

MACRO CAPITAL LIMITED
 ABN 14 145 321 928 | AFSL: 392401

 GANES INVESTMENT MANAGEMENT PTY LTD
 ABN 86 113 032 741 | AFSL 287598

Local markets finished slightly down for the month caused largely by commodity prices continuing to fall on concerns of a slowing Chinese economy and the price of oil falling particularly heavily. Investors in the energy and materials sectors through companies like BHP, RIO and Santos are now experiencing losses of more than 20% for the past year and look to have little to get excited about in the short-term.

The Australian dollar experienced some strength during the month but overall the falling dollar continues to assist in providing attractive returns for overseas investments that are unhedged. This is highlighted in the **Magellan Flagship Fund** NTA, one of our largest holdings, that has risen nearly 19% in the past year; despite a largely flat US market over the same period.

Pleasingly for us, smaller companies have begun to out-perform the market again and this can be seen in the relative performance of the Fund which has outperformed the market by 3% in November and 4.3% over the past year.

AGM season continued in November generating both positive and negative surprises, as companies provided guidance for the year ahead.

Flight Centre held its AGM on the 11th of the month, just 2 days prior to the tragic Paris attacks. The company reiterated growth prospects of 4% - 8% for 2016 and is on track so far to achieve this, although understandably following the increasing terrorism activity around the globe, it would appear the markets are more nervous and the share prices was down 5% for the month. The company highlighted that a \$20,000 investment in the company's shares has turned into \$1m over the past 20 years.

ISENTIA, another large holding, also held its AGM during the month and provided an upbeat outlook, announcing that it expects single digit growth in revenue for 2016 but mid-teens growth in profits. This is a high quality business that we have added to the portfolio over the past six months and has performed very well. The shares increased 7% for the month and have risen nearly 30% since purchase.

Not so positively, **Austbrokers** held its AGM during the month and unfortunately, there is just no escaping the headwinds of an over-capitalised and competitive insurance market. With little or no insurance premium growth likely for a while, it could be a number of years before Austbrokers returns to the halcyon days of solid double-digit profit increases. The company offered guidance for 5% profit growth on 2015 for next year, much lower than previous years but probably as much as shareholders can hope for in the current environment. The market is somewhat skeptical and the shares fell 8% during the month.

Performance 30-November-15	Ganes	All Ord Index
1 Month	2.42%	-0.69%
3 Month	6.37%	1.27%
6 Month	-1.86%	-7.43%
1 Year	7.32%	3.05%
2 Year (p.a.)	4.98%	3.52%
3 Year (p.a.)	9.36%	9.53%
5 Year (p.a.)	9.03%	6.78%
Since Inception (p.a.)*	7.35%	5.73%
NAV Unit Price (\$)	1.4597	
Fund Assets (\$ million)	29.60	

* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	
Magellan Flagship Fund Ltd	6.95%
ARB Corporation Limited	6.92%
Flight Centre	5.04%
Austbrokers Holding Limited	4.99%
Cash	4.86%
PM Capital Global Opportunities	4.50%
Smart Group Corporation	4.36%
Beacon Lighting Group	4.14%
ISENTIA Group Limited	4.12%
Templeton Global Growth Fund	3.95%
Other holdings	50.17%
Total	100.00%

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We have made some minor portfolio adjustments following profit reporting season and the Fund is now fully invested in a range of companies we anticipate, can grow profits and deliver solid returns for investors.

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