

GANES VALUE GROWTH FUND

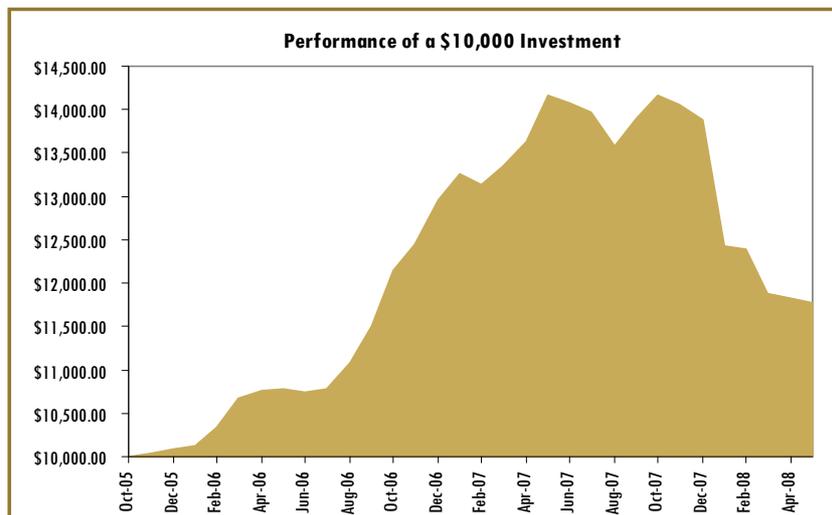
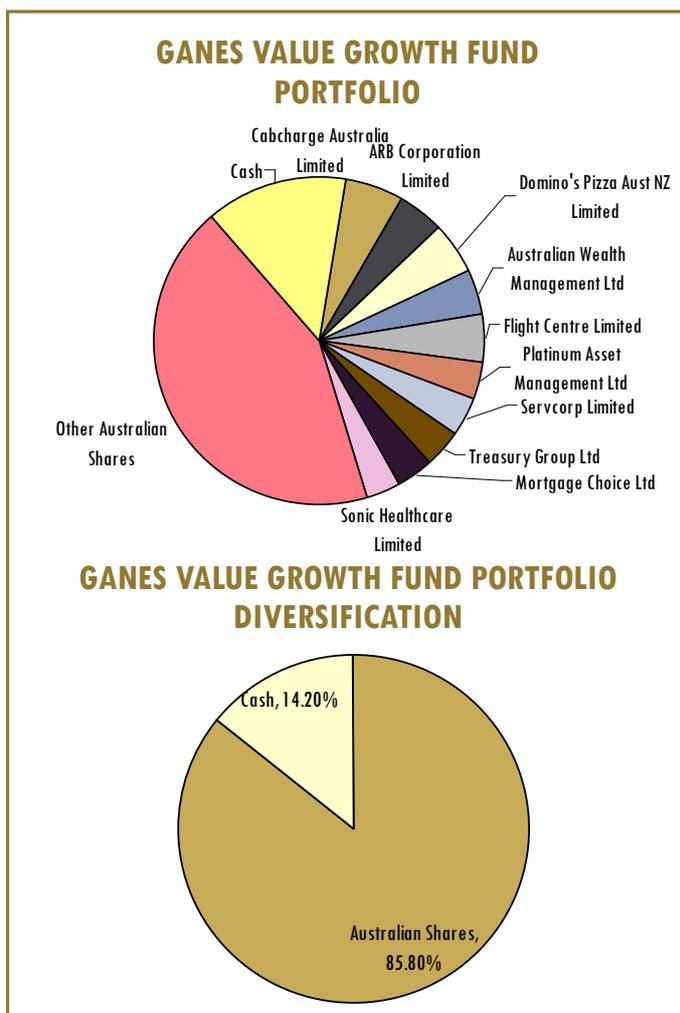
The Fund recorded a small negative performance for May of -0.48% . The portfolio still remains largely unchanged from the previous month with performance for the month enhanced by Domino's Pizza (+6.6%), ARB Corporation (+6.4%) and Computershare (+6.5%), offset by falls in Flight Centre (-12.7%), Sonic Healthcare (-5.5%) and Australian Wealth Management (-4.5%).

The large fall in Flight Centre was surprising given the lack of news, but indicative of market sentiment towards companies with exposure to consumer discretionary spending in the face of rising interest rates and oil prices. Flight Centre should record a strong result for 2008, however many retailers are struggling in the current environment. Flight Centre shares have now fallen over 40% since the start of the year and have been one of the main contributors to our negative performance over this period.

Despite the strong Australian dollar, a weak US economy, and staff shortages ARB Corporation confirmed during the month it was on track for another record year. We also spoke to Don Meij, MD of Domino's during the month and the European business continues to perform well, and ahead of expectations. However there was little joy for investors in small industrial companies as market sentiment continues to favour resource related companies. A number of these companies with no profits, sometimes unproven technology or uncertain reserves, and untested management have risen strongly in recent months on the back of soaring commodity prices with coal and iron-ore the current favourites.

We remain sceptical of the long-term merits of chasing short-term performance in these types of businesses. We believe that buying profitable, stable businesses with proven management will lead to above average long-term investment results even if the short-term results may be disappointing, such as we are currently experiencing.

Market commentators, and companies themselves, are suggesting that the discretionary spending of Australians is slowing so we are approaching the reporting season with a degree of caution and a good amount of cash (about 15% of the portfolio) so as to be able to take full advantage of the opportunities that are bound to appear.



Performance Summary	Ganes Value Growth Fund	UBS Bank Bill Index
Since Inception p.a. (18/11/05)	6.74%	n/a
1 Year	-16.76%	7.22%
2 Years p.a.	4.62%	6.80%
1 Month	-0.48%	0.66%
Profitable Months	63.33%	100.00%
Distribution for quarter	\$0.0000	n/a
Fund Assets (million)	\$32.16	n/a
Application Unit Price	1.1535	n/a
Withdrawal Unit Price	1.1472	n/a
Net Asset Value Unit Price	1.1503	n/a

GANES VALUE GROWTH FUND

The Ganes Value Growth Fund provides investors with exposure to a unique portfolio of Australian listed companies that will provide growth and income to investors over the longer-term. It is their meticulous approach to studying companies while taking into account the macro-level drivers of Australian business that make Ganes such a capable investment firm.

Ganes investment methodology comprises both quantitative and qualitative analysis commonly called fundamental analysis. This research process ensures that financial ratios and measures are used to demonstrate that the company produces superior returns, while also making experienced judgements about the underlying strength of the business and the talent of its management team.

The team at Ganes often refer to the following quote as an insight into their investment strategy:

"If you are a prudent investor or sensible businessman, will you let Mr. Market's daily communication determine your view of a \$1000 interest in the enterprise? Only in case you agree with him or want to trade with him. You may be happy to sell out to him when he quotes you a ridiculously high price, and equally happy to buy from him when his price is low. But the rest of the time you will be wiser to form your own ideas of the value of your holdings, based on full reports from the company about its operations and financial position." - (extract from *The Intelligent Investor* by legendary investor Ben Graham)

The Ganes Investment Philosophy distills down to paying a reasonable price for a growing quality business, and therefore is a process based on individual stock selection to generate superior returns. A 'typical' investment in the portfolio is a profitable, growing business with an easily understood business model that can be purchased at a price that will deliver, in the opinion of Ganes, a superior return over the medium to long term.

With an attractive investment opportunity identified, Ganes will allocate 1 to 2 percent of the fund's assets to an initial purchase, then over time build a larger stake in the business as comfort levels increase with the business and its management. Holdings will be added to, reduced, or sold entirely as changes in the underlying economics of the business, market pricing, or Ganes' assessed value of the company occurs.

ABOUT THE FUND MANAGER

Ganes Capital Management Ltd was founded in 2002 by Dr. Clive Gaunt and Mr Wayne Jones as a privately-owned boutique fund manager based in Brisbane, specialising in the management of investments in the Australian equities markets. The name 'GANES' is derived from the manager's surnames, GAunt and joNES.

Clive has a Ph.D from the Queensland University of Technology, a Masters of Financial Management from the University of Queensland and a Bachelor of Business from the Brisbane College of Advanced Education. Clive has held various academic positions including Senior Lecturer in Finance at the University of Queensland Business School. His stockmarket research has been published in national and international peer reviewed journals and, for several years, wrote a monthly column for Shares magazine.

Wayne is a CPA (Certified Practising Accountant) and has a Bachelor of Business from Queensland University of Technology. He has extensive commercial experience in accounting and finance roles in both public and private companies, as well as writing for The Intelligent Investor investment newsletter covering a range of companies and investment issues.

FUND FACTS

Composition Australian shares
Fund Start Date 18 November 2005
Investment Timeframe 5 years
Withdrawals Weekly
Distributions Quarterly
Minimum Investment \$10,000
APIR Code WPC0004AU
ARSN 115 121 527
Unit Prices Weekly
Applications Weekly
MER 0.25625% p.a.
Buy-sell spread 0.275%/0.275%
Performance Fee 20.5% of positive returns with any negative returns recouped before the performance fee applies
Level of Risk Medium to High

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), Officium Capital Ltd, 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.officiumcapital.com.au. Remember, past performance should not be taken as an indication of future performance.

TOP TEN LARGEST PORTFOLIO HOLDINGS

Top Ten Holdings	% of Portfolio	Asset Class
Cabcharge Australia Limited	5.42%	Australian Shares
ARB Corporation Limited	4.92%	Australian Shares
Domino's Pizza Aust NZ Limited	4.84%	Australian Shares
Australian Wealth Management Ltd	4.59%	Australian Shares
Flight Centre Limited	4.56%	Australian Shares
Platinum Asset Management Ltd	3.85%	Australian Shares
Servcorp Limited	3.78%	Australian Shares
Treasury Group Ltd	3.72%	Australian Shares
Mortgage Choice Ltd	3.62%	Australian Shares
Sonic Healthcare Limited	3.33%	Australian Shares
Other Australian Shares	43.18%	Australian Shares
Cash	14.20%	Cash
TOTAL	100%	

MONTHLY PERFORMANCE RETURNS

