



Small Companies Fund

Monthly Report

March 2012

Portfolio Performance and Strategy

The S&P ASX Small Ordinaries Accumulation Index finished the month up +0.19% and the quarter +14.98% outpacing its large cap rivals returning only 7.96% over the March quarter. The Eley Griffiths Group Small Companies Fund outperformed its benchmark by 2.09% over the month and 2.82% over the quarter. Investor sentiment benefitted from continued positive macro data prints in the US along with the Fed confirming its current policy settings would remain in place. The Euro region stayed crisis-free for another month while investors' views around China's near-term growth profile remained volatile. Commodity prices were well-supported at higher levels, except gold which came under selling pressure. Bonds declined as investors switched back into equities, reflecting increasing confidence in the US economy and a reduction in risk aversion. Locally,

Unit Price as at 31 March 2012

Application	\$1.7869
Redemption	\$1.7727
Fund Size	\$552 million
No. of stocks in portfolio	44

macroeconomic news flow continued to deteriorate as the non-mining economy weakened. The RBA kept rates steady in early April reiterating that the global outlook has stabilised. Merger and Acquisition gave way to secondary raisings in March, with both large and small companies taking advantage of a stronger market. The greatest area of strength in the benchmark for the month were the shale gas stocks (your manager had over a 2% active weight in the index's best performer Aurora Oil & Gas). The gold sector offset the strength of the shale gas space over the month with the falling gold price, down almost 3.5% from its intra month highs, filtering through to the underlying stocks. The benchmark was

Performance Statistics to 31 March 2012

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	+2.28%	+17.80%	-0.59%	+22.27%	+2.53%
S&P/ASX Small Ordinaries Accumulation Index	+0.19%	+14.98%	-8.57%	+17.93%	-3.85%
Out performance	+2.09%	+2.82%	+7.98%	+4.34%	+6.38%

* Fund returns are calculated before fees are deducted.

driven higher in March by the industrial stocks, the Small Industrial Accumulation Index rose 3.84% compared to the Small Resource Industrial Accumulation Index down 5.46%, continuing the trend of February. Our cash levels closed March at approximately 7%.

Top 10 Stocks*

	Portfolio Weight
1 Regis Resources Limited	3.97%
2 NRW Holdings Limited	3.89%
3 Ausdrill Limited	3.81%
4 SAI Global Limited	3.65%
5 Aurora Oil & Gas Limited	3.63%
6 Adelaide Brighton Limited	3.51%
7 Mermaid Marine Australia Ltd	3.06%
8 Flight Centre Limited	3.04%
9 iiNet Limited	2.83%
10 Beach Energy Limited	2.81%
Top 10 Stocks	34.20%
Other Stocks	60.92%
Cash	4.88%
Total	100%

*For the Small Companies Fund as at 29th February 2012

Attribution

The portfolio was overweight 3 of the index's top 10 performing stocks (by index point contribution) being Aurora Oil & Gas (+16.31%), Carsales.com (+8.19%) and NRW Holdings (+8.36%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Regis Resources (-5.77%).

Portfolio Changes

Additions: Platinum Asset Management (tactical).

Deletions: Extract Resources (taken over), Gloucester Coal (Company review), GrainCorp (ASX100 inclusion), Mount Gibson Iron (company review) and Perseus Mining (ASX100 inclusion).

Market Sector Exposure*

	Fund %
Materials	25.0%
Energy	14.4%
Industrials	22.5%
Consumer Disc	18.1%
Healthcare	0.0%
Consumer Staples	1.0%
Financials	7.2%
Information Tech	4.0%
Telecoms	2.8%
Utilities	0.0%
Property Trusts	0.0%
Cash	4.9%
Total	100%

Eley Griffiths Group ratings

Rating Company	Rating
Morningstar	Silver 2 nd Highest Rating
Standard & Poor's	★★★★ - 4 stars 2 nd Highest Rating
Lonsec	Recommended 2 nd Highest Rating
Zenith	Recommended 2 nd Highest Rating
van Eyk	A rating Second Highest Rating

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