



Small Companies Fund

Monthly Report

January 2009

Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index in January fell 4.65%, reversing the outcome from the month of December.

The Eley Griffiths Group Small Companies Fund outperformed the index by 0.32%.

The month of January started well with the "New Year rally" pushing the small index 4.6% higher on sluggish volumes. This proved short lived as investor focus moved back to the on going Global Financial Crisis following a fresh round of profit warnings and enhancements to government rescue packages for the UK and US banks. The defensive small caps performed well in an environment featuring earnings updates and capital raisings chiefly at the large cap end of the market. During January there was a rush to raise capital to shore up balance sheets and be the first to the well to secure funds before

Unit Price as at 31 January 2009

Application	\$0.9854
Redemption	\$0.9775

Fund Size	\$235 million
No. of stocks in portfolio	42

investors interest dries up. There was over \$3 billion raised from the market in late January and over \$4 billion pencilled in for early February. Economic data printed lower with building approvals and full time jobs decreasing. The RBA did not meet in January but met in early February delivering the expected 1.00% rate cut bringing the official cash rate to 3.25%. The Federal government at the time of writing had just unveiled a \$42billion fiscal package aimed at priming the economy. The RBA also reduced cash rates by 1.0% to 3.25%. The A\$ finished January below US\$0.64 well down from the start of the month were it was trading in excess of US\$0.70. The reporting season is

Performance Statistics to 31 January 2009

	1 Month %	3 Month %	FYTD %	1 Year %	5 Year % p.a.
EGG Small Companies Fund	-4.33%	-12.42%	-41.60%	-40.88%	+7.02%
S&P/ASX Small Ordinaries Accumulation Index	-4.65%	-10.23%	-44.74%	-47.86%	+1.20%
Out performance	+0.32%	-2.19%	+3.14%	+6.98%	+5.82%

* Fund returns are calculated before fees are deducted.

currently underway and this is an important opportunity for portfolio managers to review their current holdings. Cash levels closed December at around 12%, which will be reviewed by your manager in the coming month.

Attribution

The portfolio was overweight 1 of the index's top 10 performing stocks (by index point contribution) being Silex Systems (+22.95%). The portfolio was overweight 2 of the index's bottom 10 performing stocks (by index point contribution) being Felix Resources (-21.59%) and GWA International (-17.59%).

Top 10 Stocks*

	Portfolio Weight
1 MYOB Limited	3.61%
2 Adelaide Brighton Limited	3.47%
3 Ramsay Health Care Limited	3.46%
4 Crane Group Limited	3.29%
5 Programmed Maintenance	3.26%
6 InvoCare Limited	3.22%
7 Cabcharge Australia Limited	3.11%
8 WHK Group Limited	3.05%
9 Primary Health Care Limited	3.03%
10 Hastie Group Limited	2.83%
Top 10 Stocks	32.33%
Other Stocks	56.04%
Cash	11.63%
Total	100%

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

Portfolio Changes

Additions: Nil.

Deletions: Flight Centre (valuation), MYOB (takeover) and Oakton (company review).

Market Sector Exposure*

	Fund %
Materials	15.5%
Energy	9.0%
Industrials	25.0%
Consumer Disc	15.0%
Healthcare	8.2%
Consumer Staples	0.0%
Financials	3.4%
Information Tech	9.8%
Telecoms	2.5%
Utilities	0.0%
Property Trusts	0.0%
Cash	11.6%
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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