

October was a very strong month with the market rising more than 4% and many companies hitting 52-week highs. Global markets also had their best month since February even with the spectre of the 30 year anniversary of the 1987 crash - a regular feature of the financial press.

The smaller end of the Australian market has rallied strongly in recent months and assisted the Fund with out-performing the broader market. The 1 year return for the Fund of 21.2% is more than 5% above the All Ordinaries Accumulation Index.

October sees a large number of listed companies hold their Annual General Meeting, and is therefore a month where material share price movements are often the result of the Chairman or CEO providing trading updates for the first few months of the new financial year and/or profit guidance for the upcoming half or full year. A number of companies amongst the Funds largest holdings held their AGM in October and we highlight these below.

MFF Capital Investments, one of our largest holdings, held their AGM during the month and the investment manager highlighted the strong US equity market performance over the past decade and MFF has been the beneficiary of these gains. In recent months the share price has been flat, as the company had the NTA weighed down as 500 million options were due to expire at the end of October. We exercised our options increasing our holding to 9% of the portfolio and our second largest holding.

The investment manager, Chris Mackay, reiterated his desire to own quality businesses and reported that Visa, Mastercard and Home Depot remain the largest holdings in the fund.

PWR Holdings rose nearly 10% for the month as it also reiterated at its AGM that organic growth had continued in the first quarter and the company continues to see many opportunities to grow the business in the coming years, particularly on the back of its domination in the F1 industry and potential in the emerging technology space.

Cochlear rose 10% during the month, as it also held its AGM and re-confirmed guidance of growth in profits to \$240m - \$250m for FY18 and the roll-out of its new processor had started in September. These were all previously known but the market appears to have liked being told again.

On the negative side, **Beacon Lighting** held their AGM and despite announcing they had opened 4 new stores, with sales growth making an encouraging start to FY2018 and the company likely to report record sales and profits this year, the price fell 4% during the month.

Performance 31-October-17	Ganes	All Ord Index
1 Month	5.14%	4.06%
3 Month	12.47%	4.94%
6 Month	13.55%	2.71%
1 Year	21.20%	15.45%
2 Year (p.a.)	14.92%	10.96%
3 Year (p.a.)	10.83%	7.34%
5 Year (p.a.)	11.16%	10.31%
10 Year (p.a.)	6.37%	3.11%
Since Inception (p.a.)*	8.42%	6.69%
NAV Unit Price (\$)	1.7602	
Fund Assets (\$ million)	28.06	

* Inception date of Fund 18/11/2005

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