



Small Companies Fund

Monthly Report

February 2012

Portfolio Performance and Strategy

The S&P ASX Small Ordinaries Accumulation Index finished February up +6.51% following on from January's rally of +7.75%. This move easily eclipsed the S&P ASX 100 accumulation index which returned +1.59% and +4.88% respectively. The market was buoyed by profit results globally that showed earnings haven't fizzled as was feared in late 2011. US housing and employment data showed improvement, Europe's LTRO successfully injected another €540bn into the system, and China's 50bp RRR cut showed further signs of easing from the growth engine. The AUD made a steady climb back towards USD1.08 as the RBA noted they were in no rush to cut rates. Investors were buoyed by firmer offshore markets and a reporting season that, at least, met investor's expectations. Mining service company results came in at the upper end of forecast ranges and a constructive

Unit Price as at 29 February 2012

Application	\$1.7488
Redemption	\$1.7349
Fund Size	\$550 million
No. of stocks in portfolio	48

outlook was delivered by most companies in the space. A downbeat consumer did not prevent a number of retailers reporting good results such as The Reject Shop and Super Retail Group. Merger and Acquisition activity continues to be a feature of the small end of the market with TPG's bid for Billabong. A number of primary and secondary equity transactions were concluded in February suggesting that appetite for deals may now be returning. The benchmark was driven higher in February by the industrial stocks, the Small Industrial Accumulation Index rose 8.55% compared to the Small Resource Industrial Accumulation Index up 3.42% reversing the trend of January.

Performance Statistics to 29 February 2012

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	+8.62%	+12.27%	-3.10%	+25.75%	+2.82%
S&P/ASX Small Ordinaries Accumulation Index	+6.51%	+9.83%	-8.98%	+21.74%	-3.13%
Out performance	+2.11%	+2.44%	+5.88%	+4.01%	+5.95%

* Fund returns are calculated before fees are deducted.

Our cash levels closed February at approximately 5%.

Top 10 Stocks*

	Portfolio Weight
1 Ausdrill Limited	4.25%
2 Regis Resources Limited	4.09%
3 SAI Global Limited	3.94%
4 NRW Holdings Limited	3.81%
5 Adelaide Brighton Limited	3.62%
6 Aurora Oil & Gas Limited	3.34%
7 iiNet Limited	2.96%
8 Mermaid Marine Australia Ltd	2.89%
9 Carsales.Com Limited	2.79%
10 Fleetwood Corporation Ltd	2.79%
Top 10 Stocks	34.48%
Other Stocks	60.40%
Cash	5.12%
Total	100%

*For the Small Companies Fund as at 31st January 2012

Attribution

The portfolio was overweight 4 of the index's top 10 performing stocks (by index point contribution) being NRW Holdings (+26.40%), Flight Centre (+15.75%), Super Retail Group (+18.98%) and Silex Systems (+49.30%). The portfolio was overweight none of the index's bottom 10 performing stocks (by index point contribution).

Portfolio Changes

Additions: Nil.

Deletions: Nil

Market Sector Exposure*

	Fund %
Materials	25.6%
Energy	13.9%
Industrials	21.6%
Consumer Disc	17.7%
Healthcare	0.0%
Consumer Staples	1.1%
Financials	7.2%
Information Tech	4.8%
Telecoms	3.0%
Utilities	0.0%
Property Trusts	0.0%
Cash	5.1%
Total	100%

Eley Griffiths Group ratings

Rating Company	Rating
Morningstar	Silver 2 nd Highest Rating
Standard & Poor's	★★★★ - 4 stars 2 nd Highest Rating
Lonsec	Recommended 2 nd Highest Rating
Zenith	Recommended 2 nd Highest Rating
van Eyk	A rating Second Highest Rating

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