



Small Companies Fund

Monthly Report

September 2013

Portfolio Performance and Strategy

The Eley Griffiths Group Smaller Companies Fund returned net of fees 4.83% for the month of September and 15.40% for the quarter out pacing the S&P ASX Small Ordinaries Accumulation Index by +3.14% and 0.51% respectfully. These gains transpired despite the looming deadline for the US Government's temporary shutdown, persisting concerns about the US debt ceiling and uneasiness about the outlook for QE. These issues were offset by the growth rate in China continuing to stabilise and the Coalition's recent election win, which helped boost consumer and business confidence. Smaller Resources names underperformed their Industrial counterparts in September, mainly due to a weakening gold sector. Despite this Small Resources comfortably outperformed for the quarter returning

Unit Price as at 30 September 2013

Application	\$1.9058
Redemption	\$1.8960

Fund Size	\$491 million
No. of stocks in portfolio	49

22.4% versus 13.0% for the Small Industrials (reversing some of the outperformance of the past 18 months). While volumes through the market were quiet initial public offerings continued their revival. Fife Capital was successful with its property and REIT raising, while OzForex, Meridian Energy and McAleese Group started their road shows for their pending floats in the December quarter. Significantly, the new float backlog continues to grow, underscoring a likely buoyant 2014. M&A activity ignited from a quiet August with 4 takeovers announced intra month across a diverse range of sectors. The RBA kept rates on hold in September while most economists are still calling for 1 more cut by year end. Our

Performance Statistics to 30 September 2013

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	+4.83%	+15.40%	+16.20%	+6.08%	+9.00%
S&P/ASX Small Ordinaries Accumulation Index	+1.69%	+14.89%	+1.42%	-2.55%	+0.95%
Out performance	+3.14%	+0.51%	+14.78%	+8.63%	+8.05%

* Fund returns are calculated post fees.

cash weighting finished the month at around 7% of the portfolio.

Top 10 Stocks*

	Portfolio Weight
1 Ardent Leisure Group	4.15%
2 Super Retail Group Limited	4.09%
3 Platinum Asset Management	4.08%
4 IRESS Limited	4.01%
5 Fletcher Building Limited	3.77%
6 JB Hi-Fi Limited	3.75%
7 Perpetual Limited	3.48%
8 DuluxGroup Limited	3.41%
9 STW Communications Group	2.88%
10 FlexiGroup Limited	2.75%
Top 10 Stocks	36.37%
Other Stocks	55.91%
Cash	7.72%
Total	100%

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

Attribution

The portfolio was overweight 4 of the index's top 10 performing stocks (by index point contribution) being DuluxGroup (+16.81%), JB Hi-Fi (+11.08%), Fletcher Building (+10.91%) and Super Retail Group (+6.22%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Sirius Resources (-12.64%).

Portfolio Changes

Additions: Qube Holdings (tactical).

Deletions: Chesser Resources (tactical).

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
van Eyk	Rated Refer iRate

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