



# Small Companies Fund

## Monthly Report

### November 2015

#### Portfolio Performance and Strategy

It was a sense of déjà vu in November, as looming changes to global monetary policy settings continue to dominate headlines. Well established momentum trends prevailed during the month, as investors tentatively position ahead of three key dates in December, namely meetings of the ECB, OPEC and US Federal Reserve, that will shape the near term outlook. The EGG Small Companies Fund returned 2.14% after fees in November, outperforming both the Small Ordinaries Accumulation Index (+2.12%) and the ASX100 by 0.77% (+6.5% YTD). The snap-back rally in resource names from October was stopped in its tracks with energy (-13.6%) and materials (-8.1%) the worst performing sectors. Momentum names continue to outperform, with stocks that are perceived to be 'cum-upgrade', such as those in the health & wellness

#### Unit Price as at 30 November 2015

Application	\$2.0339
Redemption	\$2.0228

Fund Size	\$434 million
No. of stocks in portfolio	60

space (e.g vitamins, infant formula) and currency beneficiaries (eg. Healthcare, Agriculture, offshore fund managers) rallying irrespective of earnings multiples. The recently concluded AGM season was relatively benign, however those that missed expectations were dealt with severely; Ardent Leisure (-13%) and Billabong (-24%) among them. ECM issuance in November remained significant with A\$6.6bn in deals either executed or announced. IPOs remain an attractive source of new stock ideas and performance; your manager participated in the IPO's of PWR Holdings (+78%) and IDP Education (+29%) during the month. Our cash weighting finished the period at 7%.

#### Performance Statistics to 30 November 2015

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	10 Year % p.a.
<b>EGG Small Companies Fund</b>	2.14%	10.22%	17.71%	+7.04%	+7.66%
<b>S&amp;P/ASX Small Ordinaries Accumulation Index</b>	0.02%	6.56%	6.50%	-1.93%	+1.19%
<b>Out performance</b>	<b>2.12%</b>	<b>+3.66%</b>	<b>+11.21%</b>	<b>+8.97%</b>	<b>+6.47%</b>

\* Fund returns are calculated post fees.

## Top 10 Stocks\*

	Portfolio Weight
1 Macquarie Atlas Roads Grp	4.19%
2 Mantra Group Limited	3.86%
3 IRESS Limited	3.45%
4 Fletcher Building Limited	3.03%
5 Veda Group Limited	2.76%
6 Platinum Asset Management	2.69%
7 InvoCare Limited	2.62%
8 TPG Telecom Limited	2.52%
9 Apn Outdoor Group Limited	2.34%
10 BWP Trust	2.30%
<b>Top 10 Stocks</b>	<b>29.76%</b>
<b>Other Stocks</b>	<b>63.74%</b>
<b>Cash</b>	<b>6.50%</b>
<b>Total</b>	<b>100%</b>

\*For the Small Companies Fund as at 31<sup>st</sup> Oct 2015

## Attribution

The portfolio was overweight 3 of the index's top 10 performing stocks (by index point contribution) being BT Investment Management (+12.36%), Mayne Pharma (+25.37%) and Vocus Communications (+11.06%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Independence Group (-12.64%).

## Portfolio Changes

**Additions:** IDP Education (IPO), PWR Holdings (IPO) and Xero (company review).

**Deletions:** APN News & Media (company review).

## Market Sector Exposure\*

	Fund %
Materials	8.8%
Energy	0.0%
Industrials	17.7%
Consumer Disc	21.7%
Healthcare	13.3%
Consumer Staples	1.8%
Financials	13.2%
Information Tech	7.1%
Telecoms	4.0%
Utilities	0.0%
Property Trusts	5.9%
Cash	6.5%
<b>Total</b>	<b>100%</b>

## Eley Griffiths Group ratings

Rating Company	Rating
<b>Morningstar</b> March 2015	<b>Silver</b> 2 <sup>nd</sup> Highest Rating
<b>Lonsec</b> February 2015	<b>Recommended</b> 2 <sup>nd</sup> Highest Rating
<b>Zenith</b> March 2015	<b>Recommended</b> 2 <sup>nd</sup> Highest Rating

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