



Small Companies Fund

Monthly Report

November 2007

Portfolio Performance and Strategy

The Small Ordinaries Accumulation Index closed down 3.77% in November reversing the positive start of the September quarter. The portfolio was down 1.82%% pre-fees outperforming by 1.95%. November saw the US Sub Prime issue dominate headlines again after write-off's continued from the US mortgage lenders. The US Federal Reserve tried to ease tension by cutting rates by 0.25% to 4.50% at their end October meeting. The Reserve Bank of Australia showed their independence by raising interest rates by 0.25% for the first time during an election campaign, in which Australia now has a Labor Federal government for the first time in over 11 years. Resources as a whole were beneficiaries of a global asset allocation shift out of financials with BHP Billiton's

Unit Price as at 30 November 2007

Application	\$2.1438
Redemption	\$2.1267
Fund Size	\$486 million
No. of stocks in portfolio	54

bid for Rio Tinto underpinning the long term growth outlook for commodities, although this did not follow through to the small resource companies where profit taking was evident across many of the heat counters. During the month both the Oil and Gold prices reached new highs with Oil breaking through the \$100 per barrel price which underpinned energy stocks. Volatility in the market was alive and well. Out of 22 trading days in November, 15 saw the index move more than 1% in either direction. The manager continues to be cautious looking forward

Performance Statistics to 30 November 2007

	1 Month %	3 Month %	1 Year %	3 Year % p.a.
EGG Small Companies Fund	-1.82%	+7.64%	+25.45%	+27.77%
S&P/ASX Small Ordinaries Accumulation Index	-3.77%	+6.02%	+24.80%	+24.25%
Out performance	+1.95%	+1.62%	+0.65%	+3.49%

* Fund returns are calculated before fees are deducted.

and as such has a cash weighting of around 7% of FUM.

Attribution

The portfolio was overweight 3 of the index's top 10 performing stocks (by index point contribution) being **Nufarm** (7.95%), **Flight Centre** (20.32%) and **Australian Worldwide Exploration** (12.67%). The portfolio was overweight 1 of the index's bottom 10 performing stocks (by index point contribution) being **Henderson Global** (-18.16%).

Top 10 Stocks*

	Portfolio Weight
1 Hastie Group Limited	3.43%
2 Aquarius Platinum Limited	3.32%
3 Cabcharge Australia Limited	3.13%
4 Coates Hire Limited	3.08%
5 Kagara Zinc Limited	3.02%
6 Boom Logistics Limited	3.01%
7 Australian Worldwide Expl.	2.92%
8 Ramsay Health Care Limited	2.92%
9 IRESS Market Technology Ltd	2.72%
10 Henderson Group PLC	2.59%
Top 10 Stocks	30.14%
Other Stocks	64.44%
Cash	5.42%
Total	100%

*For the Small Companies Fund as at 31st October 2007.

Portfolio Changes

Additions: Bendigo Bank (Takeover), Cooper Energy (IPO) and Integra Mining (IPO).

Deletions: Adelaide Bank (Takeover), Austal (order delays), Anzon Australia (valuation) and Fletcher Building (currency downgrade).

Market Sector Exposure*

	Fund %
Materials	18.9%
Energy	8.0%
Industrials	32.5%
Consumer Disc	9.9%
Healthcare	6.3%
Consumer Staples	0.0%
Financials	11.3%
Information Tech	6.9%
Telecoms	0.0%
Utilities	0.8%
Property Trusts	0.0%
Cash	5.4%
Total	100%

Eley Griffiths Group ratings

Rating Company	Rating
Morningstar	Recommended Second Highest Rating
Standard & Poor's	★★★★ - 'Strong' Second Highest Rating
Lonsec	Highly Recommended Highest Rating
Zenith	Highly Recommended Highest Rating

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