

## JUNE COMMENTARY

The Fund made 9.98% in June and has returned 63.2% since inception (20.2% annualised vs 18.1% (S&P) and 15.7% (MSCI World)). The stocks in the Fund made 7.14%, and a weakening AUD added a further 2.84% to results giving a net gain of 9.98% for the month.

June was the Funds best month since inception, beating the previous best of 8.95% (April 2020). A strong month for our stocks was coupled with a weakening AUD to produce the result. Growth stocks recorded an excellent rebound after several months where they have underperformed. Our biggest winners were NVDA(23.2%), ADBE (16.06%), MELI (14.66%), and SHOP (17.55%). Underperformers for the month were DIS (-1.6%) and UBER (-1.4%). The Fund remains 95% invested.

We continue with our summary of Morgan Housel's excellent book "The Psychology of Money". Psychology plays a huge role in investing, and any effort in this area is time well spent. We will break down the book chapter by chapter.

### Chapter 2 – "Luck and Risk"

I am not sure why the Chapter was not called "Luck & Bad Luck"....but we will go with Risk, remembering it is interchangeable with Bad Luck!

All outcomes are a combination of factors - skill, effort, perseverance etc, and luck/risk. It is impossible to quantify the role luck plays in success – it is therefore easier to downplay its role and ascribe success to smarts/hard work/talent. Zuckerberg is seen as a genius for turning down Yahoo's offer to buy Facebook for \$1 Billion – however Yahoo's board are criticised with as much passion for turning down Microsoft's offer to buy them out in 2008. Were they stupid, or did bad luck have a large role?? Was Zuckerberg a genius, or did he just have a solid dose of good luck on his side?? We will never know, and that is what makes this topic so slippery.

What is the practical application of knowing that luck and risk play a large but unknown role in outcomes?? The answer, Housel contends is to "focus less on specific individuals and case studies and more on broad patterns." Don't study the outlier billionaires, CEO's or massive failures that dominate the headlines – rather look for broad patterns of success and failure. For example, do not look at the one guy who dropped out of college and made a billion, rather look at the average wage of college graduate's vs non college graduates.

In investing try to look for strategies that are repeatable. You may have a star Fund Manager who made 100% in 2020 by putting a large portion of the Fund into TESLA, and riding it all the way up – but how repeatable is that strategy?? At the other end of that spectrum is investing in a broad-based ETF – not exciting, but the chances are good that it will repeat that average performance over the long term.

While you can never eliminate risk, you can do a lot to minimise it. Diversify your portfolio, be sensible with leverage, back test your strategies if possible, and settle in for the long haul.

**"The best strategy is the one you can stick with long enough to reap the benefits of compounding".**

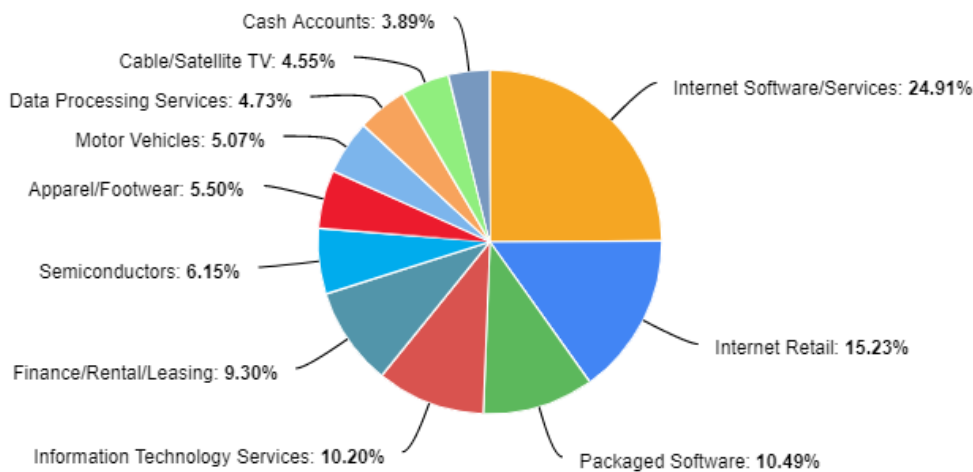
Please see next page for Charts and tables.

## FUND FACTS

Inception	01 November 2018	Sharpe ratio	1.45*
Fund Size	4.049mm	Sortino Ratio	3.84*
Minimum Investment	AUD 50,000	Mid-Price	1.5631
Management Fee	Nil	Best Month	9.98%
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

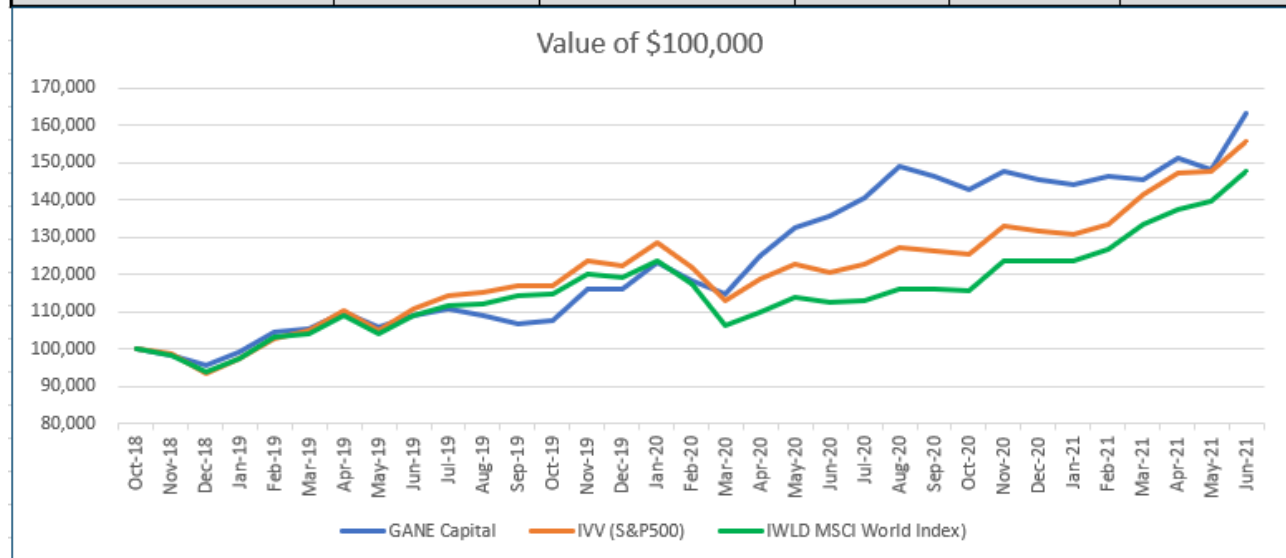
\*ratios are calculated before Fees & Expenses.

## PORTFOLIO BREAKDOWN



## PERFORMANCE SUMMARY

GANE CAPITAL International Equity Fund	Jun-21				
	1 Month	Year to Date	1 year	2 Year(p.a.)	Inception(p.a.)
GANE CAPITAL	10.0%	12.0%	20.1%	22.3%	20.2%
BENCHMARK - S&P 500	5.4%	18.3%	28.9%	18.6%	18.1%
BENCHMARK - MSCI World	5.8%	19.4%	31.0%	16.2%	15.7%



Disclaimer – Information provided in this report is for general information purposes only and is not a recommendation to invest in the Fund. Any person wishing to invest in the Fund should review the Information Memorandum and seek legal, financial and taxation advice. The trustee and manager of the Fund is GANE Capital Pty Ltd (ABN 48 625 273 449, and AFSL No 525368). Only investors who are wholesale clients (as defined in s761G and s761GA of the Corporations Act 2001) may invest in the Fund. Past performance is no indicator of future performance. An investment may achieve a lower than expected return, and investors risk losing some or all of their principal investment.