

GANES VALUE GROWTH FUND

The Ganes Value Growth Fund recorded a positive return of 6.35% during the month as many of the financial and consumer discretionary companies held by the Fund continued to see strong increases in their share prices ahead of reporting season. While the Australian economy looks to be performing much better than expected, largely due to exports to China, Ganes reiterate that given the fragile state of the global economy they remain cautious. The Fund currently holds a little over \$18 million in equities across 34 companies and close to \$7.3 million in cash following the distribution earlier in the month. July was another quiet month for transactions and companies in the portfolio as Ganes wait for the reporting season to commence.

During the month:

- The Fund sold part of its holding in APN News & Media as the share price reached the fair value target set by Ganes. The price has run strongly in recent weeks and having participated in the rights issue at \$1.00 per share at the end of June, Ganes sold some of their holding at the end of July for \$1.78 per share.
- The Fund also sold a small part of its holding in Platinum Asset Management as the share price continued to rise during the month. Ganes are slightly concerned at how the valuation compares to the book value of the business at current prices. The Funds managed by Platinum Asset Management continue to perform well but this has yet to translate into fund inflows for the business.
- The Fund also sold another small part of its Mortgage Choice holding as its price rose 13% during the month.
- The Ganes Value Growth Fund made no purchases during the month.
- During the month many of the Fund's top ten holdings rose strongly with ARB Corporation, IOOF, Servcorp and Flight Centre all increasing by at least 12%. In addition, smaller holdings such as APN News & Media (+26%), Fairfax (+20%), Treasury Group (+21%), and Hunter Hall International (+22%) also contributed to Fund performance.
- Ganes are looking forward to reporting season to potentially provide some opportunities for the Fund to deploy some of its significant cash holding.

PERFORMANCE SUMMARY

Performance Summary as at 31 July 2009	Ganes Value Growth Fund
Since Inception p.a. (18/11/05)	-0.02%
1 Year	-5.49%
2 Years p.a.	-15.59%
3 Years p.a.	-2.48%
1 Month	6.35%
Profitable Months	58.70%
Distribution for quarter	\$0.0483
Fund Assets (million)	\$25.65
Application Unit Price	0.9130
Withdrawal Unit Price	0.9080
Net Asset Value Unit Price	0.9105

TOP TEN HOLDINGS

Top Ten Holdings	% of Portfolio	Asset Class
ARB Corporation Limited	6.02%	Australian Shares
IOOF Holdings	4.47%	Australian Shares
Computershare Limited	4.14%	Australian Shares
Servcorp Limited	4.07%	Australian Shares
Cabcharge Australia Limited	3.89%	Australian Shares
McMillan Shakespeare Limited	3.54%	Australian Shares
Flight Centre Limited	3.40%	Australian Shares
RR Australia Limited	3.03%	Australian Shares
ASX Limited	3.00%	Australian Shares
Sonic Healthcare Limited	2.95%	Australian Shares
<i>Other Australian Shares</i>	<i>33.14%</i>	<i>Australian Shares</i>
<i>Cash</i>	<i>28.35%</i>	<i>Cash</i>
TOTAL	100%	

Important Information

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