



Small Companies Fund Monthly Report

June 2016

Portfolio Performance and Strategy

FY16 was a satisfying year for the Small Companies Fund, delivering a return of 23.21%. Looking back on the year, the XSOAI itself delivered you over 14% (against the ASX100 +0.67%), but it was very much a tale of two halves. Small Industrials outperformed Small Resources by 30% in the six months to December, only to be trumped (no pun intended) in the second half with Resources up 43% while Industrials could manage a meagre +1%. The rise and stall of the US dollar since the one (and only) Federal Reserve rate rise in December can largely explain the divergence across the two halves. The best way to play it has been via Gold. The sector, which accounts for ~10% of our benchmark and ~50% of the Resource index weight, has doubled calendar year-to-date and proven to be a distinguishing factor. Isn't hindsight a wonderful thing?! Turning to June, best performers for the

Unit Price as at 30 June 2016

Application	\$2.2704
Redemption	\$2.2580
Fund Size	\$445 million
# of stocks in portfolio	58

month included Mayne Pharma (+27%) post a significantly accretive ~\$900m generic product portfolio acquisition from Teva/Allegan; the largest forced divesture of its kind in US pharma history. A2 Milk (+20%) outperformed peers after upgrading FY16 guidance by ~13%. This was despite the impact of regulatory change in China over recent months which has clouded the growth outlook for the vitamins/infant formula sector. Gold again rose nearly 9% in June on 'Brexit' concerns and expectations that current 'dovish' global monetary policy settings will ensue. Our holdings in OceanaGold (+23%), Evolution Mining (+20%), Saracen Minerals (+28%) and Daican Gold (+56%) were significant beneficiaries.

Performance Statistics to 30 June 2016

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	10 Year % p.a.
EGG Small Companies Fund	-0.03%	+7.39%	+23.21%	+9.31%	+7.22%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	-1.31%	+5.85%	+14.40%	+1.00%	+1.10%
Outperformance	+1.28%	+1.54%	+8.81%	+8.31%	+6.12%

* 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 2. OceanaGold Corporation 3. Saracen Mineral Holdings | <ol style="list-style-type: none"> 1. CSG 2. HFA Holdings 3. IRESS |
|---|---|

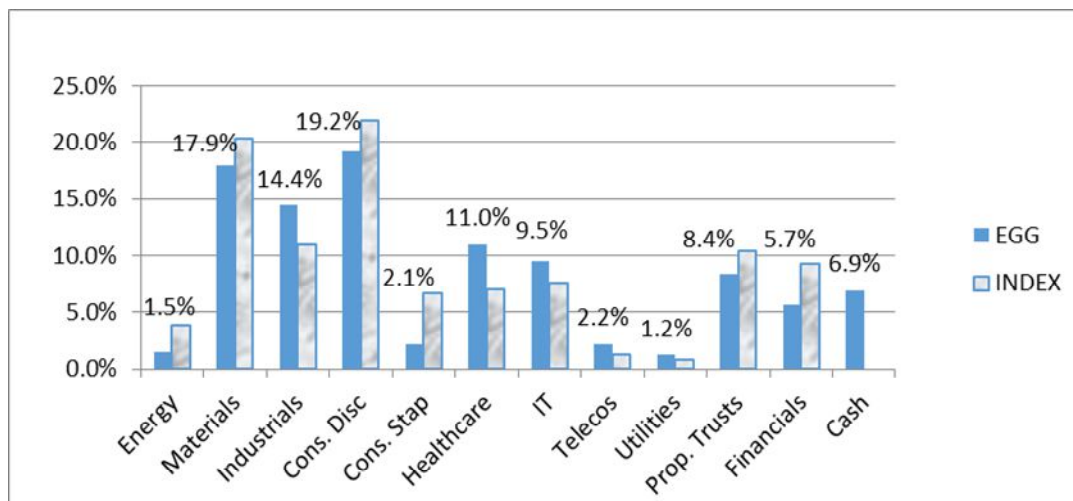
* In alphabetical order, as at 30 June

Top 10 Holdings*

Name	Industry
1. Auckland International Airport	Industrials
2. APN Outdoor Group	Consumer Discretionary
3. Burson Group	Consumer Discretionary
4. Evolution Mining	Materials
5. Fletcher Building	Materials
6. IRESS	Information Technology
7. Macquarie Atlas Roads Group	Industrials
8. Mayne Pharma	Healthcare
9. Steadfast Group	Financials
10. Trade Me Group	Consumer Discretionary

* In alphabetical order, as at 30 June

Eley Griffiths Group Small Companies Fund by Sector



Eley Griffiths Group Ratings

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

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