

FUND OUTLINE

The Fund is a concentrated long only equity Fund, investing in US listed stocks chosen by the most successful Hedge Funds. 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.

OCTOBER COMMENTARY

The Fund lost 2.37% in October and has returned 42.8% since inception (19.5% annualised vs 12.1% for the index). The pullback that began in September continued into October, with markets jittery about the elections and a second covid wave. The GANE stock portfolio lost 4.17% which was cushioned by a selloff in the AUDUSD rate leaving us with a net loss for the month of 2.37%.

With the continued pullback our risk management system is starting to come into play. The Fund is currently 95% invested, however 4 stocks have fallen far enough that any further falls will see them sold and that portion of the portfolio moved to cash. As mentioned last month, the Fund is currently in preservation mode, and moves to cash are made faster than would normally be the case.

According to UBS research, approximately 65% of their account holders made a defensive change to their portfolio in the run up to the presidential elections. Presumably at some point they will change their portfolios back to the original more aggressive portfolio. There are a couple of potential pitfalls here:-

- 1 – Market timing (which is what this is) is notoriously difficult. You must be right twice, once when you sell, and again when you buy.
- 2 – You are making decisions when emotions are running high. Emotions are far stronger than reason, and do not always lead to the best outcomes.

If your investment plan calls for changes when volatility increases (such as now), or when a president potentially changes, then follow your plan and adjust your portfolio. If not, then you should be sticking to your original plan and following the rules. Investing often requires making hard decisions. Buying at the bottom of bear markets is hard. Selling in roaring bull markets is hard. Ignoring doom and gloom reports is hard. That is why you earn a risk premium for being invested in the stock market, and not in the bond market.

The only way to make it easier is to have a solid investing plan. And that only makes it "easier", not "easy". Having a good plan helps to keep the emotion out of your decision making – it is still hard, but at least you have eliminated one massive factor in the decision making process.

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." - unknown

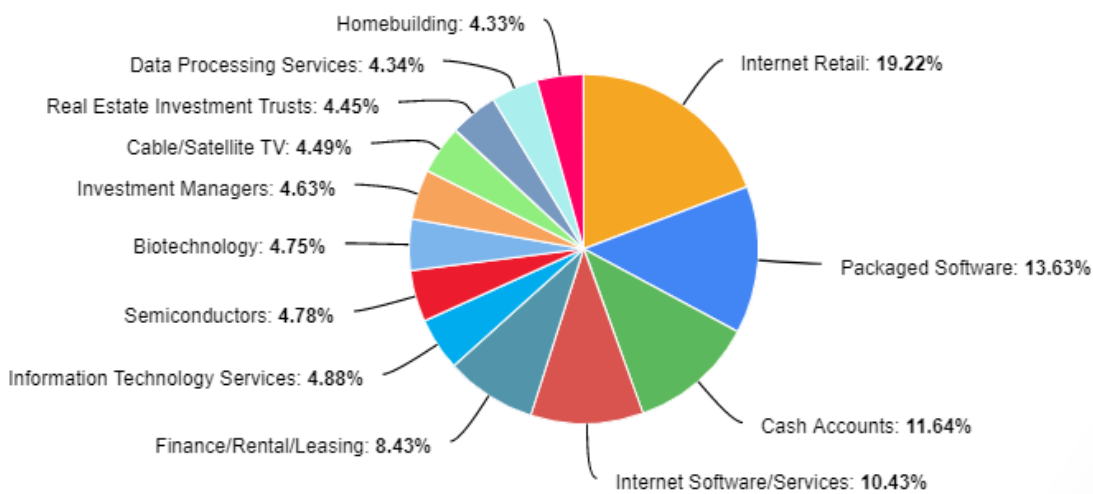
Please see next page for Charts and tables.

FUND FACTS

Inception	01 November 2018	Sharpe ratio	1.41*
Fund Size	2.884mm	Sortino Ratio	3.36*
Minimum Investment	AUD 50,000	Mid-Price	1.3681
Management Fee	Nil	Best Month	8.95%
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	Oct-20				
	1 Month	Year to Date	1 year	2 Year(p.a.)	Inception(p.a.)
GANE CAPITAL	-2.37%	22.92%	32.8%	19.51%	19.50%
BENCHMARK - Index	-0.50%	2.73%	7.3%	12.13%	12.13%
BENCHMARK - Hedge Fund	-0.10%	-0.15%	1.9%	3.75%	3.75%

