



Small Companies Fund

Monthly Report

November 2013

Portfolio Performance and Strategy

Global equities continued their rally in November, with the US market shining brightest with all three of their major indices trading to all time highs. The US rallied on lower unemployment numbers and better housing starts while Europe was temporarily buoyed by the ECB's decision to cut rates to a historic low of 0.25%. Locally, equities underperformed their offshore counterparts likely due to the continued equity call on the market. Bankers and promoters eager to secure raisings and listings prior to December 31 to avoid the January-February hiatus and the need for December half audited results. In November alone there was over 55 deals >\$5m in value announced, raising in excess of \$7.8Bn. These comprised 14 IPO's, 22 placements, 3 block trades and 16 rights issues. Resource names continued their

Unit Price as at 30 November 2013

Application	\$1.9088
Redemption	\$1.8989

Fund Size	\$492 million
No. of stocks in portfolio	56

underperformance with the S&PASX Small Resources Accumulation Index declining 11.6% for November versus the S&PASX Small Industrials Index down just 3.7%. The underperformance in resources was primarily due to the weakness in underlying commodity prices (excluding iron ore). Mining service companies were also sold off aggressively on underwhelming AGM updates. M&A activity continued to be quiet outside of the bidding war for Warrnambool Cheese and Butter which now looks to be down to 2 potential acquirers. The RBA kept rates on hold in early November, while maintaining its easing bias. The RBA backed up its 'jaw boning' to keep the Australian Dollar lower by actively

Performance Statistics to 30 November 2013

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-2.86%	+4.99%	+15.27%	+5.80%	+17.03%
S&P/ASX Small Ordinaries Accumulation Index	-5.23%	-0.99%	-0.10%	-4.62%	+8.48%
Out performance	+2.37%	+5.98%	+15.37%	+10.42%	+8.55%

* Fund returns are calculated post fees.

intervening in the currency market, causing the AUD to trade down almost 3.7% verse the USD. Our cash weighting finished the month at around 7% of the portfolio.

Top 10 Stocks*

	Portfolio Weight
1 Platinum Asset Management	4.30%
2 IRESS Limited	4.17%
3 Super Retail Group Limited	3.64%
4 Fletcher Building Limited	3.63%
5 Ardent Leisure Group	3.54%
6 JB Hi-Fi Limited	3.43%
7 DuluxGroup Limited	3.34%
8 FlexiGroup Limited	2.97%
9 Skilled Group Limited	2.88%
10 STW Communications Group	2.74%
Top 10 Stocks	34.64%
Other Stocks	61.49%
Cash	3.87%
Total	100%

*For the Small Companies Fund as at 31st October 2013

Attribution

The portfolio was overweight 5 of the index's top 10 performing stocks (by index point contribution) being DuluxGroup (+6.60%), FKP Property Group (+15.90%), Slater & Gordon (+13.70%), CSR (+4.80%) and Super Retail Group (+2.32%). The portfolio was overweight 3 of the index's bottom 10 performing stocks (by index point contribution) being Independence Group (-25.51%), Seven West Media (-11.90%) and JB Hi-Fi (-6.42%).

Portfolio Changes

Additions: Astro Japan Property Group (tactical), Dick Smith Holdings (IPO) and Vocation (IPO). **Deletions:** Greencross (company review), Horizon Oil (company review) and Malabar Coal (tactical).

Market Sector Exposure*

	Fund %
Materials	7.2%
Energy	4.4%
Industrials	26.4%
Consumer Disc	28.1%
Healthcare	1.4%
Consumer Staples	0.5%
Financials	21.1%
Information Tech	4.2%
Telecoms	1.5%
Utilities	0.4%
Property Trusts	0.9%
Cash	3.9%
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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