



Small Companies Fund

Monthly Report

March 2010

Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index in March rose 6.84%, reversing the negative trend established for the first two months of the New Year. News flow from global markets remained mixed in March but was generally supportive of the thesis that growth was beginning to resynchronise across world's economies. The S&P500 broke to levels last traded to in September 2008. Local investors continued to focus on the key result trends emerging from the February reporting season in the absence of any significant information flow emerging at the stock level. Stronger commodity prices, particularly across the bulks and the inception of quarterly Iron Ore price negotiations at BHP saw renewed interest in the Resources and Energy stocks. Coal was in favour again with further potential

Unit Price as at 31 March 2010

Application	\$1.6316
Redemption	\$1.6186
Fund Size	\$515million
No. of stocks in portfolio	48

consolidation in the sector with Peabody Energy bidding for MacArthur Coal at month's end. The RBA raised the cash rate by 0.25% in early April (as was expected) taking the cash rate to 4.25%. This was the 5th 0.25% increase in seven months. The economy expanded by 0.9% in March, with broad-based growth across the economy. Consumer sentiment remained strong despite four rate hikes by the RBA and house prices for the 12 months to January had increased by 11.8%. Our cash levels closed March at around 4.5%.

Performance Statistics to 31 March 2010

	1 Month %	3 Month %	FYTD %	1 Year %	5 Year % p.a.
EGG Small Companies Fund	+6.46%	-0.13%	+30.12%	+57.43%	+11.34%
S&P/ASX Small Ordinaries Accumulation Index	+6.84%	-1.57%	+25.76%	+58.06%	+5.84%
Out performance	-0.38%	+1.44%	+4.36%	-0.63%	+5.50%

* Fund returns are calculated before fees are deducted.

Attribution

The portfolio was overweight none of the index's top 10 performing stocks (by index point contribution). The portfolio was overweight 2 of the index's bottom 10 performing stocks (by index point contribution) being Platinum Asset Management (-8.77%) and Hastie Group (-13.11%).

Top 10 Stocks*

	Portfolio Weight
1 OM Holdings Limited	4.01%
2 Whitehaven Coal Limited	4.00%
3 Ausdrill Limited	3.55%
4 Equinox Minerals Limited	3.33%
5 Ramsay Health Care Limited	3.30%
6 GWA International Limited	3.29%
7 Andean Resources Limited	3.20%
8 SAI Global Limited	2.99%
9 Adelaide Brighton Limited	2.89%
10 IRESS Market Technology	2.80%
Top 10 Stocks	33.36%
Other Stocks	62.28%
Cash	4.36%
Total	100%

*For the Small Companies Fund as at 28th February 2010.

Deletions: Mirabela Nickel (tactical) and TAP Oil (company review).

Market Sector Exposure*

	Fund %
Materials	23.5%
Energy	8.7%
Industrials	23.3%
Consumer Disc	17.2%
Healthcare	6.5%
Consumer Staples	2.2%
Financials	7.8%
Information Tech	4.3%
Telecoms	2.1%
Utilities	0.0%
Property Trusts	0.0%
Cash	4.4%
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

Portfolio Changes

Additions: Nil

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