



Small Companies Fund

Monthly Report

January 2011

Portfolio Performance and Strategy

Equity markets traded uneventfully into the New Year as investors weighed Middle Eastern concerns with an improved US stock market amid holiday affected trading volumes. During January investors were also focused on continued inflation risks around China and wet weather across Australia's eastern states. The Eley Griffiths Small Companies Fund finished the month up 0.36%, outpacing its benchmark (the S&P ASX Small Ordinaries Accumulation Index) by 2.54%. A notable feature in the small cap market was a concerted sell off in gold equities that had performed strongly in the December quarter. Profits were taken in a number of small resource counters ushering in significant underperformance verses small industrials (-5.2% vs +0.4%). Domestic economic data was mixed in

Unit Price as at 31 January 2011

Application	\$1.8452
Redemption	\$1.8305
Fund Size	\$633 million
No. of stocks in portfolio	50

January; consumer sentiment fell (even ex Qld) while employment data continued to strengthen, with unemployment dipping below 5%, adding continued pressure to wage inflation. The Queensland floods saw the market downgrade GDP forecasts and push out the likely hood of RBA rate rise expectations, causing the AUD to decline against the USD to finish the month at 99.5¢ (-2.8¢). This was confirmed with the RBA keeping rates on hold in early February. Our cash levels closed January at around 3.5%.

Performance Statistics to 31 January 2011

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	+0.36%	+5.17%	+25.58%	+6.01%	+10.05%
S&P/ASX Small Ordinaries Accumulation Index	-2.18%	+5.29%	+19.46%	-1.62%	+4.30%
Out performance	+2.54%	-0.12%	+6.12%	+7.64%	+5.75%

* Fund returns are calculated before fees are deducted.

Attribution

The portfolio was overweight 5 of the index's top 10 performing stocks (by index point contribution) Aurora Oil & Gas (+36.16%), GrainCorp (+13.94%), Monadelphous Group (+5.85%), Western Areas (+8.04%) and Pacific Brands (+5.61%). The portfolio was overweight 2 of the index's bottom 10 performing stocks (by index point contribution) being PanAust (-8.99%) and Regis Resources (-19.38%).

Top 10 Stocks*

	Portfolio Weight
1 Equinox Minerals Limited	3.54%
2 Ausdrill Limited	3.33%
3 SAI Global Limited	3.31%
4 PanAust Limited	3.23%
5 Mount Gibson Iron Limited	3.18%
6 Whitehaven Coal Limited	3.12%
7 Campbell Brothers Limited	3.06%
8 Gloucester Coal Ltd	2.86%
9 Adelaide Brighton Limited	2.73%
10 OM Holdings Limited	2.69%
Top 10 Stocks	31.05%
Other Stocks	63.96%
Cash	4.99%
Total	100%

*For the Small Companies Fund as at 31st December 2010.

Portfolio Changes

Additions: Nil.

Deletions: Nil.

Market Sector Exposure*

	Fund %
Materials	29.5%
Energy	12.5%
Industrials	22.3%
Consumer Disc	15.1%
Healthcare	2.5%
Consumer Staples	0.8%
Financials	6.4%
Information Tech	4.4%
Telecoms	2.6%
Utilities	0.0%
Property Trusts	0.0%
Cash	3.9%
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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