



Small Companies Fund

Monthly Report

July 2009

Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index in July rose 9.02%, continuing the up trend of the past four months. The Eley Griffiths Group Small Companies Fund

underperformed the index by 0.99%. Small caps outpaced large caps, with the benchmark trading to levels not seen since early October 2008. The biannual "confession (profit warning) season" passed largely without incident. Investors remain focussed on increasing their exposure to sectors and stocks leveraged to the improving macro environment, both domestically and offshore. Forecasts for Chinese growth and commodity prices in particular continued to increase providing a favourable backdrop for Resources.

Local economic data in July continued to surprise investors on the upside. Retail sales, consumer sentiment and

Unit Price as at 31 July 2009

Application	\$1.3654
Redemption	\$1.3545
Fund Size	\$359 million
No. of stocks in portfolio	47

employment data were stronger than expected. While building approvals declined, the housing finance data remained strong suggesting an improvement in housing activity is still expected later in the year. The RBA kept rates on hold at 3.0% and indicated the potential for further rate cuts is diminishing due to a decline in global risks. Capital raisings were again prevalent in July with large and small companies alike coming to the market. Our cash levels closed July at around 6%. Your manager remains alert to opportunities that might arise from the pending reporting season.

Performance Statistics to 31 July 2009

	1 Month %	3 Month %	FYTD %	1 Year %	5 Year % p.a.
EKG Small Companies Fund	+8.03%	+20.46%	+8.03%	-9.74%	+12.49%
S&P/ASX Small Ordinaries Accumulation Index	+9.02%	+20.71%	+9.02%	-17.62%	+6.37%
Out performance	-0.99%	-0.25%	-0.99%	+7.88%	+6.12%

* Fund returns are calculated before fees are deducted.

Attribution

The portfolio was overweight 2 of the index's top 10 performing stocks (by index point contribution) being Felix Resources (+26.06%) and GWA International (+23.91%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Ramsay Healthcare (-9.01%).

Top 10 Stocks*

	Portfolio Weight
1 Felix Resources Limited	4.17%
2 Equinox Minerals Limited	3.54%
3 Silex Systems Limited	3.43%
4 IRESS Market Technology	3.33%
5 Crane Group Limited	3.29%
6 OM Holdings Limited	3.21%
7 Whitehaven Coal Limited	3.19%
8 Ramsay Health Care Limited	3.15%
9 Adelaide Brighton Limited	3.10%
10 InvoCare Limited	2.87%
Top 10 Stocks	33.28%
Other Stocks	60.86%
Cash	5.86%
Total	100%

*For the Small Companies Fund as at 30th June 2009.

Portfolio Changes

Additions: Macquarie Leisure (tactical) and ResMed Inc (tactical).

Deletions: Macmahon Holdings (stock review), Nufarm (stock review) and Sino Gold (Index removal).

Market Sector Exposure*

	Fund %
Materials	23.3%
Energy	12.1%
Industrials	25.8%
Consumer Disc	12.5%
Healthcare	6.0%
Consumer Staples	0.5%
Financials	5.4%
Information Tech	5.6%
Telecoms	2.9%
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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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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