



Small Companies Fund

Monthly Report

March 2013

Portfolio Performance and Strategy

Despite a solid first quarter global financial markets suffered a reversal in March as Cyprus and North Korea dominated the headlines. Cyprus triggered nervousness among investors worldwide over a 'rescue package' to impose a one-time levy on bank deposits, while North Korea's Kim Jong-Un continued his rhetoric on nuclear weapons and missile strikes against the US and its allies. China indicated a tightening bias for interest rates and its Ministry of Housing made hawkish comments on property; these dampened sentiment around China's expected future growth. This saw commodities post their worst March quarter since 2010. The small resources accumulation index finished in the red down over 9.5% for the month, and down 16.5% for the quarter. Outside of resources the market was buoyed by better than expected retail sales with a

Unit Price as at 31 March 2013

Application	\$1.8083
Redemption	\$1.7964
Fund Size	\$490 million
No. of stocks in portfolio	50

1.2% gain month on month, beating the estimate of 0.4%. This flowed through to the retail names in the benchmark with JB Hi-Fi and Super Retail Group being 2 of the top 3 performers for March (both held by your manager). The ECM market sprang back to life in March with investors queueing up to take positions in previously unloved sectors. Four transactions accounting for over \$700m were notable with 2 being Clough's 36% of Forge sold down to institutions, while Transpacific's founder Terry Peabody sold his remaining stake (11.3%). Our cash weighting finished the month at around 8% of the portfolio.

Performance Statistics to 31 March 2013

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-1.63%	+3.31%	+4.15%	+5.70%	+2.86%
S&P/ASX Small Ordinaries Accumulation Index	-3.33%	+1.61%	-5.82%	-0.77%	-3.48%
Out performance	+1.70%	+1.71%	+9.97%	+6.47%	+6.34%

* Fund returns are calculated post fees.

Top 10 Stocks*

	Portfolio Weight
1 InvoCare Limited	4.55%
2 Mermaid Marine Australia Ltd	4.28%
3 Super Retail Group Limited	4.09%
4 Ardent Leisure Group	3.73%
5 iiNet Limited	3.67%
6 Henderson Group PLC.	3.27%
7 Aurora Oil & Gas Limited	3.19%
8 Perpetual Limited	3.04%
9 FlexiGroup Limited	2.94%
10 Sandfire Resources NL	2.80%
Top 10 Stocks	35.56%
Other Stocks	57.91%
Cash	6.53%
Total	100%

*For the Small Companies Fund as at 28th February 2013

Attribution

The portfolio was overweight 3 of the index's top 10 performing stocks (by index point contribution) being Super Retail Group (+8.14%), M2 Telecommunications Group (+12.87%) and Pacific Brands (+8.86%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Seven West Media (-14.47%).

Portfolio Changes

Additions: Fairfax Media (tactical), JB Hi-fi (company review) and Malabar Coal (tactical).

Deletions: PanAust (ASX100 inclusion) and SMS Management (company review).

Market Sector Exposure*

	Fund %
Materials	15.5%
Energy	8.4%
Industrials	19.7%
Consumer Disc	20.7%
Healthcare	0.0%
Consumer Staples	0.0%
Financials	18.3%
Information Tech	3.2%
Telecoms	6.1%
Utilities	0.0%
Property Trusts	1.6%
Cash	6.5%
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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