

Both the Ganes Value Growth Fund (+3.5%) and the S&P/ASX 300 Accumulation Index (+4.2%) produced strong returns for the first month of the financial year, rebounding from the sell-off two months earlier.

- July is generally a quiet month, in the lead-up to the busy full year reporting of August.
- With such a positive overall month nearly all holdings had a good July with ARB, Flight Centre, Cabcharge, Blackmores, Invocare and Fleetwood particularly strong. Sonic Healthcare, ALE Property Group and Platinum were down during the month.
- Flight Centre released updated guidance with pre-tax profit of \$285-\$290m expected, 16-18% above last year and at the top end of prior guidance. The business is now profitable across all ten countries in which it operates. Flight Centre has not experienced the sales slowdown reported by other retailers and expects to grow its global sales force by 8-10% in the coming year.
- Platinum advised the market that pre-tax profit will be approximately \$180m, down 16% from last year's \$214m. The Manager views this as to be expected given the current tough equities environment. The company also advised that funds under management decreased 17% from \$17.8bn last June to \$14.8bn this June.
- ALE Property Group announced a result in line with what they had previously provided to the market. Distributable profit was down 14% and the distribution lowered by 19% as higher interest costs hit the property trust. With a 16 cent distribution the units are still selling on a yield of approximately 7.3% based on a price of \$2.09 for the end of July.
- Portfolio activity during the month included small purchases of Orotan and Flight Centre. There were no sales and no new positions established.

Performance Data as at	31/07/2012
1 month	3.51%
3 months	1.69%
6 months	9.42%
1 year	10.06%
2 years (p.a.)	11.25%
3 years (p.a.)	13.82%
5 years (p.a.)	1.09%
Since Inception (p.a.)*	5.96%
Net Asset Value (\$)	1.2028
Fund Size (\$ million)	47.24

* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	%
Cash	29.24%
ARB Corporation Ltd	8.13%
Austbrokers Holdings Limited	4.49%
Woolworths Limited	4.32%
Coca-Cola Amatil Limited	4.30%
Flight Centre Limited	4.13%
Spark Infrastructure Group	3.79%
McMillan Shakespeare Limited	3.38%
Cochlear Limited	3.35%
Cabcharge Australia Limited	2.53%
<i>Other holdings</i>	32.35%
TOTAL	100.00%

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