

GANES VALUE GROWTH FUND

The Ganes Value Growth Fund recorded a small positive return of 0.15% in February. During the month the majority of companies in the portfolio reported either their half or full year financial performance for the period to the end of December 2009.

During the month:

- The largest positive contributors to performance were ARB Corporation, IOOF Holdings, McMillan Shakespeare and the ASX.
- ARB Corporation reported a 16% increase in revenue and a 42% improvement in earnings per share for the half year. This drove a 6% increase in the share price over the month.
- IOOF Holdings reported a better than expected performance following the merger last year with Australian Wealth Management. This pushed the share price up 15% in the five days following the profit announcement.
- Ganes added to existing positions in the ASX, Treasury Group, Pacific Brands, Super Cheap Auto, DWS Advanced Business Solutions, Mitchell Communications, Fletcher Building, ALE Property Group, Hunter Hall International, Met-cash and Austbrokers during the month.
- Woolworths, Coca-Cola Amatil and Harvey Norman were all new positions added to the portfolio in February.
- The largest negative contributors to fund performance over the month were Thorn Group, Telstra and Servcorp.
- The fall in the Telstra share price over the month resulted from revenue and profits coming in below expectations, primarily as a result of the decline in the high margin fixed line business. In addition, the shares are trading ex a 14 cent per share dividend.
- Servcorp shares fell 14% over the month after the company reported a profit result significantly below expectations. Very difficult trading conditions hit revenues hard and the high fixed cost nature of the business meant profits fared even worse.
- Other poor results were reported by Toll Holdings, Primary Health Care, Probiotic and Runge. These holdings were sold out of the portfolio as a consequence. In addition, Ganes completed its sell down of Fairfax and APN News & Media.
- Holdings in Domino's Pizza, Goodman Fielder and Servcorp were all reduced during the month.

PERFORMANCE SUMMARY

Performance Summary as at 28 February 2010	Ganes Value Growth Fund
Since Inception p.a. (18/11/05)	3.61%
1 Year	47.22%
2 Years p.a.	-3.35%
3 Years p.a.	-4.10%
1 Month	0.15%
Profitable Months	62.26%
Distribution Last Quarter	\$0.0200
Fund Assets (million)	\$36.36
Application Unit Price	1.0518
Withdrawal Unit Price	1.0460
Net Asset Value Unit Price	1.0489

TOP TEN HOLDINGS

Top Ten Holdings	% of Portfolio
ARB Corporation	6.67%
Flight Centre	4.67%
IOOF Holdings	4.07%
Treasury Group	3.58%
Computershare	3.46%
Thorn Group	2.98%
McMillan Shakespeare	2.85%
Austbrokers Holdings	2.71%
Cabcharge Australia	2.69%
Telstra Corporation	2.45%
<i>Other Australian Shares</i>	<i>45.31%</i>
<i>Cash</i>	<i>18.57%</i>
TOTAL	100%

Important Information

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