



Small Companies Fund

Monthly Report

October 2013

Portfolio Performance and Strategy

Global equities rallied post an 11th hour deal to avert a US Government default and to reopen the government for business. Analysts then touted the temporary shutdown could push back the bond tapering process until early 2014 causing benchmarks to give back some of the intra month gains into month end. October brought the local AGM season to the fore with company trading updates and commentaries generally tending cautious. Smaller Resources names underperformed their Industrial counterparts in October, with the S&P ASX Small Resources Accumulation Index returning +1.0% compared to the S&P ASX Small Industrials Index returning +3.2%. Small iron ore names were the exception to this trend, with a firming commodity price spurring investor interest in the space. Following on from

Unit Price as at 31 October 2013

Application	\$1.9650
Redemption	\$1.9548

Fund Size	\$505 million
No. of stocks in portfolio	56

September, initial public offerings continued their revival at an accelerated pace. Well over 10 primary deals are coming to market before year end across the entire spectrum of the market. Well known names like Nine Entertainment and Dick Smith are being joined by childcare, packaging, property and energy names. A growing number of secondary transactions have also been occurring, with stale holders identifying a new liquidity window. M&A activity was quiet as IPOs assumed centre stage, although the most interesting development has been the bidding war for Warrnambool Cheese and Butter from 3 suitors. The RBA kept rates on hold in early October while the RBA's Glenn Stephens continues to 'jaw bone' the

Performance Statistics to 31 October 2013

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	+3.10%	+9.93%	+16.89%	+6.22%	+14.45%
S&P/ASX Small Ordinaries Accumulation Index	+2.74%	+7.48%	+2.85%	-2.73%	+7.46%
Out performance	+0.36%	+2.45%	+14.04%	+8.95%	+6.99%

* Fund returns are calculated post fees.

Australian Dollar lower. Our cash weighting finished the month at around 4% of the portfolio.

Top 10 Stocks*

	Portfolio Weight
1 Platinum Asset Management	4.35%
2 JB Hi-Fi Limited	4.16%
3 Super Retail Group Limited	4.16%
4 Fletcher Building Limited	4.00%
5 IRESS Limited	3.95%
6 Ardent Leisure Group	3.83%
7 DuluxGroup Limited	3.82%
8 Skilled Group Limited	2.97%
9 STW Communications Group	2.90%
10 GWA Group Limited	2.69%
Top 10 Stocks	36.83%
Other Stocks	56.19%
Cash	6.98%
Total	100%

*For the Small Companies Fund as at 30th

September 2013

Attribution

The portfolio was overweight 2 of the index's top 10 performing stocks (by index point contribution) being Platinum Asset Management (+12.18%) and Dominos Pizza Enterprises (+14.22%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Breville Group (-8.00%).

Portfolio Changes

Additions: BT Investment Management (tactical), FKP Property Group (tactical), Ingenia Communities Group (company review), Meridian Energy (tactical), Ozforex Group (tactical), Papillon Resources (tactical) and Transfield Group (tactical). **Deletions:** None.

Market Sector Exposure*

	Fund %
Materials	6.2%
Energy	4.6%
Industrials	26.4%
Consumer Disc	30.2%
Healthcare	1.1%
Consumer Staples	0.6%
Financials	17.9%
Information Tech	3.9%
Telecoms	1.5%
Utilities	0.0%
Property Trusts	0.5%
Cash	7.0%
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
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