



Small Companies Fund

Monthly Report

March 2016

Portfolio Performance and Strategy

Two significant monetary policy signals by the Federal Reserve and ECB respectively, spurred a continuation of the rally in global equity markets during March. The Fed conveyed a dovish message in lowering the absolute level of the 'dot plot' (longer term interest rate target) by 0.5%, while ECB Chief Mario Draghi suggested an end is in sight to the 'whatever it takes' era across Europe. Both messages engineer the same outcome; a resetting of US\$ expectations lower. As such, the commodity currencies rallied strongly, including the A\$, up 4.9% in trade-weighted terms (and 7.6% against the US\$). This stall / unwind trade in the US\$ has had dramatic impact calendar year-to-date. Being the contrarian rather than following the herd has reaped dividends already. As market expectations for interest rate rises in the US have been

Unit Price as at 31 March 2016

Application	\$2.1140
Redemption	\$2.1025
Fund Size	\$410 million
# of stocks in portfolio	49

quashed from 4 to 2 (with the bias still dovish), it is hardly surprising that for the three months to March, the best performers are those that have either suffered most from the US\$ rise (Materials and Energy), or long duration assets that continue to benefit as the outlook for long term growth and inflation compress (REITs, Telcos and Utilities). Against this back drop, The Eley Griffiths Group Small Companies Fund fared relatively well. For the month, the Fund returned 4.19%, with gains broad-based. Small caps continued their period of outperformance, exceeding the ASX100 by 0.8% in March and 14.7% over the rolling twelve month period. Our cash weight remains conservative at ~9%.

Performance Statistics to 31 March 2016

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	10 Year % p.a.
EGG Small Companies Fund	4.19%	0.54%	9.33%	+6.41%	+6.61%
S&P/ASX Small Ordinaries Accumulation Index	5.47%	1.03%	3.72%	-2.08%	+0.33%
Outperformance	-1.27%	-0.48%	+5.61%	+8.49%	+6.28%

* Fund returns are calculated post fees.

Attribution*

Our best performing stocks for the month; Our biggest detractors for the month;

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Mayne Pharma Group 2. Medibank Private 3. Premier Investments | <ol style="list-style-type: none"> 1. AP Eagers Limited 2. Collins Foods Limited 3. CSV Limited |
|--|--|

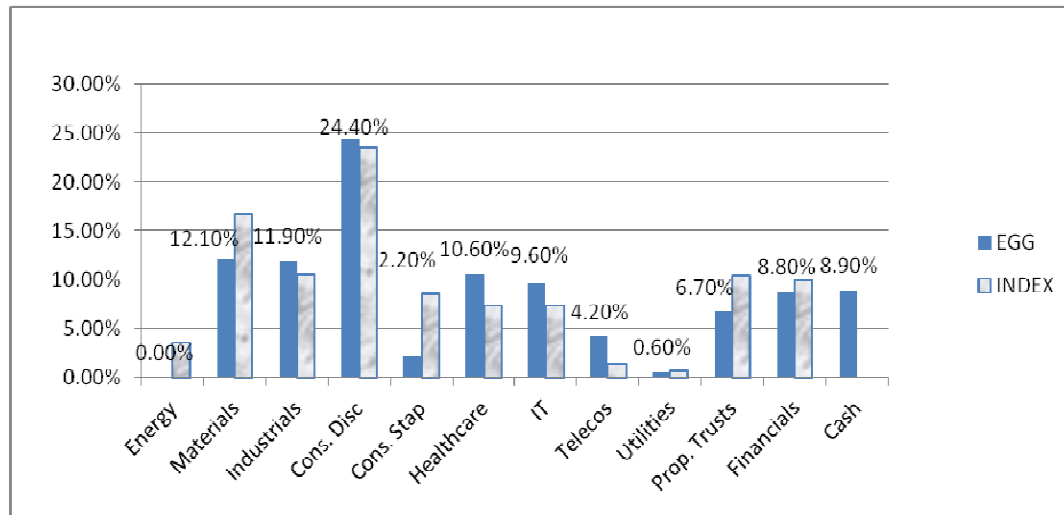
* In alphabetical order, as at 31 March

Top 10 Holdings*

Name	Industry
1. Astro Japan Property Group	REITs
2. APN Outdoor Group Limited	Consumer Discretionary
3. Eclixp Group Limited	Industrials
4. Fletcher Building Limited	Materials
5. IRESS Limited	Information Technology
6. Macquarie Atlas Roads Group	Industrials
7. Mantra Group Limited	Consumer Discretionary
8. Premier Investments Limited	Consumer Discretionary
9. Steadfast Group Limited	Financials
10. Trade Me Group Limited	Consumer Discretionary

* In alphabetical order, as at 31 March

Eley Griffiths Group Small Companies Fund by Sector



Eley Griffiths Group Ratings

Morningstar March 2015 Zenith February 2016	Silver 2 nd Highest Rating Recommended 2 nd Highest Rating	Lonsec February 2015	Recommended 2 nd Highest Rating http://eleygriffiths.com.au/news-reports/
--	---	--------------------------------	---

DISCLAIMER: For wholesale clients use only. Not for retail clients use or distribution. This document is issued by Eley Griffiths Group Pty Limited (ABN 66 102 271 812) (EGG) in relation to the Eley Griffiths Small Companies Fund (Fund). The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235 150 (Perpetual) is the Responsible Entity of, and issuer of units in the Fund, and EGG is the investment manager of the Fund. The information provided in this document is general information only and does not constitute investment or other advice. The content of this document does not constitute an offer or solicitation to subscribe for units in the Fund. EGG accepts no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. Any investment decision in connection with the Fund should only be made based on the information contained in the disclosure document for the Fund. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance. Neither EGG nor Perpetual guarantee repayment of capital or any particular rate of return from the Fund. Neither EGG nor Perpetual give any representation or warranty as to the reliability or accuracy of the information contained in this document. All opinions and estimates included in this document constitute judgments of EGG as at the date of this document are subject to change without notice.