



Small Companies Fund Monthly Report

April 2013

Portfolio Performance and Strategy

The S&P 500 and Nasdaq made April a sixth straight month of gains as these markets digested an in-line Q1 reporting season. This was despite growing anxiety about US cyclical stocks and a becalmed global economic recovery. Local investors shunned mining and mining service stocks, seeking out quality small cap industrial names with earnings certainty and enticing dividend yields. The small resources accumulation index finished April in the red down 20.43%, which now makes it 7 consecutive negative months. Gold stocks were sold heavily in April, as the long awaited correction unfolded in the gold market with the precious metal (intra month) falling to a 26 month low of \$1321.22 per ounce. Telco and wealth management stocks found favour with investors, as did REIT and building related names. Expectations remained high that

Unit Price as at 30 April 2013

Application	\$1.8079
Redemption	\$1.7960
Fund Size	\$483 million
No. of stocks in portfolio	49

the RBA will further its accommodation with at least 2 additional rate cuts this year to take the cash rate to 2.5%. The market is betting that these moves will further underwrite a recovery in consumer sentiment, underway since January 2012. The Consumer Discretionary sector continued its run, up 3.8% in the month, with the sector up 31.3% over the past 12 months. There were 58 consensus FY13E EPS revisions in the month with 48 downgrades and 10 upgrades. The changes were broad-based, ranging across a number of sectors although stock price movements did not perfectly reflect earnings revisions. Our cash weighting finished the month at around 7.5% of the portfolio.

Performance Statistics to 30 April 2013

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-0.03%	-0.41%	+2.99%	+4.65%	+2.20%
S&P/ASX Small Ordinaries Accumulation Index	-4.65%	-7.02%	-9.36%	-2.34%	-5.06%
Out performance	+4.62%	+6.61%	+12.35%	+6.99%	+7.24%

* Fund returns are calculated post fees.

Top 10 Stocks*

	Portfolio Weight
1 Super Retail Group Limited	4.56%
2 InvoCare Limited	4.03%
3 Mermaid Marine Australia Ltd	3.91%
4 Ardent Leisure Group	3.63%
5 iiNet Limited	3.62%
6 Henderson Group PLC.	3.42%
7 Perpetual Limited	3.22%
8 FlexiGroup Limited	3.17%
9 Platinum Asset Management	2.97%
10 Fletcher Building Limited	2.85%
Top 10 Stocks	35.38%
Other Stocks	56.52%
Cash	8.10%
Total	100%

*For the Small Companies Fund as at 31st March 2013

Attribution

The portfolio was overweight 6 of the index's top 10 performing stocks (by index point contribution) being JB Hi-Fi (+8.40%), Super Retail Group (+6.56%), iiNet.com (+18.65%), Charter Hall Retail (+9.72%), M2 Telecommunications Group (+14.66%) and Breville Group (+18.31%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Ausdrill (-47.76%).

Portfolio Changes

Additions: Breville Group (company review) and Clough (company review).

Deletions: Nufarm (company review), SAI Global (company review) Western Areas (company review).

Market Sector Exposure*

	Fund %
Materials	8.4%
Energy	8.1%
Industrials	20.4%
Consumer Disc	26.1%
Healthcare	0.0%
Consumer Staples	0.0%
Financials	19.6%
Information Tech	2.8%
Telecoms	4.8%
Utilities	0.0%
Property Trusts	1.7%
Cash	8.1%
Total	100%

Eley Griffiths Group ratings

Rating Company	Rating
Standard & Poor's	★★★★ - 4 stars 2 nd Highest Rating
Lonsec	Recommended 2 nd Highest Rating
Zenith	Recommended 2 nd Highest Rating
van Eyk	Rated Refer iRate

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