

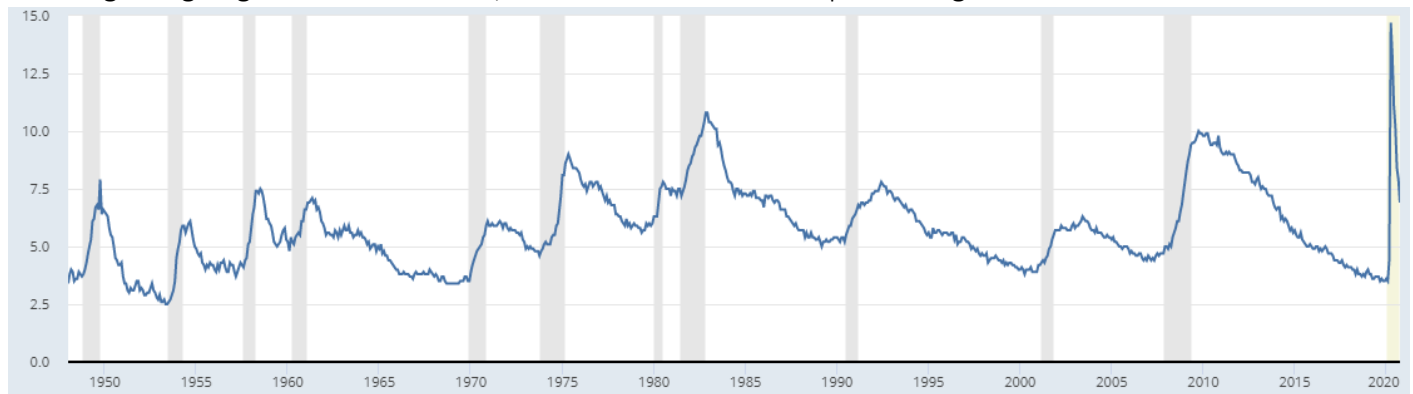
## FUND OUTLINE

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 made 3.35% in November and has returned 47.6% since inception (20.5% annualised vs 14.6% for the index). A strong rally in the market gave us gains of 7.83% for our stocks, offset by a rally in the AUDUSD of 4.48% giving the Fund a net gain of 3.35%. A good result in the US election, together with the announcement of a COVID vaccine causing a strong relief rally.

With economies normalising, our risk system is about to switch modes from preservation to appreciation mode. One of the inputs into our risk system is the unemployment rate in the United States. The chart below shows these figures going back to the 1940's, with the shaded areas representing recessions.



This chart really puts into perspective the effect that COVID had. The increase in unemployment dwarfed any previous recessionary periods, and the fact that the US market is now up for the year is hard to believe. As can be seen, this metric is also particularly useful in predicting recessions – not perfect, but a clear distinction can be made between when unemployment is rising, and when it is falling, and this helps in determining which risk mode we are in.

It makes no sense having one risk rule for all market types, and we have found that having this flexibility to switch between modes enhances returns, but does not increase drawdowns.

These rules have served us particularly well this year, allowing us to participate in the upside, while always having that downside protection in place, which for the most part was never needed.

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***

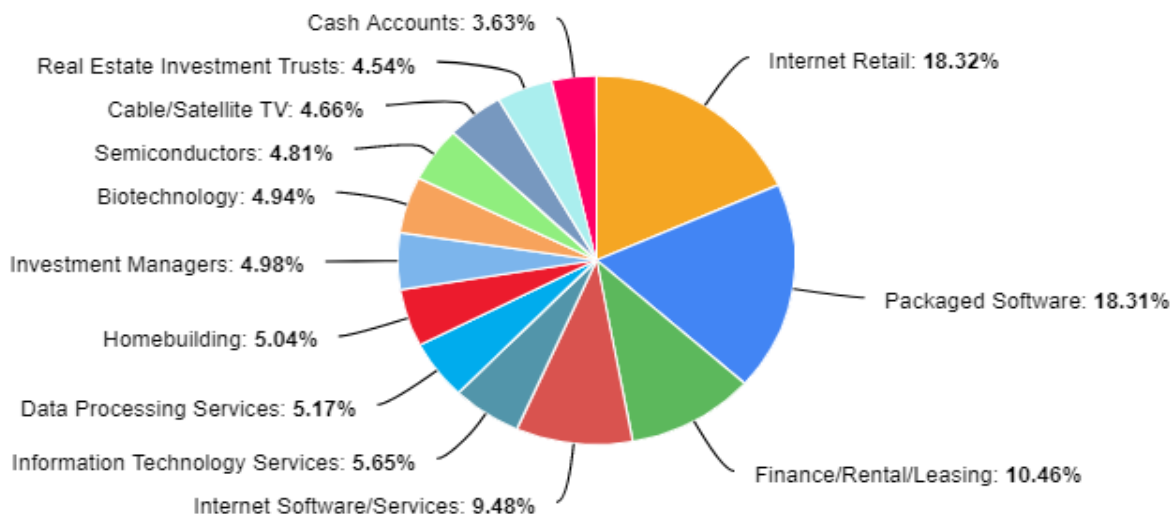
Please see next page for Charts and tables.

## FUND FACTS

Inception	01 November 2018	Sharpe ratio	1.50*
Fund Size	3.344mm	Sortino Ratio	3.59*
Minimum Investment	AUD 50,000	Mid-Price	1.4139
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	Nov-20				
	1 Month	Year to Date	1 year	2 Year(p.a.)	Inception(p.a.)
GANE CAPITAL	3.35%	27.03%	27.2%	22.55%	20.54%
BENCHMARK - Index	5.68%	8.57%	7.4%	15.90%	14.61%
BENCHMARK - Hedge Fund	3.34%	4.14%	2.0%	7.62%	5.71%

