



Small Companies Fund

Monthly Report

June 2013

Portfolio Performance and Strategy

As investors looked to the end of the 2013 Financial Year they were felled by a one-two punch. First, Ben Bernanke indicated that “tapering” the pace of the Fed’s asset purchases could begin later in the year if growth, inflation, and the labour market met FOMC expectations. Talk of “tapering” had the predictable effect of sending government bond yields higher for the second month in a row. Second, concerns began to surface relating to the stability of China’s banking system, and this further added to equity market volatility here and offshore during June. Gold fell to 4 year lows and this further eroded confidence in mining and mining service stocks. Solid support came in for residential construction related names as the spectre of further RBA accommodation came into focus. This also ushered in good buying

Unit Price as at 30 June 2013

Application	\$1.6916
Redemption	\$1.6804
Fund Size	\$440 million
No. of stocks in portfolio	48

interest across a number of retail stocks such as Super Retail Group and The Reject Shop. Both the ASX100 Resources and ASX Small Resources Accumulation Index’s underperformed their Industrial counterparts as base metals and gold came in for selling pressure. The pace of downgrades quickened and was most notable in large and small mining service companies. Our cash weighting finished the month at around 8.5% of the portfolio.

Performance Statistics to 30 June 2013

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-3.50%	-6.46%	+8.92%	+5.98%	+1.84%
S&P/ASX Small Ordinaries Accumulation Index	-7.15%	-14.85%	-5.32%	-2.00%	-5.66%
Out performance	+3.65%	+8.39%	+14.24%	+7.98%	+7.50%

* Fund returns are calculated post fees.

Top 10 Stocks*

	Portfolio Weight
1 Super Retail Group Limited	4.35%
2 InvoCare Limited	4.19%
3 iiNet Limited	3.93%
4 Ardent Leisure Group	3.80%
5 Mermaid Marine Australia Ltd	3.75%
6 FlexiGroup Limited	3.54%
7 Henderson Group PLC.	3.50%
8 Perpetual Limited	3.23%
9 Platinum Asset Management	3.22%
10 Fletcher Building Limited	2.90%
Top 10 Stocks	36.41%
Other Stocks	55.91%
Cash	7.68%
Total	100%

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

Attribution

The portfolio was overweight 7 of the index's top 10 performing stocks (by index point contribution) being JB Hi-Fi (+11.47%), Super Retail Group (+8.52%), Platinum Asset Management (+7.25%), GWA Group (+12.68%), InvoCare (+5.76%), iiNet (+10.52%) and M2 Communications (+7.93%). The portfolio was overweight 4 of the index's bottom 10 performing stocks (by index point contribution) being Perpetual (-18.26%), Independence Group (-30.03%), Sirius Resources (-36.52%) and Seven West Media (-13.64%).

Portfolio Changes

Additions: Slater & Gordon (tactical).

Deletions: Ausdrill (company review) and Senex Energy (company review).

Market Sector Exposure*

	Fund %
Materials	4.5%
Energy	6.4%
Industrials	19.0%
Consumer Disc	29.6%
Healthcare	0.0%
Consumer Staples	0.5%
Financials	23.5%
Information Tech	3.2%
Telecoms	3.5%
Utilities	0.0%
Property Trusts	2.1%
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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