



Small Companies Fund

Monthly Report

August 2015

Portfolio Performance and Strategy

'Awful August' is how some have described the performance of equities for the month. Global markets fell between 5-12%, with the ASX200 having its worst month since October 2008, falling 8.6%. Sparking the precipitous fall was the surprise intervention by the People's Bank of China (PBoC) into currency markets, devaluing the Yuan by ~5% over a three day period. The move exacerbated fears around the health of the Chinese economy as well as future implications this may have on global growth. Elevated volatility in equity markets has remained a feature since. Despite these headwinds, the Eley Griffiths Group Smaller Companies Fund outperformed its benchmark by over 1% for August. Notably, the Small Ordinaries Index eclipsed the ASX100 by more than 3% as the banking sector continued its recent underperformance.

Unit Price as at 31 August 2015

Application	\$1.8449
Redemption	\$1.8354
Fund Size	\$399 million
No. of stocks in portfolio	55

August saw the return of the reporting season which was largely a side-show to the macro headlines. Results were, for the most part, 'as expected.' The better performers were typically 'unloved' names with low market expectations ie Pacific Brands and The Reject Shop or stocks exceeding guidance such as Medibank Private, Sirtex Medical and APN Outdoor. Well held names that disappointed with outlook statements were dealt with more severely. Our cash weighting finished the month at around 10.5% which we will seek to deploy as opportunities emerge.

Performance Statistics to 31 August 2015

	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
EGG Small Companies Fund	-3.86%	-6.75%	-1.02%	+9.00%	+6.85%
S&P/ASX Small Ordinaries Accumulation Index	-4.87%	-10.89%	-9.62%	+0.38%	-0.72%
Out performance	+1.01%	+4.14%	+8.60%	+8.62%	+7.57%

* Fund returns are calculated post fees.

Top 10 Stocks*

	Portfolio Weight
1 IRESS Limited	3.84%
2 InvoCare Limited	3.81%
3 Macquarie Atlas Roads Grp.	3.77%
4 Veda Group Limited	3.14%
5 Fletcher Building Limited	2.97%
6 Platinum Asset Management	2.85%
7 BT Investment Management	2.80%
8 iiNet Limited	2.73%
9 Mayne Pharma Group Ltd.	2.72%
10 Technology One Limited	2.63%
Top 10 Stocks	31.26%
Other Stocks	59.68%
Cash	9.06%
Total	100%

*For the Small Companies Fund as at 31st July 2015

Attribution

The portfolio was overweight 2 of the index's top 10 performing stocks (by index point contribution) being Sirtex Medical (+12.48%) and APN Outdoor Group (+19.42%). The portfolio was overweight 4 of the index's bottom 10 performing stocks (by index point contribution) being Veda Group (-14.69%), InvoCare (-14.14%), APN News & Media (-29.39%) and AWE (-26.19%).

Portfolio Changes

Additions: CSG (company review), Regis Resources (company review), SMS Management & Technology (company review) and Trade Me Group (company review).

Deletions: Independence Group (company review), iiNet (takeover) and Spotless Group (company review).

Market Sector Exposure*

	Fund %
Materials	9.4%
Energy	0.9%
Industrials	16.2%
Consumer Disc	17.8%
Healthcare	12.3%
Consumer Staples	0.0%
Financials	15.1%
Information Tech	6.5%
Telecoms	5.7%
Utilities	0.0%
Property Trusts	7.1%
Cash	9.1%
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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You should obtain and consider a copy of the product disclosure statement relating to the Eley Griffiths Group Small Companies Fund, before acquiring the financial product. You may obtain a product disclosure statement from your financial planner.

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