

The Fund outperformed the market by more than 3% as the Australian market produced a terrible earnings report month with the ASX300 falling 7.7%, its worst one month performance since October 2008. Good performances from some of our larger holdings, in particular Smartgroup, were the main reason for the better performance.

Banks were the poorest performers with the sector down 11.7% as capital requirements and fear of cuts to their dividends became the latest concerns of market commentators. There were losses across all sectors of the market with Utilities and Consumer Discretionary faring best with losses of 0.4% and 3.9% respectively.

Global markets were also down during the month with the MSCI falling 6.1% and most notably the Shanghai Index down 12.5% for the month, despite the Chinese government doing their best to prop up the market via monetary policy. The US market was also down 6.3% but this was somewhat offset for local investors by a weaker currency which has now fallen below 70c.

Adding to the global fall in markets, reporting season wound down in Australia, in which many companies disappointed the market either with their results or their outlook statements. Contrary to this sentiment, one of our recent additions to the portfolio, Smartgroup, released its half-year results and they were outstanding with revenue up 29%, earnings up 47% and pleasingly, the company also added 10% in client numbers. Understanding the industry through our prior investment in McMillan Shakespeare, we purchased the shares because they represented extremely good value, despite the regulatory risk that does surround the industry. But the company has also produced good growth numbers to be one of our better performers this year. The shares rose 22% during the month and have continued to rise since month end, with rumours that AP Eagers are interested in the company and have bought a stake. Other companies in the portfolio to report excellent results included Beacon Lighting, Reece and AP Eagers.

Overall, the Fund experienced a relatively good reporting season with only a couple of disappointing results that caused us to change our view of the company. Chief among these were Computershare, which we sold on the back of a disappointing result and subdued outlook for the business.

We also managed to find two new attractive investments for the Fund, which we believe will provide attractive returns for unitholders.

Performance 31-August-15	Ganes	All Ord Index
1 Month	-4.13%	-7.30%
3 Month	-7.74%	-8.59%
6 Month	-6.53%	-9.44%
1 Year	-1.35%	-2.98%
2 Year (p.a.)	3.53%	5.37%
3 Year (p.a.)	8.36%	11.01%
5 Year (p.a.)	9.39%	7.87%
Since Inception (p.a.)*	6.86%	5.74%
NAV Unit Price (\$)	1.3796	
Fund Assets (\$ million)	29.16	

* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	
Cash	14.85%
Flight Centre	6.85%
Magellan Flagship Fund Ltd	6.22%
ARB Corporation Limited	5.67%
Austbrokers Holding Limited	5.30%
Sonic Healthcare Limited	4.04%
Templeton Global Growth Fund	4.00%
Adelaide Brighton Limited	3.92%
Cochlear Limited	3.37%
Isentia Group Limited	3.30%
Other holdings	42.48%
Total	100.00%

Important Information: This report is provided for investors in the Funds. While all care has been taken in the preparation of this report (using sources believed to be reliable and accurate), Macro Capital Limited, its officers, employees, agents and associated entities accept no responsibility for and will not be liable in respect of any loss or damage suffered by any person in connection with this other than under law which cannot be excluded. You should seek your own financial and taxation advice before dealing with your investment. This report has been prepared without taking into account your investment objectives, financial situation or particular needs. Before investing, or retaining an investment, in any of the Funds you should read the relevant PDS and consider whether the Fund is appropriate having regard to those matters. A copy of the PDS is available at www.macrofunds.com.au. Remember, past performance should not be taken as indication of future performance.