

After a very weak start to the month, the market stormed home to record a positive return of 3.8% for April. The Australian market tagged on to a strong global market but was also spurred by a better than expected profit from ANZ bank which lifted all large bank share prices. The big four banks have contributed significantly to the market rally over the last 12 months with all of them up more than 50%. With a gain of that magnitude over such a short period there is every reason to be cautious about these stocks going forward.

The Fund also had a strong month up 2.8% with one of the holdings, Flight Centre, enjoying the strongest month of any ASX/S&P 100 company, up 13.6%, and for the last 12 months up around 86%. The enthusiasm of the market for Flight Centre appears endorsed early in May with a profit upgrade announcement. Management now expect profit before tax of between \$325m and \$340m, representing growth of 12 to 17% on the prior year, compared with prior guidance of \$305m to \$315m. The share price has continued to move higher following the announcement.

Other strong positive contributions during April came from Austbrokers, Spark Infrastructure, Woolworths and ARB Corporation. There was no company specific news from either Austbrokers or Spark Infrastructure that might explain the price movement. Woolworths announced during the month third quarter sales results, with sales from continuing operations up 5.7% to \$14.4bn lead by the supermarket division (\$12.8bn in sales) up 5%. During the quarter Woolworths opened 18 new (net) stores and undertook 58 refurbishments. ARB Corporation made no announcement during April that might explain the share price strength, however early in May updated the market with sales growth for the first three quarters. Growth came in at 9.6% for the period versus 10.3% for the first six months, suggesting activity has come off a little in the last three months. Management noted that the mining downturn has had an impact on the business as has competition in that part of the business where they sell product to new car manufacturers. However, management expect a solid final three months of the year.

The largest negative contributions came from Treasury Group, Sonic Healthcare, Cochlear and Computershare. Treasury Group released Funds Under Management (FUM) numbers for the March quarter. FUM was up 4.8% for quarter to \$17.8bn with good fund performance from retail (\$4.54bn FUM) funds and small net inflows. Institutional (\$12.92bn FUM) funds experienced positive fund performance but negative net flows. Sonic Healthcare, Cochlear and Computershare had no material announcement which may explain their performance during the month.

The only transactional activity during the month was the final sell-down of Sirtex.

Performance 30-April-13	Ganes	All Ord Index
1 Month	2.83%	3.82%
3 Month	7.63%	6.75%
6 Month	14.40%	16.33%
1 Year	22.24%	20.97%
2 Year (p.a.)	12.98%	7.42%
3 Year (p.a.)	13.18%	6.75%
5 Year (p.a.)	8.41%	2.60%
Since Inception (p.a.)*	7.97%	6.01%
NAV Unit Price (\$)	1.4147	
Fund Assets (\$ million)	46.77	

\* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	%
Cash	37.11%
ARB Corporation Limited	7.99%
Flight Centre	7.50%
Austbrokers Holdings Limited	6.53%
Woolworths	5.56%
Spark Infrastructure Group	3.67%
Cochlear Limited	2.96%
Coca-Cola Amatil Limited	2.96%
Invocare Limited	2.80%
McMillan Shakespeare Limited	2.76%
Other Holdings	20.16%
Total	100.00%

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