

## FUND OUTLINE

The Fund is a concentrated long only equity Fund, investing in US listed stocks favoured by leading global fund managers. The Fund's objective is to outperform its benchmark by 3-5% pa over any rolling 5-year period. Preservation of Capital is a key tenet of the Fund, and a strict dynamic risk control strategy is in place to control losses, to enable optimal long-term compounding within the Fund.

## MARCH COMMENTARY

The Fund lost 3.05% in March and has returned 14.97% since inception (10.35% annualised).

There were a lot of records set in the US market in March, below are some of them:-

- March was the most volatile month EVER. The AVERAGE daily change for the market was 5.3%, compared to the next highest being October 2008 with 3.8%.
- The selloff was the fastest to reach down 30% EVER (22 days!!). Next was February 1934 with 23 days.
- Stocks were not to be outdone, with Real Estate falling 20.42% (Vanguard Real Estate ETF), and Oil a staggering 55.8%

The outlook from here is as uncertain as it has ever been. We will stick to our trading and risk management plan, which will guide us through whatever the market may throw at us. This will keep us from making any emotionally driven mistakes, which can be disastrous at this point.

The Fund's portfolio held up well during the month, outperforming the market by 4.5%, and was assisted by a 5.7% fall in the AUDUSD FX rate. Amongst the 20 stocks we currently hold, 3 were positive for the month, being Netflix, Amazon and Equinix (a data centre and connectivity company). The speed of the fall in stock prices meant that no stocks have been sold yet, however firm sell stop orders have been placed on 11 of the 20 stocks, and these will be sold reducing exposure should the prices of those stocks fall again in April.

**“Capital comes in two varieties: mental and that which is in your account. Of the two types of capital, the mental is the most important and expensive of the two. Holding on to losing positions costs measurable sums of physical capital, but it costs immeasurable sums of mental capital” – Dennis Gartman**

Trading in these markets can be incredibly difficult. If you don't have a solid plan, you are continually second guessing yourself, do I sell this loser, or do I add more?? Do I cut out of everything and go to cash?? If I do that and the market rallies when do I get back in?? What if I get back in and it goes down again??

Trading in this manner without a plan exerts a tremendous toll on your psychological Capital, and it is tough to recover from. The simplest plan is simply to buy and hold and invest more on a consistent basis (Dollar Cost Average). A better plan is to do the same, but with a diversified portfolio, and rebalance the portfolio periodically. You can then diversify further across different active managers who have different trading styles. Diversification is essential for maintaining your wealth and this is always made clear when in a market such as the one we are currently in.

And as always....

***“Good investing isn't necessarily about earning the highest returns, because the highest returns tend to be one-off hits that kill your confidence when they end, invariably with large losses. It's about earning pretty good returns that you can stick with for a long period of time. That's when compounding runs wild.”***

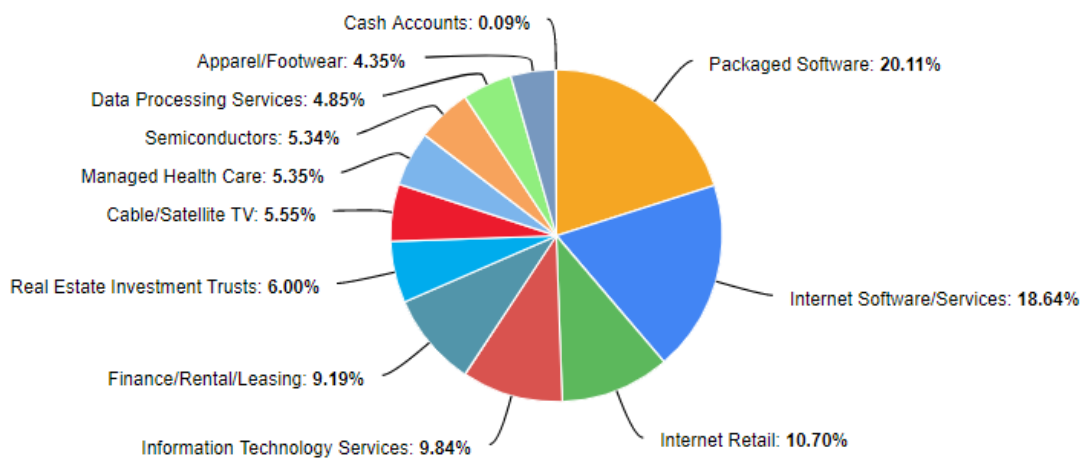
Please see next page for Charts and tables.

## FUND FACTS

Inception	01 November 2018	Sharpe ratio	0.78*
Fund Size	2.171mm	Sortino Ratio	1.55*
Minimum Investment	AUD 50,000	Mid-Price	1.1497
Management Fee	Nil	Best Month	7.89%
Performance fee	15% of any returns above 6% pa	Worst Month	-3.9%
Other Fees	Any direct costs + 0.4% Buy/Sell spread	Website	www.ganecapital.com

\*ratios are calculated before Fees & Expenses

## PORTFOLIO BREAKDOWN



## PERFORMANCE SUMMARY

GANE CAPITAL International Equity Fund		Mar-20			
	1 Month	Year to Date	3 year(p.a.)	5 Year(p.a.)	Inception(p.a.)
GANE CAPITAL	-3.05%	-1.06%	N/A	N/A	10.35%
BENCHMARK - Index	-7.00%	-7.71%	N/A	N/A	8.98%
BENCHMARK - Hedge Fund	-2.90%	-0.40%	N/A	N/A	5.16%

