

## GANES VALUE GROWTH FUND

The Ganes Value Growth Fund recorded a modest return of 0.49% during November as the market moved higher following the AGM season which saw many companies comment that trading conditions were no longer deteriorating. Nevertheless, many companies remain cautious regarding 2010 forecasts.

During the month:

- The largest positive contribution to performance again came from ARB following the announcement of its \$0.40 per share special dividend. The stock was up by 8% for the month and the company recently confirmed during a site visit that production was busier than ever which should see the company report another record profit in 2010.
- IOOF also had a strong month with the shares up 10% for the month as the company announced that Funds Under Management, Administration, Advice and Supervision was up 7% during the September quarter. The company now looks well placed to meet the top end of its underlying NPAT target.
- The other strong performer for the month was Thorn Group (formerly Radio Rentals), whose shares increased by 8% during the month. The company recently reported a strong first-half result with revenue up 15%, net profit up 35% and the customer count continuing to climb.
- ALE Property Trust was a new holding added to the portfolio during the month. ALE Property Trust owns 93 pubs around Australia with ALH, a joint venture owned by Woolworths, as its tenant. The Trust recently undertook a capital raising and a number of asset sales to strengthen its balance sheet and is targeting a gearing ratio of 50% by June 2010. The trust is predicting an ongoing annual distribution of 22.1c providing a yield of over 10% on the Ganes Value Growth Fund purchase price.
- Amalgamated Holdings was another new holding added to the portfolio during the month with the Fund initially participating in the renounceable entitlement offer undertaken at \$4.10 per share. The company owns the Greater Union and Birch Carroll and Coyle chain of cinemas along with the Rydges chain of hotels and the Thredbo ski resort.
- Ganes continued to add to existing positions in Ansell, Austbrokers, Fletcher Building, Retail Food Group and Spark Infrastructure during the month.
- Ganes reduced exposure to Cabcharge and Servcorp during November as the risk profile of each business has increased due to a significant overseas business expansion plan (Servcorp), and regulatory and market share concerns (Cabcharge). The Fund held 17% in cash at month end.

### PERFORMANCE SUMMARY

Performance Summary as at 30 November 2009	Ganes Value Growth Fund
Since Inception p.a. (18/11/05)	3.59%
1 Year	35.77%
2 Years p.a.	-9.76%
3 Years p.a.	-2.60%
1 Month	0.49%
Profitable Months	62.00%
Distribution last quarter	\$0.0000
Fund Assets (million)	\$35.19
Application Unit Price	1.0617
Withdrawal Unit Price	1.0559
Net Asset Value Unit Price	1.0588

### TOP TEN HOLDINGS

Top Ten Holdings	% of Portfolio
ARB Corporation	5.78%
Flight Centre	4.48%
IOOF Holdings	3.98%
McMillan Shakespeare	3.64%
Treasury Group	3.35%
Computershare	3.28%
Cabcharge Australia	2.97%
Thorn Group	2.95%
Telstra Corporation	2.91%
Austbrokers Holdings	2.62%
<i>Other Australian Shares</i>	<i>47.24%</i>
<i>Cash</i>	<i>16.81%</i>
<b>TOTAL</b>	<b>100%</b>

#### Important Information

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