



# Small Companies Fund Monthly Report

## April 2016

### Portfolio Performance and Strategy

Materials and Energy stocks outperformed in April, as fiscal and monetary stimulus in China combined with declining USD expectations (DXY depreciated 3.7%) fuelled a continuation of the rally that commenced in early February. The Small Companies Fund delivered a positive return for the month, but failed to keep pace with the 3.04% market move across the XSOAI. The fund benefitted from HanesBrands \$1.15 per share offer for Pacific Brands (better known as the owner of Bonds and Sheridan) and avoided big downgrades by Murray Goulburn (lowering milk price payments to its farmers and unitholders) and Nine Entertainment Co (loss of revenue share). But nil exposure to Energy stocks (+13.7%), a slight underweight to Materials (+12.6%) and conservative positioning more generally dragged on overall performance. Gold

### Unit Price as at 30 April 2016

<b>Application</b>	\$2.1294
<b>Redemption</b>	\$2.1177
<b>Fund Size</b>	\$411 million
<b># of stocks in portfolio</b>	58

(+4.9%) continued its ascent in April, for which we remain well positioned. Stocks exposed to Iron Ore (+23.2%) rallied strongly too, although it remains to be seen how sustainable this move is. Nevertheless, the sector is 'cum-upgrade' so long as the Iron Ore holds US\$50/t. Noteworthy also is the re-opening of the fund raising window at the junior end of the market, particularly for gold and lithium hopefuls. April marked the return of the IPO carnival for 2016. The successful debut of plumbing products manufacturer and distributor, Reliance Worldwide, (\$918m IPO, +18% on debut) is a positive sign for the market and augers well for ECM departments heading into May.

### Performance Statistics to 30 April 2016

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	10 Year % p.a.
<b>EGG Small Companies Fund</b>	0.72%	5.80%	9.46%	+7.04%	+6.40%
<b>S&amp;P/ASX Small Ordinaries Accumulation Index (XSOAI)</b>	3.04%	9.70%	5.12%	-0.97%	+0.53%
<b>Outperformance</b>	<b>-2.32%</b>	<b>-3.89%</b>	<b>+4.34%</b>	<b>+8.01%</b>	<b>+5.87%</b>

\* Fund returns are calculated post fees.

## Attribution\*

Our best performing stocks for the month;	Our biggest detractors for the month;
1. CSV Limited	1. IDP Education
2. Evolution Mining	2. Mantra Group
3. Fletcher Building	3. TPG Telecom

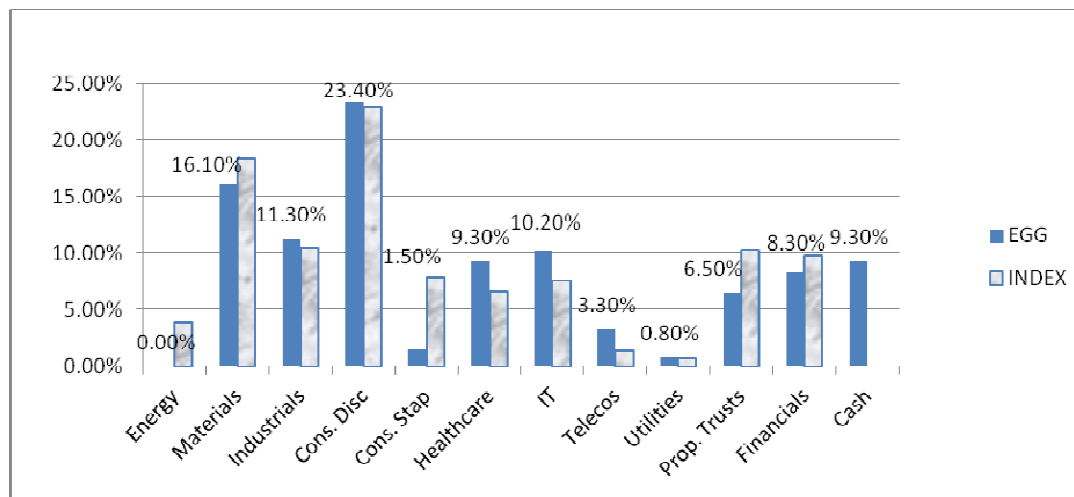
\* In alphabetical order, as at 30 April

## Top 10 Holdings\*

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

\* In alphabetical order, as at 30 April

## Eley Griffiths Group Small Companies Fund by Sector



## Eley Griffiths Group Ratings

<b>Morningstar</b> March 2015	<b>Silver</b> 2 <sup>nd</sup> Highest Rating	<b>Lonsec</b> January 2016	<b>Recommended</b> 2 <sup>nd</sup> Highest Rating
<b>Zenith</b> February 2016	<b>Recommended</b> 2 <sup>nd</sup> Highest Rating	<a href="http://eleygriffiths.com.au/news-reports/">http://eleygriffiths.com.au/news-reports/</a>	

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