



Small Companies Fund

Monthly Report

April 2015

Portfolio Performance and Strategy

China's indices led the majority of global share markets higher in April. This move was predicated on the back of the PBoC announcing larger than expected stimulus by lowering the Reserve Rate Requirement (RRR) 1%, while the time horizon of rate rises in the United States was pushed back on weaker data prints. The Small Ordinaries Accumulation Index had its 3rd positive month for 2015 returning +1.66% and outperforming its large cap counterparts by ~3.6%. The month also saw the US Q1 earnings season kick off with analysts expecting the strong dollar and poor weather to weigh on corporate profits. Locally, the Small Resource names drove the index higher as the market bought the stabilisation in the iron ore and oil price. The Small Resource Accumulation index returned 11.3% for the month outperforming the

Unit Price as at 30 April 2015

Application	\$2.1374
Redemption	\$2.1263

Fund Size	\$480 million
No. of stocks in portfolio	55

Small Industrials Accumulation Index by ~11.5% and the ASX100 Resource Accumulation index by ~7.6%. iiNet found itself in the middle of a bidding war as M2 Group lodged a competing proposal to TPG Telecom bid for control of the company. M2 Group's bid for iiNet offered a scrip and cash alternative valuing iiNet at a premium to the \$8.60 cash bid from TPG. At the time of writing TPG has matched the offer from MTU valuing iiNet at ~\$9.55, and gained the board's recommendation. Market darling stocks (namely healthcare and financials) were laggards in April as high PE names came under selling pressure. Investors' attention now turns toward to the Macquarie Equities Conference in early May for a

Performance Statistics to 30 April 2015

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	+0.60%	+9.98%	+10.38%	+8.13%	+7.06%
S&P/ASX Small Ordinaries Accumulation Index	+1.66%	+8.10%	+5.31%	-0.87%	+0.03%
Out performance	-1.06%	+1.88%	+5.07%	+9.00%	+7.03%

* Fund returns are calculated post fees.

gauge on how companies have performed since the February reporting season. Our cash weighting finished the month at around 10%.

Top 10 Stocks*

	Portfolio Weight
1 Fletcher Building Limited	3.96%
2 IRESS Limited	3.95%
3 iiNet Limited	3.50%
4 InvoCare Limited	3.26%
5 Slater & Gordon Limited	3.13%
6 Domino's Pizza Enterprises	2.87%
7 Macquarie Atlas Roads	2.79%
8 Qube Holdings Limited	2.59%
9 Healthscope Limited	2.47%
10 BT Investment Management	2.40%
Top 10 Stocks	30.92%
Other Stocks	61.53%
Cash	7.55%
Total	100%

*For the Small Companies Fund as at 31st Mar 2015.

Attribution

The portfolio was overweight 2 of the index's top 10 performing stocks (by index point contribution) being iiNet (+12.57%), and Independence Group (+12.60%). The portfolio was overweight 4 of the index's bottom 10 performing stocks (by index point contribution) being Slater & Gordon (-16.03%), Qube Logistics (-6.06%), Fletcher Building (-4.00%) and Platinum Asset Management (-3.32%).

Portfolio Changes

Additions: Nine Entertainment Co. Holdings (company review) and Eclix Group (IPO).

Deletions: GWA Group (company review), Ingenia Communities Group (company review) and Sundance Energy Australia (company review).

Market Sector Exposure*

	Fund %
Materials	12.3%
Energy	0.1%
Industrials	15.6%
Consumer Disc	21.3%
Healthcare	10.7%
Consumer Staples	0.0%
Financials	13.2%
Information Tech	6.3%
Telecoms	7.1%
Utilities	0.0%
Property Trusts	6.8%
Cash	6.6%
Total	100%

Eley Griffiths Group ratings

Rating Company	Rating
Morningstar March 2015	Silver 2 nd Highest Rating
Lonsec February 2015	Recommended 2 nd Highest Rating
Zenith March 2015	Recommended 2 nd Highest Rating

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