



Small Companies Fund

Monthly Report

August 2009

Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index in August rose 6.37%, continuing the up trend of the past five months. The Eley Griffiths Group Small Companies Fund outperformed the index by 1.97%. Small caps were just outpaced by large caps, with both benchmarks trading to levels not seen this past calendar year. The reporting season passed largely without incident with many companies “pre reporting” their results. The outcome was the majority of companies reporting in-line to slightly better than expected results. Investors in August remained focussed on increasing their exposure to sectors and stocks leveraged to the improving macro environment, both domestically and offshore. Cyclical and deeply depressed industrials were in demand with the Small Industrials Accumulation Index up 9.40%,

Unit Price as at 31 August 2009

Application	\$1.4778
Redemption	\$1.4661

Fund Size	\$399 million
No. of stocks in portfolio	50

while the Small Resources Accumulation Index consolidated its recent gains only adding 0.88%. Locally, housing prices and employment data were stronger than expected while consumer confidence reached its highest level since October 2007. The RBA kept rates on hold at 3.0% and have all but declared we have seen the lows in interest rates. Capital raisings were again the flavour of the month in August with large and small companies alike coming to the market to supplement needy balance sheets. Our cash levels closed August at around 5%. Liquidity remains a powerful driver of share prices at present and this seems likely to continue in the short-term.

Performance Statistics to 31 August 2009

	1 Month %	3 Month %	FYTD %	1 Year %	5 Year % p.a.
EGG Small Companies Fund	+8.34%	+18.79%	+17.04%	-4.09%	+13.46%
S&P/ASX Small Ordinaries Accumulation Index	+6.37%	+19.50%	+15.96%	-14.04%	+7.31%
Out performance	+1.97%	-0.71%	+1.08%	+9.95%	+6.15%

* Fund returns are calculated before fees are deducted.

Attribution

The portfolio was overweight 1 of the index's top 10 performing stocks (by index point contribution) being Seek (+26.29%).

The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being GWA International (-8.42%).

Top 10 Stocks*

	Portfolio Weight
1 Felix Resources Limited	4.17%
2 OM Holdings Limited	3.54%
3 Silex Systems Limited	3.43%
4 Adelaide Brighton Limited	3.33%
5 Crane Group Limited	3.29%
6 IRESS Market Technology	3.21%
7 GWA International Limited	3.19%
8 Panoramic Resources Ltd	3.15%
9 Whitehaven Coal Limited	3.10%
10 Equinox Minerals Limited	2.87%
Top 10 Stocks	33.07%

Other Stocks	61.01%
Cash	5.92%
Total	100%

*For the Small Companies Fund as at 31st July 2009.

Portfolio Changes

Additions: Coal & Allied (tactical), Sedgman (Stock review) and Ten Network (tactical).

Deletions: Nil.

Market Sector Exposure*

	Fund %
Materials	22.5%
Energy	11.4%
Industrials	26.7%
Consumer Disc	12.5%
Healthcare	6.0%
Consumer Staples	1.4%
Financials	6.0%
Information Tech	5.0%
Telecoms	2.6%
Utilities	0.0%
Property Trusts	0.0%
Cash	5.9%
Total	100%

Eley Griffiths Group ratings

Rating Company	Rating
Morningstar	Highly Recommended Highest Rating
Standard & Poor's	★★★★★ - 5 stars Highest Rating
Lonsec	Highly Recommended Highest Rating
Zenith	Highly Recommended Highest Rating
van Eyk	A rating Second Highest Rating

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