquires

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ELEY GRIFFITHS SMALL COMPANIES FUND

The Small Companies Fund offers investors exposure to a diversified portfolio of Australian listed small companies that reside outside the S&P ASX100 Index. The Fund is benchmarked against the S&P ASX Small Ordinaries Accumulation Index and has a 17 year track of record of outperformance.

The team combines fundamental bottom-up research of companies with an in-depth qualitative assessment of their management and industry structure. Our proprietary investment process, known as SCOPE (Small Company Optimal Portfolio Evaluation), is a relative stock scoring tool that ranks stocks from highest to lowest based on their score. The portfolio comprises the best scoring stocks, subject to a number of risk constraints, such as maximum active position size (5%) and liquidity.

The outworking of this process is a portfolio that typically exhibits both growth and value characteristics that can outperform the market over the long-term.

PORTFOLIO MANAGERS



Ben Griffiths has over 30 years of financial markets experience. He co-founded Eley Griffiths Group in 2002 following a successful career as joint head of small companies at both BT Financial Group and ING Investment Management. Ben previously worked in precious metals markets with MASE Westpac and as a stockbroker at Roach Tilley Grice & Co as well as CL May Mellor. Ben holds a Bachelor of Commerce majoring in Accounting, Finance and Systems from the University of NSW.

David Allingham is a Director and Portfolio Manager at Eley Griffiths Group and has over 16 years' experience analysing small and emerging companies at Eley Griffiths Group. Prior to joining EGG in 2004, David worked in marketing at EMI Music Australia. David holds a Bachelor of Commerce from the University of Sydney.

Tim Serjeant has over 14 years' experience analysing small and emerging companies. Prior to joining EGG in July 2012, Tim was a Resources Analyst at Argonaut, a boutique investment bank and stockbroking firm. Tim holds Bachelor of Commerce (Honours in Finance) and Bachelor of Arts degree from the University of Western Australia.

Nick Guidera joined Eley Griffiths in September 2016 after 6 years at the global equity research house CLSA, in both analytical and research sales roles in the US & Australia. Prior to financial markets Nick spent 4 years as a practicing lawyer. Nick holds a Bachelor of Laws & Graduate Certificate of Legal Practice from University of Technology and a Master of Financial Management from the Macquarie Graduate School of Management.

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