



MARKET MATTERS

INVEST

MONTHLY REPORT | JAN 2025 | EMERGING COMPANIES

PORTFOLIO DETAILS

Model Name	Emerging Companies
Benchmark	S&P/ASX Small Ords Index
Included Assets	Equities
Portfolio Manager	James Gerrish
Annual Performance	-5.87%*

OBJECTIVE

To provide an active exposure to Australian emerging companies defined as all listed stocks outside the S&P/ASX 100. Returns will primarily be achieved through capital appreciation with an overall objective of outperformance of the S&P/ASX Small Ordinaries Index over 5 years.

*Inception Date 31.01.2022

PORTFOLIO PERFORMANCE & ACTIVITY

The **Market Matters Emerging Companies Portfolio** added **5.29% in January**, outperforming the Small Ordinaries Accumulation Index which added 4.59%. The portfolio has returned 1.55% for the rolling 12 months, -0.25% per annum for 2 years and -5.87% per annum since inception (January 2022).

PERIOD	1 MONTH	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	INCEPTION
PORTFOLIO %	5.29	2.23	0.05	1.55	-0.25	-5.87
BENCHMARK %	4.59	2.7	6.57	12.32	3.1	5.67
RELATIVE %	0.70	-0.47	-6.52	-10.77	-3.35	-11.54

Benchmark: S&P/ASX Small Ords Accum Index

The portfolio held 22 positions at the end of January with cash sitting around 10%.

A better month of returns with a broader cohort of positions contributing, and importantly, the weakest position (RPM Global) only detracted 31bps.

No changes were made to the portfolio during January; however, we remain committed to improving the quality of holdings, with pending changes likely in February.

Gold prices drove gold equities higher, with **Vault Minerals (VAU)** the top performing portfolio position, adding 112bps to returns. **Catapult (CAT)**, **Silex Systems (SLX)**, **Paladin (PDN)** & **Aussie Broadband (ABB)** were also positive contributors.



MARKETS IN JANUARY

Energy, Financials, and Consumer Discretionary sectors led gains, while Real Estate rebounded as bond yields eased ahead of expected RBA rate cuts. Defensive sectors like Utilities and Consumer Staples lagged. The RBA did not meet in January, with the next meeting scheduled for February 18. Q4 headline inflation eased to 2.4% YoY from 2.8%, marking its lowest level since early 2021. The RBA's trimmed mean inflation measure dropped to 3.2%, underperforming forecasts, with market odds for a February rate cut surging to 90%.

US equities rebounded in January, reversing the previous month's losses as the S&P 500 reached record highs. Market breadth improved, with the equal-weighted S&P 500 outperforming the official index by over 70 basis points. Small caps also staged a comeback, with the Russell 2000 recouping some of its -8% December decline. Treasuries firmed, accompanied by a steepening yield curve. The Dollar Index edged 0.2% lower, with notable strength from the yen. Commodities saw gains, as gold surged 7.1% to new record highs.

Despite challenges, the broader economic picture remained resilient. Consumer and labour market strength supported optimism. In earnings, 77% of S&P 500 companies reported positive EPS surprises, and 63% exceeded revenue estimates.

The Fed left rates unchanged at 4.25–4.50% at its January FOMC meeting. The statement was hawkish, but Powell's remarks were dovish, reinforcing expectations that rate cuts are unlikely before June.

Locally, reporting season is underway, and while only early days, so far, so good from a collective sense.

PORTFOLIO STOCKS

NO. OF HOLDINGS	22
ESTIMATED YIELD (%)	1.65
TOP 5 POSITIONS (% OF AUM)	25.7
TOP 10 POSITIONS (% OF AUM)	45.8

STOCK CONTRIBUTION (%)

VAULT MINERALS (VAU)	1.12
SILEX SYSTEMS (SLX)	0.55
CATAPULT (CAT)	0.51
PALADIN (PDN)	0.51
AUSSIE BROADBAND (ABB)	0.45

STOCK DETRACTION (%)

RPM GLOBAL (RUL)	-0.31
CORONADO GLOBAL RESOURCES (CRN)	-0.23
CALIX (CXL)	-0.17
JOHNS LYNG GROUP (JLG)	-0.01

%	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
FY25	-0.04	-6.02	7.30	-2.99	3.1	-5.11	5.29						1.53
FY24	-1.05	6.72	1.21	-7.74	4.28	5.16	-1.61	3.27	2.87	-1.13	0.93	-4.45	8.46
FY23	14.20	2.16	-9.70	-0.05	6.55	-3.29	7.51	-5.41	-1.94	2.68	-3.95	0.24	9.00
CUMULATIVE							-0.12	-7.59	6.86	-9.19	-7.06	-14.28	-31.38
													-12.39

DISCLOSURE

Market Matters, its employees, associates and / or contributors may hold stocks mentioned in this report.

DISCLAIMER

This report contains general advice only and is not intended to provide you with financial advice, and has been prepared without taking into account your objectives, financial situation or needs. Before making any investment decision, please review the PDS and Target Market Determination available on the platform the investment is being made. Should you require assistance in determining whether an investment in the service is right for you, you may wish to seek personal advice from an appropriately licensed financial adviser.

All figures contained from sources believed to be accurate. Past performance is not an indication of future performance. Investing and trading carry financial risk, when judging performance please consider the different types of investments and levels of risk associated. Market Matters does not make any representation of warranty as to the accuracy of the figures and disclaims any liability resulting from any inaccuracy. The performance quoted is based on a model portfolio and does not include investment management, administration fees and transaction costs. The total return performance figures quoted are historical and include franking credits. Total returns assume the reinvestment of all portfolio income. Market Matters model portfolios are available on multiple platforms, and returns may vary.

Market Matters Pty Limited ABN 20 137 462 536 | Australian Financial Services Licence 488798

IMPORTANT INFORMATION TO CONSIDER: *It is important that before making a decision to invest that you read the relevant Product Disclosure Statement ("PDS"). The PDS will contain information relevant to the specific product, including the returns, features, benefits and risks.*

The PDS can be found for each platform where the model portfolio is available: [PRAEMIUM](#) | [OPENINVEST](#)