



Small Companies Fund

Monthly Report

June 2014

Portfolio Performance and Strategy

It is amazing how much can change in 12 months. A year ago markets were in freefall in June with calls for a 'tapering' of the Fed's asset purchases. This of course had the predictable outcome of pushing government bond yields higher causing further market instability. At that time further RBA accommodation came into focus supporting retail names amongst other sectors. While this was happening spot gold fell to 4 year lows which further eroded confidence in the resources space. Turn the clock forward to June 2014 and almost the entire opposite is unfolding. The US Fed has almost fully completed its 'tapering' while the S&P500 trades to record levels, the RBA has monetary policy at historic lows, retailers are out of favour on lower revisions to previous guidance, a warmer winter and a contractionary federal budget while spot

Unit Price as at 30 June 2014

Application	\$1.9546
Redemption	\$1.9444
Fund Size	\$464 million
No. of stocks in portfolio	56

gold is up ~6% intra month. The Small Resources Accumulation Index returned +1.47% for the month of June benefitting from the continued rally in base metal spot prices. This significantly beat the Small Industrials Accumulation Index which dropped -1.72%. For the financial year the Eley Griffiths Group Small Companies Fund returned +18.35% net of fees outperforming our benchmark by 5.24%. Corporate activity continued to be strong during June with 10 deals announced with a value greater than \$10m. The IPO market continues unabated with positive debuts for the majority of new stocks although activity seems to be slowing as we approach the August reporting season.

Performance Statistics to 30 June 2014

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-0.58%	-1.18%	+18.35%	+6.46%	+11.01%
S&P/ASX Small Ordinaries Accumulation Index	-1.11%	-2.26%	+13.11%	-2.94%	+3.43%
Out performance	+0.53%	+1.08%	+5.24%	+9.40%	+7.58%

* Fund returns are calculated post fees.

Our cash weighting finished the month at around 5.5%.

Top 10 Stocks*

	Portfolio Weight
1 iiNet Limited	3.97%
2 Ardent Leisure Group	3.87%
3 CSR Limited	3.19%
4 IRESS Limited	3.16%
5 Macquarie Atlas Roads	3.15%
6 Sirius Resources NL	3.10%
7 Independence Group NL	3.06%
8 Domino's Pizza Enterprises	3.04%
9 Platinum Asset Management	2.84%
10 Skilled Group Limited	2.75%
Top 10 Stocks	32.13%
Other Stocks	62.25%
Cash	5.62%
Total	100%

*For the Small Companies Fund as at 31st May 2014.

Attribution

The portfolio was overweight 2 of the index's top 10 performing stocks (by index point contribution) being Papillion Resources (+32.63%) and Saracen Minerals Holdings (+18.84%). The portfolio was overweight 2 of the index's bottom 10 performing stocks (by index point contribution) being Cover-More Group (-19.79%) and Skilled Group (-14.81%)

Portfolio Changes

Additions: Asaleo Care (IPO), Gentrack Group (IPO) and Technology One (company review).

Deletions: Aurora Oil & Gas (accepted takeover) and Isentia Group (valuation).

Market Sector Exposure*

	Fund %
Materials	14.0%
Energy	1.9%
Industrials	23.2%
Consumer Disc	19.4%
Healthcare	2.7%
Consumer Staples	1.7%
Financials	19.8%
Information Tech	3.2%
Telecoms	4.0%
Utilities	0.0%
Property Trusts	4.5%
Cash	5.6%
Total	100%

Eley Griffiths Group ratings

Rating Company	Rating
Morningstar September 2013	Silver 2 nd Highest Rating
Lonsec February 2014	Recommended 2 nd Highest Rating
Zenith March 2014	Recommended 2 nd Highest Rating
van Eyk	Rated Refer iRate

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