



Small Companies Fund

Monthly Report

November 2011

Portfolio Performance and Strategy

After a strong performance during October, equity markets were once again the main casualty of renewed concerns around a potential European financial meltdown. The rescue package put forward by the EU in late October was quickly discounted while increasing yields on Italian Government bonds saw solvency concerns shift to the larger economies. The replacement of Greek and Italian leaders combined with ongoing discussions between the various key groups (EU, IMF, G20) failed to restore investor confidence while global hedge fund MF Global folded. Equity markets were stabilising at the end of the month following some reasonable US retail sales post Thanksgiving. The Small Ordinaries Accumulation Index closed down 3.71% for the month of November, although off its intra month low of 6.74%. Domestically the AGM season continued with the majority

Unit Price as at 30 November 2011

Application	\$1.5621
Redemption	\$1.5497
Fund Size	\$513 million
No. of stocks in portfolio	47

of companies indicating that the operating environment (outside mining investment) remains tough. Domestic economic data releases in November were mixed. The RBA commenced a rate-easing cycle, cutting the cash rate by 25bp to 4.5%. Market expectations regarding future rate cuts remain cautious, reflecting the negative outlook offshore and the relative stability of the domestic economy. The AUDUSD continued to mirror the shift in risk aversion, declining significantly from a high of US\$1.05 to a low of \$0.969 before finishing the month at US\$0.998 (-5.5¢). Our cash levels closed November at approximately 3.5%.

Performance Statistics to 30 November 2011

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-2.52%	-6.15%	-6.92%	+20.89%	+1.81%
S&P/ASX Small Ordinaries Accumulation Index	-3.71%	-7.15%	-12.09%	+15.03%	-3.57%
Out performance	+1.19%	+1.00%	+5.17%	+5.86%	+5.38%

* Fund returns are calculated before fees are deducted.

Top 10 Stocks*

	Portfolio Weight
1 Regis Resources Limited	3.88%
2 SAI Global Limited	3.64%
3 Alacer Gold Corp.	3.37%
4 Ausdrill Limited	3.37%
5 Adelaide Brighton Limited	3.34%
6 Whitehaven Coal Limited	3.29%
7 Mount Gibson Iron Limited	3.16%
8 Aurora Oil & Gas Limited	3.11%
9 NRW Holdings Limited	3.05%
10 Mermaid Marine Australia Ltd	3.02%
Top 10 Stocks	33.23%
Other Stocks	63.27%
Cash	3.50%
Total	100%

*For the Small Companies Fund as at 31st October 2011

Attribution

The portfolio was overweight 3 of the index's top 10 performing stocks (by index point contribution) being Aurora Oil & Gas (+15.17%), Regis Resources (+9.67%) and NRW Holdings (+16.73%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Mount Gibson Iron (-19.42%).

Portfolio Changes

Additions: Beach Energy (tactical), Chesser Resources (tactical).

Deletions: Nil.

Market Sector Exposure*

	Fund %
Materials	25.0%
Energy	13.8%
Industrials	24.8%
Consumer Disc	16.0%
Healthcare	0.0%
Consumer Staples	2.4%
Financials	6.8%
Information Tech	5.0%
Telecoms	2.7%
Utilities	0.0%
Property Trusts	0.0%
Cash	3.5%
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

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