

In a volatile end to the month, the Eley Griffiths Group Emerging Companies Fund increased +2.46%, outperforming the Small Ordinaries Accumulation Index (XSOAI) which fell -0.31%.

After posting solid gains midway through the month, two events triggered domestic equity markets to sell-off into month end. First was the discovery of a new COVID-19 variant Omicron in South Africa and its risk of derailing the economic revival. Whilst the World Health Organisation has reported no deaths from Omicron, it could take weeks to determine how effective current vaccines and other treatments might be against it. While the WHO stress it is too early to draw conclusions, indications are that the new variant, while highly transmissible, may be less virulent.

The second, comments made by Federal Reserve chief Jerome Powell that it was time to retire the word “transitory” when describing inflation, as it has been more “persistent and higher than we’ve expected.” For investors this signalled the possibility the Fed could accelerate its tapering of bond purchases which have helped keep a lid on long-term interest rates during the coronavirus pandemic. The inference being a speed up leads to an imminent hike in interest rates.

Copper miner Aic Mines (+100%) surged higher after completing a capital raise to fund the acquisition of the Eloise Copper Mine in North Queensland, a high-grade strong free cashflow operation. Cloud IaaS provider and EGG investee company Sovereign Cloud (+37%) found

long absent investor support raising \$35m from the market. Significantly, 19.9% of the company was placed with data centre operator NEXTDC whilst additional stock went to institutions.

Riding the wave of investor enthusiasm for the battery thematic, Novonix (NVW; +62%) contributed to returns in the month. Although not dealing directly with lithium, NVM is in the battery technology space as a producer of ‘PUREgraphite’ an environmentally friendly, lower-cost synthetic graphite anode for lithium-ion batteries.

Detracting from performance in the month growth names which have performed strongly leading into the month, however, gave back ground in the general market sell off as opposed to any specific stock news. Portfolio holdings DGL Group (-18%) and Bluebet Holdings (-21%) pulled back in the month.

The aforementioned events, Omicron and the change in FOMC rhetoric and the subsequent share price correction speaks to a market in search of a retracement. The portfolio has a significant skew to quality and liquidity, complimented with a targeted and fundamental exposure to resources companies for which the backdrop is constructive.

Returns post fees	1 Month %	3 Months %	1 Year %	2 years % p.a.	3 years % p.a.	4 years % p.a.	Incep^ %p.a.
EGG Emerging Companies Fund	2.46	7.16	38.60	28.24	26.94	22.79	25.01
S&P/ASX Small Ord Accumulation Index (XSOAI)	-0.31	-1.54	18.44	12.04	13.54	9.54	11.74
Outperformance	+2.77	+8.70	+20.15	+16.21	+13.39	+13.25	+13.27

^Fund inception March 2017

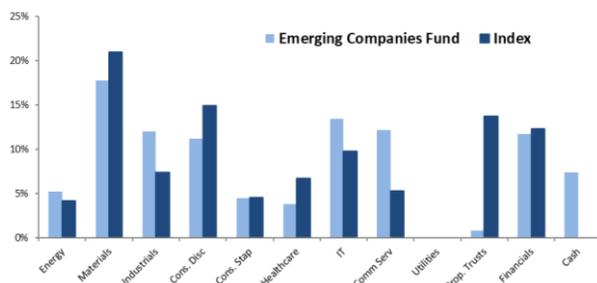
\$100,000 SINCE INCEPTION (AFTER FEES)



STOCK ATTRIBUTION*

Code	Stock	Sector
Top 3 Contributors		
A1M	Aic Mines	Materials
NVX	Novonix	Information Technology
SOV	Sovereign Cloud Holdings	Information Technology
Bottom 3 Detractors		
BBT	Bluebet Holdings	Consumer Discretionary
DGL	DGL Group	Materials
SKO	Serko	Information Technology

FUND SECTOR ALLOCATION



TOP 5 ACTIVE POSITIONS*

Code	Stock	Sector
ABB	Aussie Broadband	Communication Services
CMM	Capricorn Metals	Materials
KAR	Karoon Energy	Energy
MAF	MA Financial Group	Financials
MFT.NZ	Mainfreight	Industrials

* Alphabetical order as at 30 November 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 18 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/NZX listed stocks outside the S&P ASX 200
Fund Inception: March 2017
Cash distributions or unit reinvestments: Annually
Management fees: 1.25%p.a.
Performance fees: 15.375% p.a. of Outperformance above the S&P/ASX Small Ordinaries Accumulation Index (After Base Management Fee)
Fund size: \$315.1m as at 30 November 2021
Minimum Investment: \$10,000
Unit Price: Daily
APIR Code: PIM5346AU
ARSN CODE: 616328128

Investment Enquires:

John Price | Head of Distribution & Operations
john@eg-group.com.au | +61 2 8311 5175

PDS & Online Applications Forms:

<https://eleygriffithsgroup.com/invest/>

Existing investor administration:

Link Fund Solutions
EleyGriffiths@linkmarketservices.com.au | +61 2 8767 1114

ELEY GRIFFITHS EMERGING COMPANIES FUND

The Emerging Companies Fund offers investors exposure to a diversified portfolio of Australian listed emerging companies that reside outside the S&P ASX200 Index. The Fund is benchmarked against the S&P ASX Small Ordinaries Accumulation Index and was launched 1 March 2017.

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 (7%) 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 15 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 13 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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