

Ganes Value Growth Fund

SECTOR FUNDS

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CAPITAL

July 2011

The net asset value of the Ganes Value Growth Fund fell 1.2% during July, while the broader market (the S&P/ASX 300 Accumulation Index) fell 3.8%. The stand-off in the US over lifting the debt ceiling led to a severe end of month sell-off in equity markets which has continued into the early part of August. Sovereign debt worries across Europe and now the US have spooked financial markets. In Australia, continuing evidence of poor consumer sentiment has added to market volatility.

- The largest positive contributions to Fund performance came from Austbrokers and Blackmores, with negative contributions from ARB and Computershare. However, there was no stock specific news that can be attributed to these movements. July tends to be a quiet time on the company news front, in the lead up to the busy reporting season in mid and late August.
- Transaction activity inside the Fund has also been limited, in anticipation of company reporting season and the additional information that provides to the Manager. Additional small purchases of Invocare and Westpac were made during the month.
- August will be a busy time for the Manager with many of the companies held by the Fund reporting full year or half year results. An update will be provided on these results in next month's report.
- At month end cash in the Fund stands at approximately 29.6%, providing the Manager with the flexibility to capitalise on any opportunities as they arise.

| Performance Data as at | 31/07/2011 |
|-------------------------|------------|
| 1 month | -1.16% |
| 3 months | -3.51% |
| 6 months | -1.78% |
| 1 year | 12.49% |
| 2 years (p.a.) | 16.06% |
| 3 years (p.a.) | 7.98% |
| 5 years (p.a.) | 4.14% |
| Since Inception (p.a.)* | 5.03% |
| Net Asset Value (\$) | 1.1366 |
| Fund Size (\$ million) | 48.16 |

* Inception date of Fund 18/11/2005

| Top 10 Portfolio Holdings | % |
|------------------------------|---------|
| Cash | 29.55% |
| ARB Corporation Ltd | 6.60% |
| Flight Centre Limited | 4.02% |
| Austbrokers Holdings Limited | 3.98% |
| Woolworths Limited | 3.83% |
| Coca-Cola Amatil Limited | 3.24% |
| Spark Infrastructure Group | 3.15% |
| IOOF Holdings Limited | 2.72% |
| Cabcharge Australia Limited | 2.39% |
| Sonic Healthcare Limited | 2.37% |
| <i>Other holdings</i> | 38.15% |
| TOTAL | 100.00% |

Important Information

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