



Small Companies Fund

Monthly Report

June 2009

Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index in June rose 3.05%, continuing the up trend of the past three months. The Eley Griffiths Group Small Companies Fund underperformed the index by 1.55%. Interestingly, June was the first month since February that big caps outperformed small caps. The month saw negative news from the World Bank who downgraded its forecasts for the global economy to contract at 2.9% (down from -1.7%), which weighed heavily on global markets and commodities. Not surprising that the Small Resources Accumulation Index was down 0.03%, while the Small Industrial Accumulation Index powered to finish up 4.99%. REIT's and property related stocks bounced hard as traders rotated into the "next logical sector due a bounce". Domestic news tended more positive with

Unit Price as at 30 June 2009

Application	\$1.3080
Redemption	\$1.2976

Fund Size	\$330 million
No. of stocks in portfolio	50

improvements in new motor vehicle sales and building approvals exceeding market expectations. Consumer sentiment continued to improve and was up 12.7% for CY09, the largest single monthly rise on record. These factors influenced the RBA to leave rates on hold at 3%, while unemployment was unchanged at 5.7%. Capital raisings were again prevalent in June with large and small companies alike coming to the market, there were over 10 small companies who raised money in June alone. That takes the 2009 capital raisings to \$45B with FY2009 at \$77B. The micro cap space received four takeover bids during the month of June. Our cash levels closed June at around

Performance Statistics to 30 June 2009

	1 Month %	3 Month %	FYTD %	1 Year %	5 Year % p.a.
EGG Small Companies Fund	+1.50%	+20.99%	-22.10%	-22.10%	+11.86%
S&P/ASX Small Ordinaries Accumulation Index	+3.05%	+25.69%	-28.58%	-28.58%	+5.58%
Out performance	-1.55%	-4.70%	+6.48%	+6.48%	+6.28%

* Fund returns are calculated before fees are deducted.

6%, which remain under review by your manager through out the month of July.

Attribution

The portfolio was overweight 3 of the index's top 10 performing stocks (by index point contribution) being Felix Resources (+19.93%), Monadelphous Group (+19.00%) and Western Areas (+23.69%).

The portfolio was overweight 2 of the index's bottom 10 performing stocks (by index point contribution) being Sino Gold Mining (-20.55%) and Cabcharge Australia (-18.35%).

Top 10 Stocks*

	Portfolio Weight
1 Silex Systems Limited	3.61%
2 Equinox Minerals Limited	3.56%
3 Felix Resources Limited	3.36%
4 IRESS Market Technology	3.14%
5 iiNet Limited	3.06%
6 Adelaide Brighton Limited	3.05%
7 Crane Group Limited	3.04%
8 Cabcharge Australia Limited	2.98%
9 Ramsay Health Care Limited	2.91%
10 Panoramic Resources Ltd	2.83%
Top 10 Stocks	31.54%
Other Stocks	63.16%
Cash	5.30%
Total	100%

*For the Small Companies Fund as at 31st May 2009.

Portfolio Changes

Additions: Mirabela Nickel (tactical) and Pan Pacific Petroleum (tactical).

Deletions: Alliance Resources (tactical) and Aquarius Platinum (Index removal).

Market Sector Exposure*

	Fund %
Materials	23.7%
Energy	10.7%
Industrials	26.5%
Consumer Disc	13.4%
Healthcare	6.0%
Consumer Staples	0.1%
Financials	5.1%
Information Tech	6.1%
Telecoms	3.1%
Utilities	0.0%
Property Trusts	0.0%
Cash	5.3%
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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