



Small Companies Fund

Monthly Report

February 2009

Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index in February fell 6.70%, continuing the trend from the month of January. The Eley Griffiths Group Small Companies Fund outperformed the index by 5.80%.

February proved to be a difficult month for equities as continued negative data from home and abroad and further speculation of nationalising global financial institutions weighed heavily on the market. Reporting season concluded in February with analysts continuing to revise down FY09 earnings expectations on the back of an increasing number of downbeat earnings statements. Companies that met or bettered expectations enjoyed immediate support with those falling short heavily dealt with. The meltdown in small property stocks continued apace. Resource stock generally fared well with

Unit Price as at 28 February 2009

Application	\$0.9755
Redemption	\$0.9677
Fund Size	\$232 million
No. of stocks in portfolio	41

the small resources index +2.47% in February. Small gold stocks traded higher as did the coal bed methane counters. Companies continued to shore up their balance sheets (mainly in the large caps) with \$6billion being raised from the market, although some companies struggled to raise any capital from institutions (eg Fortescue and Ten Network). The small cap space received five takeover bids during the month of February. Cash levels closed February at around 12%, which in the wake of the reporting season will be reviewed by your manager in the coming month.

Performance Statistics to 28 February 2009

	1 Month %	3 Month %	FYTD %	1 Year %	5 Year % p.a.
EYG Small Companies Fund	-0.90%	-0.24%	-42.12%	-45.29%	+6.72%
S&P/ASX Small Ordinaries Accumulation Index	-6.70%	-7.35%	-48.44%	-53.14%	-0.56%
Out performance	+5.80%	+7.11%	+6.32%	+7.85%	+7.28%

* 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 JB Hi-Fi (+13.90%). The portfolio was overweight none of the index's bottom 10 performing stocks (by index point contribution).

Top 10 Stocks*

	Portfolio Weight
1 Ramsay Health Care Limited	3.87%
2 Cabcharge Australia Limited	3.40%
3 Silex Systems Limited	3.27%
4 Adelaide Brighton Limited	3.22%
5 Crane Group Limited	3.20%
6 InvoCare Limited	3.12%
7 Primary Health Care Limited	3.09%
8 IRESS Market Technology	2.96%
9 WHK Group Limited	2.93%
10 iiNet Limited	2.76%
Top 10 Stocks	31.82%
Other Stocks	56.01%
Cash	12.17%
Total	100%

*For the Small Companies Fund as at 31st January 2008.

Portfolio Changes

Additions: Nil.

Deletions: Aquarius Platinum (Platinum Price).

Market Sector Exposure*

	Fund %
Materials	17.0%
Energy	9.1%
Industrials	25.2%
Consumer Disc	15.9%
Healthcare	8.3%
Consumer Staples	0.0%
Financials	3.2%
Information Tech	6.3%
Telecoms	2.8%
Utilities	0.0%
Property Trusts	0.0%
Cash	12.2%
Total	100%

Eley Griffiths Group ratings

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

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You should obtain and consider a copy of the product disclosure statement relating to the Eley Griffiths Group Small Companies Fund, before acquiring the financial product. You may obtain a product disclosure statement from your financial planner.

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