



Small Companies Fund

Monthly Report

July 2013

Portfolio Performance and Strategy

Equities started the new financial year on a strong footing, with the S&P ASX Small Ordinaries Accumulation Index returning +9.81%, its best month since April 2009. This outpaced the S&P ASX100 Accumulation Index, up only 4.96%. The Australian market followed the strong leads from offshore with US and European benchmarks up between 4-7% for the month. Stabilisation of the Shanghai bourse at levels last seen in March 2009 combined with a rallying gold price prompted a relief rally in both large and small resources stocks. A number of resource quarterlies released in July indicated corporates have been adjusting operating costs to an environment of low metals prices. Investors will monitor this in subsequent quarters. The S&P ASX Small Resources Accumulation Index returned +23.78% for the month, while the Small

Unit Price as at 31 July 2013

Application	\$1.7875
Redemption	\$1.7783
Fund Size	\$468 million
No. of stocks in portfolio	52

Industrial Accumulation Index returned +6.41%. Mining Service Companies also performed well during the month. July saw the strongest M&A month of the year with 5 bids announced. The RBA continued its dovish tone in regards to the economy and bias toward interest rate easing which eventuated with another 0.25% rate cut in early August. This stance saw the AUD fall to US\$0.8987 at month end, after trading above US\$0.93 in late July. The lower AUD help propel stocks with offshore earnings to multi year highs. In particular Fund Managers with international exposure were in demand with improving markets globally and the lower currency providing a dual positive catalyst. Our

Performance Statistics to 31 July 2013

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	+8.24%	+1.27%	+14.08%	+7.40%	+4.95%
S&P/ASX Small Ordinaries Accumulation Index	+9.81%	-1.94%	+4.17%	-0.60%	-2.79%
Out performance	-1.57%	+3.21%	+9.91%	+8.00%	+7.74%

* Fund returns are calculated post fees.

cash weighting finished the month at around 7% of the portfolio.

Top 10 Stocks*

	Portfolio Weight
1 Platinum Asset Management	4.52%
2 Super Retail Group Limited	4.29%
3 Ardent Leisure Group	4.29%
4 JB Hi-Fi Limited	3.93%
5 FlexiGroup Limited	3.88%
6 Fletcher Building Limited	3.83%
7 Henderson Group PLC.	3.13%
8 Perpetual Limited	3.11%
9 IRESS Limited	3.04%
10 InvoCare Limited	3.01%
Top 10 Stocks	37.03%
Other Stocks	54.16%
Cash	8.81%
Total	100%

*For the Small Companies Fund as at 30th June 2013

Attribution

The portfolio was overweight 4 of the index's top 10 performing stocks (by index point contribution) being Independence Group (+43.36%), Platinum Asset Management (+15.72%), Perpetual (+12.71%) and JB Hi-Fi (+10.53%). The portfolio was overweight none of the index's bottom 10 performing stocks (by index point contribution).

Portfolio Changes

Additions: Auckland International Airport (tactical), Greencross (tactical) and Mayne Pharma Group (tactical). **Deletions:** Mineral Resources (ASX100 inclusion).

Market Sector Exposure*

	Fund %
Materials	4.2%
Energy	5.3%
Industrials	20.8%
Consumer Disc	30.9%
Healthcare	0.9%
Consumer Staples	0.6%
Financials	22.1%
Information Tech	3.2%
Telecoms	3.2%
Utilities	0.0%
Property Trusts	2.0%
Cash	6.8%
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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