

GANES VALUE GROWTH FUND

The net asset value of the Ganes Value Growth Fund was largely unchanged during June, while the broader market, as measured by the S&P/ASX 300 Accumulation Index fell 2.7%. June caps off a poor quarter and half year for the local market, where rising interest rates appear to have taken their toll on consumer and investor sentiment. However, over the last 12 months the Fund has performed strongly returning 23.3%, significantly outpacing the 13.1% of the S&P/ASX 300 Accumulation Index.

During the month:

- The largest positive contributions to performance came from McMillan Shakespeare, Thorn Group, Telstra, Fleetwood and Metcash.
- The share price of Thorn Group increased as the company continued to benefit from the positive market response to the announcement of its full year results at the end of May.
- The market responded favourably to the announcement by Telstra of a non-binding agreement being reached with NBN Co to participate in the rollout of the National Broadband Network.
- The greatest negative contributors to Fund performance came from Pacific Brands, Servcorp, IOOF Holdings, Fiducian Portfolio Services and Hunter Hall International.
- While there was no company specific news around these falls, the fortunes of the financial services businesses including IOOF Holdings, Fiducian Portfolio Services and Hunter Hall International are directly linked to the stockmarket, and suffered on the back of the recent broad based market declines.
- Transactional activity undertaken during the month saw the Fund increase exposure to Austbrokers, Australia & New Zealand Banking Group, the Australian Securities Exchange, DWS Advanced Business Solutions, Mitchell Communications, Metcash, Peters MacGregor Investment Limited and Sonic Healthcare.
- A portion of the existing holding in Servcorp was sold in June. There were no new positions established.
- A distribution of 1.64 cents per unit will be paid for the June quarter. At the end of the month the Fund held 61 securities and had 13.5% of the portfolio invested in cash.

PERFORMANCE SUMMARY

| Performance Summary as at 30 June 2010 | Ganes Value Growth Fund |
|--|-------------------------|
| Since Inception p.a. (18/11/05) | 3.08% |
| 1 Year | 23.26% |
| 2 Years p.a. | 3.77% |
| 3 Years p.a. | -6.78% |
| 1 Month | -0.06% |
| Profitable Months | 61.40% |
| June Quarter Distribution | \$0.0164 |
| Fund Assets (million) | \$36.65 |
| Application Unit Price | 1.0216 |
| Withdrawal Unit Price | 1.0160 |
| Net Asset Value Unit Price | 1.0188 |

TOP TEN HOLDINGS

| Top Ten Holdings | % of Portfolio |
|--------------------------------|----------------|
| ARB Corporation | 6.68% |
| McMillan Shakespeare | 4.14% |
| IOOF Holdings | 4.04% |
| Flight Centre | 4.02% |
| Thorn Group | 3.50% |
| Computershare | 3.07% |
| Austbrokers Holdings | 2.98% |
| Treasury Group | 2.95% |
| Spark Infrastructure Group | 2.62% |
| Telstra Corporation | 2.62% |
| <i>Other Australian Shares</i> | <i>49.84%</i> |
| <i>Cash</i> | <i>13.54%</i> |
| TOTAL | 100% |

Important Information

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