



Small Companies Fund

Monthly Report

April 2007

Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index traded to new highs in April finishing the month up +5.04%. The portfolio worked hard to stay with a strong market and posted a respectable +4.97% pre-fees.

The gains this month were made across the board with all sectors contributing. The Small Resources Index was particularly strong posting a 6.4% gain. A takeover offer for Gloucester Coal sent the market searching for the next target in the sector and with favourable price negotiations recently completed coal stocks remained well supported over for most of the month. Base metals posted strong gains in LME trading with Copper breaking out of a 12 month downtrend and Nickel rising above US\$50,000 a tonne. Nickel stocks experienced some spectacular moves with Independence Group a standout (+49%).

Unit Price as at 30 Apr. 2007

| | |
|----------------------------|---------------|
| Application | \$2.3947 |
| Redemption | \$2.3756 |
| Fund Size | \$378 million |
| No. of stocks in portfolio | 53 |

There are currently 7 Nickel stocks making up 5.1% of the Small Ordinaries Index.

The oil price continued to firm finishing the month at a high of US\$66.45/bbl and for the first time in some months the small oil stocks responded. M & A activity continued on trend with 5 deals announced in April. The AUD/USD exchange rate held steady at around 83 cents for most of the month even with the March quarter CPI figure suggesting a rate rise is now unlikely in the short-term. Cash levels remained at 5% which may drift higher if profit taking opportunities arise.

Performance Statistics to 30 April 2007

| | 1 Month % | 3 Month % | 1 Year % | 3 Year % p.a. |
|---|---------------|---------------|---------------|------------------|
| EGG Small Companies Fund | +4.97% | +11.17% | +33.83% | +37.27% |
| S&P/ASX Small Ordinaries Accumulation Index | +5.05% | +10.62% | +32.87% | +30.98% |
| Out performance | -0.08% | +0.55% | +0.96% | +6.29% |

* Fund returns are calculated before fees are deducted.

Attribution

The portfolio was overweight 3 of the index's top 10 performing stocks (by index point contribution) being **Kagara Zinc** (+21.44%), **Sally Malay Mining** (+36.04%) and **David Jones** (+2.23%).

The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being **Aquarius Platinum** (-7.36%).

Top 10 Stocks*

| | Portfolio Weight |
|-------------------------------|------------------|
| 1 IRESS Market Technology | 4.11% |
| 2 Ramsay Health Care Limited | 4.06% |
| 3 Coates Hire Limited | 3.49% |
| 4 Aquarius Platinum Limited | 3.27% |
| 5 Alesco Corporation Limited | 3.19% |
| 6 Australian Worldwide Expl. | 3.12% |
| 7 Cabcharge Australia Limited | 3.02% |
| 8 Adelaide Brighton Limited | 2.95% |
| 9 Silex Systems Limited | 2.77% |
| 10 Hastie Group Limited | 2.74% |
| Top 10 Stocks | 32.72% |
| Other Stocks | 59.26% |
| Cash | 8.02% |
| Total | 100% |

*For the Small Companies Fund as at 31st Mar 2007

Portfolio Changes

Additions: MacArthur Coal (Corporate Appeal), Felix Resources (Coal exposure), Aevum Limited (IPO).

Deletions: Transfield Limited (Valuation), Dyno Nobel (Removed from index).

Market Sector Exposure*

| | Fund % |
|------------------|--------|
| Materials | 13.1% |
| Energy | 8.0% |
| Industrials | 31.8% |
| Consumer Disc | 13.8% |
| Healthcare | 7.3% |
| Consumer Staples | 0.0% |
| Financials | 9.0% |
| Information Tech | 7.1% |
| Telecoms | 2.5% |
| Utilities | 0.0% |
| Property Trusts | 1.0% |
| Cash | 6.4% |
| Total | 100% |

Eley Griffiths Group ratings

| Rating Company | Rating |
|-------------------|--|
| Morningstar | Recommended Second Highest Rating |
| Standard & Poor's | ★★★★ - 'Strong' Second Highest Rating |
| Lonsec | Highly Recommended Highest Rating |
| Zenith | Highly Recommended Highest Rating |

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