



Small Companies Fund

Monthly Report

March 2011

Portfolio Performance and Strategy

March proved to be a month of 3 periods; firstly continued unrest in the Middle East, secondly the fear of a Nuclear reactor meltdown post the Japanese Tsunami and finally the market's resilience to rally back to positive territory by month's end. Concerns remained around the ongoing unrest in the Middle East and were reflected in continuing higher oil and gold prices, but this was all quickly overshadowed by the 8.9 earthquake off the Japanese city of Sendai. March saw the reversal of resource stocks outperforming their industrial counter parts partly due to a sharp selloff in uranium stocks on fears of slowing of approvals of future nuclear plants in Asia and the rest of the world. Local investors continued to favour the relative safety of mining service companies with BHP announcing over

Unit Price as at 31 March 2011

Application	\$1.8524
Redemption	\$1.8377

Fund Size	\$644 million
No. of stocks in portfolio	49

\$7bn in new capital investment in its iron ore operations and \$5bn in Queensland coal expansion. This follows recent announcements from Rio and Fortescue that will likely support several small cap providers of mining services. December 10 Quarter GDP confirmed a softer domestic demand environment while Building Approvals and Employment releases were both negative. As widely expected, the RBA left rates unchanged at 4.75% in early April. The AUD sold off on the back of the "risk-off" trade, only to rebound strongly and finish the month at record highs (US103.4¢; +1.5¢). Our cash levels closed March at just over 7.5%.

Performance Statistics to 31 March 2011

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-0.31%	+0.95%	+16.81%	+5.30%	+8.34%
S&P/ASX Small Ordinaries Accumulation Index	-0.26%	-1.19%	+13.49%	-0.92%	+2.80%
Out performance	-0.05%	+2.14%	+3.32%	+6.21%	+5.54%

* Fund returns are calculated before fees are deducted.

Attribution

The portfolio was overweight 4 of the index's top 10 performing stocks (by index point contribution) Campbell Brothers (+9.42%), Monadelphous Group (+6.89%), NRW Holdings (+22.46%) and Austar (+14.35%). The portfolio was overweight 3 of the index's bottom 10 performing stocks (by index point contribution) being Equinox Minerals (-9.95%), Extract Resources (-14.50%) and Aurora Oil & Gas (-9.15%).

Top 10 Stocks*

	Portfolio Weight
1 Equinox Minerals Limited	3.83%
2 SAI Global Limited	3.32%
3 Ausdrill Limited	3.32%
4 Whitehaven Coal Limited	3.05%
5 Mount Gibson Iron Limited	3.04%
6 OM Holdings Limited	3.02%
7 PanAust Limited	2.99%
8 Campbell Brothers Limited	2.95%
9 GWA Group Limited	2.90%
10 Adelaide Brighton Limited	2.88%
Top 10 Stocks	31.30%
Other Stocks	62.80%
Cash	5.90%
Total	100%

*For the Small Companies Fund as at 28th February 2011.

Portfolio Changes

Additions: Gryphon Minerals (tactical) and Perseus Mining (tactical).

Deletions: ARB Corporation (valuation), Discovery Minerals (tactical) and SEEK.com (ASX100 inclusion).

Market Sector Exposure*

	Fund %
Materials	29.4%
Energy	12.6%
Industrials	21.3%
Consumer Disc	14.1%
Healthcare	2.3%
Consumer Staples	1.4%
Financials	6.5%
Information Tech	4.4%
Telecoms	2.1%
Utilities	0.0%
Property Trusts	0.0%
Cash	5.9%
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

DISCLAIMER: This report was prepared by Eley Griffiths Group Pty Limited, AFSL No: 224818. This is general advice only and has been prepared without taking into account your particular objectives, financial circumstances and needs. Before making any decision based on this report, you should assess your own circumstances or consult a financial planner. You should obtain and consider a copy of the product disclosure statement relating to the Eley Griffiths Group Small Companies Fund, before acquiring the financial product. You may obtain a product disclosure statement from your financial planner. To the extent permitted by law, Fundhost Limited nor Eley Griffiths Group Pty Limited, its employees, consultants, advisers, officers and authorized representatives are not liable for any loss or damage arising as a result of reliance placed on the contents of this report.