

MACRO CAPITAL LIMITED
 ABN 14 145 321 928 | AFSL: 392401

 GANES INVESTMENT MANAGEMENT PTY LTD
 ABN 86 113 032 741 | AFSL 287598

The Fund recorded a negative return of 0.99% during November, ahead of the broader market which fell 1.38%. This was the first negative month following four positive months, and contrary to the continuing positive trend on Wall Street where stock prices benefited from good 3rd quarter earnings announcements. Locally, negative sentiment was led by the Reserve Bank downgrading economic growth for the current year to 2-3% driven by a decline in mining investment.

The largest positive contributions to Fund performance during the month came from Fiducian Portfolio Services and ARB Corporation though there was no significant news to which this could be attributed.

The largest negative contributions came from Flight Centre, Austbrokers and Woolworths. Flight Centre and Austbrokers simply reversed their strong positive performances of October. In addition, Austbrokers held its AGM and noted the potential for moderate insurance premium increases for the remainder of the financial year and continued acquisition opportunities, though competition for target businesses was increasing. Pleasing results had been recorded for the first four months of the year, but the company is sticking with its 5 to 10% profit growth guidance. Austbrokers has a track record of providing guidance of 5 to 10%, but exceeding that guidance by year end.

There was no news from Flight Centre during October, but early in November the company announced a disappointing outcome from the Federal Court case brought by the ACCC alleging price fixing. The Company has indicated it will appeal the ruling and says it *'does not expect the test case ruling to affect its operations or its business model, as the focus was on a narrow area of activity between 2005 and 2009'*.

The Woolworths share price was buoyed by reporting first quarter sales growth of 6.1%, beating the growth recorded by competitor Coles for the first time in three years. At the AGM the company reiterated its confidence the Masters hardware venture and its ambition to return to double digit profit growth.

Other positive news came from: Computershare where the AGM heard of 'improving signs' but held to the 5% EPS forecast; Reece announcing sales up 8% for the first quarter and profit up 5-7%; Dulux announcing full year results with sales up 39% and profit up 25% with the benefit of the Alesco acquisition; McMillan Shakespeare reported that novated lease orders after the federal election had nearly fully recovered to the pre Rudd government announcement levels.

Less favourable was a trading update from Coca Cola Amatil which reported that while the 3rd quarter had shown improvement, trading in the 4th quarter had not improved as expected after the federal election and provided guidance for profit to be down 5 to 7% for the year.

During the month there were no sales within the Fund but additional investments were made in Lend Lease, Woolworths and Adelaide Brighton. A new position was established in Trade Me Group.

Performance 30-Nov-13	Ganes	All Ord Index
1 Month	-0.99%	-1.38%
3 Month	3.45%	4.93%
6 Month	5.07%	10.55%
1 Year	18.67%	22.64%
2 Year (p.a.)	18.08%	17.77%
3 Year (p.a.)	11.82%	9.01%
5 Year (p.a.)	16.90%	12.45%
Since Inception (p.a.)*	7.95%	6.29%
NAV Unit Price (\$)	1.4577	
Fund Assets (\$ million)	46.58	

* Inception date of Fund 18/11/2005

Top 10 Portfolio Holdings	%
Cash	40.96%
Flight Centre	9.35%
Austbrokers Holdings Limited	7.03%
Woolworths	5.82%
Treasury Group Limited	3.43%
Spark Infrastructure Group	3.35%
ARB Corporation Limited	2.91%
Computershare Limited	2.67%
Sonic Healthcare Limited	2.52%
Magellan Flagship Fund	2.41%
Other Holdings	19.55%
Total	100.00%

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