



Small Companies Fund

Monthly Report

April 2011

Portfolio Performance and Strategy

Equity markets remained volatile during April. Early strength soon gave way to another round of profit taking driven in part by the IMF cutting its growth forecasts for the US (higher oil prices), another large aftershock in Japan increasing concerns around nuclear fallout risks and a pull back in commodity prices on continued tightening in China, increasing investor concerns about the sustainability of recent rises. April saw a number of capital raisings from smaller resource companies complete despite some fragility in investor sentiment. Precious metals continued to rally with gold and silver hitting fresh record highs this month but not all gold stocks enjoyed the updraft. Towards month end the rally in the Australian dollar encouraged profit-taking from international investors in resource and mining service

Unit Price as at 30 April 2011

Application	\$1.8109
Redemption	\$1.7965
Fund Size	\$638 million
No. of stocks in portfolio	49

companies. Two takeover bids for Equinox (3.2% of the portfolio) were lodged during the month continuing the theme of global resource consolidation. Investors remain alert to the upcoming 'confession season' that will run through to late June. As widely expected, the RBA left rates unchanged at 4.75% in early May while the AUD was the highlight – finishing the month at record highs (US109.3¢; +6.0¢) as investors continued to avoid the USD. The trend in domestic economic data during April remained positive with little sign of acceleration. Our cash levels closed April at just over 7%.

Performance Statistics to 30 April 2011

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-2.14%	-1.56%	+10.85%	+3.39%	+7.17%
S&P/ASX Small Ordinaries Accumulation Index	-2.61%	-1.63%	+10.52%	-2.92%	+2.05%
Out performance	+0.47%	+0.07%	+0.33%	+6.31%	+5.12%

* Fund returns are calculated before fees are deducted.

Attribution

The portfolio was overweight 2 of the index's top 10 performing stocks (by index point contribution) Alacer Gold (+12.31%) and Flight Centre (+5.52%). The portfolio was overweight 4 of the index's bottom 10 performing stocks (by index point contribution) being Monadelphous Group (-10.28%), Hastie Group (-79.46%), Aurora Oil & Gas (-11.07%) and Gryphon Minerals (-21.64%).

Top 10 Stocks*

	Portfolio Weight
1 SAI Global Limited	3.61%
2 Campbell Brothers Limited	3.25%
3 Whitehaven Coal Limited	3.04%
4 Equinox Minerals Limited	3.03%
5 NRW Holdings Limited	2.96%
6 Regis Resources Limited	2.88%
7 Adelaide Brighton Limited	2.87%
8 Ausdrill Limited	2.86%
9 Mount Gibson Iron Limited	2.83%
10 GWA Group Limited	2.80%
Top 10 Stocks	30.13%
Other Stocks	61.75%
Cash	8.12%
Total	100%

*For the Small Companies Fund as at 31 March 2011.

Portfolio Changes

Additions: FlexiGroup (company review), Pharmaxis (tactical) and Skilled Group (company review).

Deletions: Hastie Group (company review), Pacific Brands (tactical) and Ramsay Healthcare (ASX100 inclusion).

Market Sector Exposure*

	Fund %
Materials	25.0%
Energy	12.1%
Industrials	23.6%
Consumer Disc	15.2%
Healthcare	1.7%
Consumer Staples	1.4%
Financials	5.9%
Information Tech	4.7%
Telecoms	2.3%
Utilities	0.0%
Property Trusts	0.0%
Cash	8.1%
Total	100%

Eley Griffiths Group ratings

Rating Company	Rating
Morningstar	Highly Recommended Highest Rating
Standard & Poor's	★★★★★ - 5 stars Highest Rating
Lonsec	Recommended 2 nd Highest Rating
Zenith	Highly Recommended Highest Rating
van Eyk	A rating Second Highest Rating

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