



# Small Companies Fund

## Monthly Report

### March 2009

#### Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index in March rose 10.21%, bucking the trend and its second best month ever. The Eley Griffiths Group Small Companies Fund outperformed the index by 1.04%.

Interestingly, small caps outperformed big caps by 2.28%. March proved to be a positive month for equities investors as sentiment improved and the long awaited bounce occurred. This result came despite further negative economic news with GDP for the December quarter down 0.5% confirming our economy is in recession and the unemployment rate increasing from 4.8% to 5.2%. However, risk appetite returned to the markets in March with investors globally pushing most benchmarks higher. Closer to home small property related stocks enjoyed a partial reversal of their recent meltdown,

#### Unit Price as at 31 March 2009

Application	\$1.0810
Redemption	\$1.0724

Fund Size	\$259 million
No. of stocks in portfolio	43

bouncing hard from depressed lows.

Resource stocks generally enjoyed a strong bounce although the golds sold off as investors traded the exposure for other equity sectors. The small resources index rallied 12.4% in March outpacing the small industrials up 7.5%. This was also consistent with an improved appetite for risk. The small cap space received no takeover bids during the March, but the rebound afforded the opportunity for \$400m of capital to be raised in the sector. Our cash levels closed March at around 8%, which was reduced significantly during the month as we feel this rebound may have some legs to it.

#### Performance Statistics to 31 March 2009

	1 Month %	3 Month %	FYTD %	1 Year %	5 Year % p.a.
EYG Small Companies Fund	+11.25%	+5.47%	-35.61%	-36.51%	+9.06%
S&P/ASX Small Ordinaries Accumulation Index	+10.21%	-1.96%	-43.18%	-45.77%	+1.15%
Out performance	<b>+1.04%</b>	<b>+7.43%</b>	<b>+7.57%</b>	<b>+9.26%</b>	<b>+7.91%</b>

\* 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 Felix Resources (+28.30%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being Austar (-15.95%).

## Top 10 Stocks\*

	Portfolio Weight
1 Ramsay Health Care Limited	3.92%
2 Silex Systems Limited	3.25%
3 WHK Group Limited	3.21%
4 InvoCare Limited	3.20%
5 Cabcharge Australia Limited	3.20%
6 Adelaide Brighton Limited	3.16%
7 IRESS Market Technology	3.15%
8 Crane Group Limited	2.90%
9 Primary Health Care Limited	2.86%
10 iiNet Limited	2.78%
<b>Top 10 Stocks</b>	<b>31.82%</b>
<b>Other Stocks</b>	<b>55.92%</b>
<b>Cash</b>	<b>12.26%</b>
<b>Total</b>	<b>100%</b>

\*For the Small Companies Fund as at 28<sup>th</sup> February 2009.

## Portfolio Changes

**Additions:** Aquarius Platinum (Outlook) and Peet (Valuation).

**Deletions:** Nil.

## Market Sector Exposure\*

	Fund %
Materials	17.7%
Energy	8.5%
Industrials	23.5%
Consumer Disc	17.5%
Healthcare	7.9%
Consumer Staples	0.0%
Financials	3.5%
Information Tech	6.3%
Telecoms	2.8%
Utilities	0.0%
Property Trusts	0.0%
Cash	12.3%
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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