



Small Companies Fund

Monthly Report

August 2013

Portfolio Performance and Strategy

Local equities continued their positive performance for the new financial year with the S&P ASX Small Ordinaries Accumulation Index returning +12.98% since June 30, comfortably outpacing the S&P ASX100 Accumulation Index +7.57%. Emerging markets indices, currencies and bonds sold off intra month on continued talk of US "Fed Tapering" at the upcoming September meeting. Positive economic data released from both China and the Eurozone provided an improving environment for iron ore and oil prices. The US sought allies for an intervention in Syria which created new buying interest for gold and oil, underpinning gains in related stocks. This all combined to help the small resources outpace the industrials for the month. The reporting season appeared to be the supporting act to increasing positive macro noise, which

Unit Price as at 31 August 2013

Application	\$1.8180
Redemption	\$1.8085
Fund Size	\$470 million
No. of stocks in portfolio	49

prompted short covering in a number of mining and mining service related companies. Results in general were mostly in line with guided numbers, though FY14 downgrades outpaced upgrades by a wide margin. Stocks that provided an in-line to positive outlook were supported by the market. The building momentum of a Coalition victory on September 7 provided a constructive backdrop for equities. M&A activity slowed over the reporting season, with no takeovers announced. Investors support was forthcoming for well reasoned and attractively priced equity raisings, such as for Dominos and Iress (both names held by EGG). The RBA cut another 0.25% in early August. Our cash

Performance Statistics to 31 August 2013

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	+1.70%	+6.23%	+14.56%	+7.21%	+4.92%
S&P/ASX Small Ordinaries Accumulation Index	+2.88%	+4.90%	+4.10%	-0.24%	-2.61%
Out performance	-1.18%	+1.33%	+10.46%	+7.45%	+7.53%

* Fund returns are calculated post fees.

weighting finished the month at around 8% of the portfolio.

Top 10 Stocks*

	Portfolio Weight
1 Platinum Asset Management	4.89%
2 Super Retail Group Limited	4.24%
3 Ardent Leisure Group	4.17%
4 JB Hi-Fi Limited	3.84%
5 Perpetual Limited	3.63%
6 Fletcher Building Limited	3.57%
7 IRESS Limited	3.25%
8 DuluxGroup Limited	3.17%
9 FlexiGroup Limited	3.04%
10 Henderson Group PLC.	2.95%
Top 10 Stocks	36.75%
Other Stocks	55.99%
Cash	7.26%
Total	100%

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

Attribution

The portfolio was overweight 2 of the index's top 10 performing stocks (by index point contribution) being Dominos Pizza Enterprises (+19.22%) and Seven West Media (+9.81%). The portfolio was overweight 2 of the index's bottom 10 performing stocks (by index point contribution) being Platinum Asset Management (-15.48%) and InvoCare (-5.50%).

Portfolio Changes

Additions: CSR (tactical) and Steadfast Group (tactical). **Deletions:** Crowe Horwath Australasia (company review), Fairfax Media (tactical) and M2 Telecommunications Group (valuation).

Market Sector Exposure*

	Fund %
Materials	4.4%
Energy	5.1%
Industrials	23.2%
Consumer Disc	30.3%
Healthcare	0.9%
Consumer Staples	0.7%
Financials	20.3%
Information Tech	4.0%
Telecoms	1.5%
Utilities	0.0%
Property Trusts	1.9%
Cash	7.7%
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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