

GANES VALUE GROWTH FUND

The Ganes Value Growth Fund recorded a positive return of 2.18% during October despite the end of month market weakness which saw the S&P/ASX 300 Accumulation Index finish down 2.1% for the month.

During the month:

- The largest positive contributor to performance was ARB Corporation which announced at their AGM that first quarter sales were up 10% on the prior year and that a 40 cent per share special dividend would be paid. Flight Centre also had a good month on the back of renewed confidence in the travel sector and positive comments from management at their AGM. Fleetwood Corporation was the main negative contributor to monthly performance, as it pulled back after a strong run over the prior months.
- Ganes invested into several new companies during the month including Customers, Equity Trustees, Probiotec and Sirtex Medical.
- Customers owns and manages the second largest fleet of Automatic Teller Machines in Australia. The introduction of direct charging in March 2009 saw a modest fall in transactions but a significant improvement in the profit margin. Customers is a strong cash flow business generating high returns on capital and is expecting to pay its maiden dividend this financial year.
- Equity Trustees, established in 1888, is a diversified financial services business best known for its trustee business. In recent years it has diversified to also offer funds management, private wealth management and estate planning, Superannuation administration and services to complement its traditional services.
- Probiotic is a manufacturer, marketer and distributor of a diverse range of prescription and over-the-counter pharmaceuticals and medicines. Some of its brands include Bio Source, Milton and Celebrity Slim. The company reported a 41% increase in profits for 2009 and is predicting a further 20% increase in profits for 2010.
- In addition to these new holdings, Ganes also continued to add to existing positions in Ansell, Austbrokers Holdings, Fletcher Building, Hunter Hall International, McPhersons, Pacific Brands, Retail Food Group, Speciality Fashion Group, Spark Infrastructure, Telstra, Treasury Group and WHK Group during the month. Ganes reduced exposure to Domino's Pizza and Platinum Asset Management, as recent strong share price runs have eroded the returns that can be expected from them in the future. The net result has seen cash reduced to 17.3% at month end.

PERFORMANCE SUMMARY

| Performance Summary as at 31 October 2009 | Ganes Value Growth Fund |
|---|-------------------------|
| Since Inception p.a. (18/11/05) | 3.54% |
| 1 Year | 21.15% |
| 2 Years p.a. | -10.30% |
| 3 Years p.a. | -1.96% |
| 1 Month | 2.18% |
| Profitable Months | 61.22% |
| Distribution for quarter | \$0.0000 |
| Fund Assets (million) | \$34.21 |
| Application Unit Price | 1.0566 |
| Withdrawal Unit Price | 1.0508 |
| Net Asset Value Unit Price | 1.0537 |

TOP TEN HOLDINGS

| Top Ten Holdings | % of Portfolio |
|--------------------------------|----------------|
| ARB Corporation | 5.85% |
| Flight Centre | 4.47% |
| IOOF Holdings | 3.72% |
| McMillan Shakespeare | 3.67% |
| Servcorp | 3.61% |
| Cabcharge Australia | 3.52% |
| Computer share | 3.45% |
| Treasury Group | 3.44% |
| Telstra Corporation | 2.81% |
| Thorn Group | 2.80% |
| <i>Other Australian Shares</i> | <i>45.37%</i> |
| <i>Cash</i> | <i>17.29%</i> |
| TOTAL | 100% |

Important Information

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