

Ganes Value Growth Fund

SECTOR FUNDS



April 2011

The Ganes Value Growth Fund was slightly negative for April and outperformed the S&P/ASX 300 Accumulation Index which declined by 0.3%. While overall markets were generally flat, resources stocks in particular fell during the month. The Australian dollar continued to climb to 29 year highs against the US dollar during the month which will have an impact on companies with export earnings this year.

- Positive contributions to Fund performance during the month came from Flight Centre, Spark Infrastructure, Computershare and Sonic Healthcare.
- Flight Centre reconfirmed profit guidance for the year during the month and indicated the company was unaffected by recent natural disasters in Japan and Australia. Flight Centre is one of the beneficiaries of a strong dollar as international leisure travel remains in strong demand.
- Computershare announced the largest acquisition in the company's history with the \$550m purchase of Bank of New York Mellon Corporation's Shareowner Services Business. The company believes the acquisition will be earnings accretive from the first year following the acquisition and should provide the company with a strong US platform for when mergers and acquisition activity (which drives profits), increases again.
- Spark Infrastructure has announced the internalisation of its management function which the market has responded to favourably. This should be a positive for the company as the asset base of the business is expected to grow by 8% per annum over the next five years.
- On the negative side, the largest falls in the Fund were seen in Fleetwood, Pacific Brands and Thorn Group. In all three cases, there was no company news that the share price weakness can be attributed to.
- There was little Fund activity during the month with reporting season completed. A small addition to Pacific Brands and a small sale of Thorn Group being the only changes to the Portfolio.
- At month end cash in the Fund stands at 28.3%. The Fund is in a good position to take advantage of any weakness in the broader market or stocks of interest.

Performance Data as at	30/04/2011
1 month	-0.01%
3 months	1.76%
6 months	5.09%
1 year	13.19%
2 years (p.a.)	25.08%
3 years (p.a.)	4.78%
5 years (p.a.)	4.84%
Since Inception (p.a.)*	5.88%
Net Asset Value (\$)	1.1872
Fund Size (\$ million)	48.22

* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	%
CASH	28.34%
ARB Corporation Ltd	7.40%
Flight Centre Limited	4.38%
Austbrokers Holdings Limited	3.79%
Woolworths Limited	3.76%
Coca-Cola Amatil Limited	3.22%
IOOF Holdings Limited	3.01%
Spark Infrastructure Group	2.86%
Computershare Limited	2.70%
Cabcharge Australia Limited	2.64%
Other holdings	37.90%
TOTAL	100.00%

Important Information

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