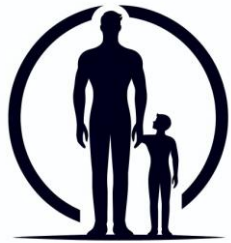




June 2024

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# EGP Long/Short Global Fund



# Fund Summary

Fund Name	EGP Long/Short Global Fund
Fund Inception	July 2024
Base Currency	Australian Dollars
Investor Eligibility	Wholesale Investors Only
Fund Liquidity	Monthly
Trustee/Administrator/Fund Manager	EGP Fund Pty/Ltd
Management Fee	5 Basis Points Per Month Deducted From Performance Fee
Performance Fee	10% of Performance Exceeding 6% p.a. 20% of Performance from 12%-18% p.a. 30% of Performance Exceeding 18% p.a.
High Watermark	Yes
Benchmark	6% p.a.
Buy/Sell Spread	0.1%



# People

## **Tony Hansen**

*Founder and Co-Chief Investment Officer*

Tony has been a Fund Manager since 2010. Prior to that he was a CPA, specialising in large project accounting. Tony has a degree in Commerce from UNE majoring in Financial Accounting and Econometrics. Tony co-wrote the code that generates the trades that the fund implements.

## **Gavin Skinstad**

*Co-Chief Investment Officer*

Gavin has been a Fund Manager since 2018. Prior to that he qualified as a Chartered Accountant, and worked for UBS in London, Tokyo and Singapore on the Fixed Income trading desk. Gavin co-wrote the code that generates the trades that the fund implements.

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# Strategy Description

The EGP Long/Short Global Fund, as the name suggests invests globally in a portfolio of companies both long and short. In the initial incarnation, the fund intends to invest across the Australian, United States and Canadian equity markets, in companies with sufficient daily liquidity that the strategy can be liquidated in a single day at no more than 33% of ADV (Average Daily Volume).

The fund will publish the entirety of the portfolio and all positions closed that month in a monthly performance report, so investors and potential investors have complete visibility of how the fund has achieved its reported performance.

The fund expects to commence each month with about 20 long positions and between 4-8 short positions in the portfolio. The fund anticipates extremely high portfolio turnover of between 700-1000% p.a. based on implemented back-testing.

The fund will target a Net Exposure of 80% (100% Long and 20% Short), though because of the frequent swift closure of short positions, back-tested average exposure has been 89.85%.



# Back-Tested Strategy Performance

Back-tested Performance Post all Fees and Costs														
YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	MaxDD
2000	-3.60%	6.39%	1.71%	-6.69%	2.89%	0.00%	1.31%	2.03%	-7.80%	7.48%	-4.30%	0.75%	-1.10%	-7.80%
2001	-7.16%	7.20%	0.14%	5.54%	-2.20%	4.94%	7.80%	-3.98%	3.74%	-2.60%	7.95%	-0.30%	21.52%	-7.16%
2002	1.92%	0.52%	-0.15%	0.89%	1.09%	-1.25%	2.79%	-1.04%	-0.54%	-3.95%	-1.85%	-1.25%	-2.96%	-8.37%
2003	-0.90%	-2.50%	0.70%	5.20%	9.89%	2.40%	3.55%	5.61%	1.48%	9.00%	2.01%	0.80%	43.28%	-3.38%
2004	5.47%	1.55%	-0.45%	-7.85%	0.99%	5.35%	-3.55%	1.36%	10.75%	5.40%	5.68%	2.46%	29.19%	-8.26%
2005	1.26%	6.26%	-2.05%	-6.25%	6.15%	4.05%	8.62%	1.35%	5.96%	-1.75%	5.97%	2.81%	36.26%	-8.17%
2006	8.34%	-8.25%	10.99%	3.30%	-8.25%	1.41%	-3.35%	-2.35%	-0.45%	6.65%	9.85%	4.25%	21.69%	-12.58%
2007	1.27%	1.45%	1.25%	2.53%	6.46%	3.37%	2.18%	2.32%	8.55%	9.18%	-9.35%	4.05%	45.82%	-9.35%
2008	-11.35%	7.15%	-0.95%	3.35%	10.75%	8.00%	-11.65%	1.67%	-3.35%	3.85%	-1.95%	-3.05%	-0.32%	-14.30%
2009	-1.95%	-4.31%	-1.55%	-2.05%	-1.95%	-4.82%	5.99%	0.29%	9.75%	-5.65%	11.05%	2.09%	5.37%	-15.56%
2010	-7.50%	9.38%	11.53%	4.61%	-7.70%	-1.90%	2.10%	-2.30%	6.20%	6.72%	1.92%	4.49%	28.68%	-9.68%
2011	2.34%	2.04%	5.81%	2.29%	2.69%	0.53%	-0.45%	-5.05%	-2.25%	0.89%	-0.65%	-1.25%	6.71%	-8.55%
2012	1.65%	7.45%	3.99%	1.41%	-3.65%	-0.25%	5.20%	1.73%	1.81%	-1.95%	1.55%	0.80%	21.06%	-3.89%
2013	4.25%	3.95%	4.85%	2.24%	6.07%	-0.81%	4.85%	4.06%	5.75%	1.51%	4.95%	2.55%	54.07%	-0.81%
2014	4.15%	8.43%	-8.33%	0.36%	2.25%	5.15%	-1.15%	4.95%	-3.05%	0.00%	3.60%	5.55%	22.85%	-8.33%
2015	4.76%	4.30%	-0.85%	-2.95%	7.50%	-4.35%	8.47%	-7.55%	-1.35%	-0.15%	0.69%	-0.75%	6.72%	-8.99%
2016	-2.65%	-0.45%	0.46%	-1.95%	-0.15%	7.05%	8.51%	-7.15%	3.55%	0.75%	7.45%	1.89%	17.41%	-7.15%
2017	8.15%	-6.65%	1.65%	-2.35%	12.61%	-1.25%	5.04%	1.66%	1.69%	10.13%	0.68%	-2.05%	31.42%	-7.34%
2018	11.02%	4.07%	-1.65%	0.05%	7.28%	1.83%	-3.55%	8.36%	3.51%	-19.05%	4.25%	-3.45%	9.49%	-19.05%
2019	1.65%	0.95%	2.35%	4.05%	-5.75%	5.75%	2.35%	3.35%	-12.81%	-4.75%	0.15%	1.45%	-2.78%	-16.95%
2020	8.41%	-5.65%	5.85%	-3.15%	6.53%	4.45%	14.41%	0.95%	4.91%	-2.45%	6.06%	8.29%	58.37%	-5.65%
2021	6.09%	-1.15%	-2.85%	6.05%	3.76%	-0.75%	3.99%	4.86%	-1.35%	5.80%	0.32%	0.77%	28.02%	-3.97%
2022	-7.45%	8.42%	7.48%	0.23%	5.69%	-12.85%	-0.05%	2.15%	1.35%	1.15%	4.85%	-3.25%	5.71%	-12.89%
2023	-1.25%	-7.75%	9.01%	-2.55%	8.75%	4.97%	3.92%	-4.25%	-4.55%	-8.15%	7.05%	3.55%	6.83%	-16.06%
2024	5.58%	7.37%	3.33%	-2.35%	8.76%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24.39%	-2.35%
AVG	1.30%	2.01%	2.09%	0.16%	3.22%	1.29%	2.81%	0.54%	1.31%	0.75%	2.83%	1.30%	20.71%	-9.06%



# Back-Tested Performance Comparisons

Year	EGP L/S Strategy	MSCI World US\$	S&P500 US\$	All Ords AU\$
2000	(1.1%)	(13.2%)	(9.1%)	5.0%
2001	21.5%	(16.8%)	(11.9%)	10.1%
2002	(3.0%)	(19.9%)	(22.1%)	(8.1%)
2003	43.3%	33.1%	28.7%	15.9%
2004	29.2%	14.7%	10.9%	27.6%
2005	36.3%	9.5%	4.9%	21.1%
2006	21.7%	20.1%	15.8%	25.0%
2007	45.8%	9.0%	5.5%	18.0%
2008	(0.3%)	(40.7%)	(37.0%)	(40.4%)

Year	EGP L/S Strategy	MSCI World US\$	S&P500 US\$	All Ords AU\$
2009	5.4%	30.0%	26.5%	39.9%
2010	28.7%	11.8%	15.1%	3.3%
2011	6.7%	(5.5%)	2.1%	(11.4%)
2012	21.1%	15.8%	16.0%	18.8%
2013	54.1%	26.7%	32.4%	19.7%
2014	22.9%	4.9%	13.7%	5.0%
2015	6.7%	(0.9%)	1.4%	3.8%
2016	17.4%	7.5%	12.0%	11.6%
2017	31.4%	22.4%	21.8%	12.5%

Year	EGP L/S Strategy	MSCI World US\$	S&P500 US\$	All Ords AU\$
2018	9.5%	(8.7%)	(4.4%)	(3.5%)
2019	(2.8%)	27.7%	26.3%	24.1%
2020	58.4%	15.9%	18.4%	3.6%
2021	28.0%	21.8%	28.7%	17.7%
2022	5.7%	(18.1%)	(18.1%)	(4.8%)
2023	6.8%	23.8%	26.3%	13.0%
2024 YTD	24.4%*	8.7%*	10.6%*	1.8%*

\*As of 31 May 2024



# Points of Difference

- Pure quantitative strategy based on momentum built to optimise equity returns whilst minimising drawdowns
- Comprehensively designed and tested strategy investing in an AU\$74 trillion universe of opportunities
- Extreme risk management of short book. Back-testing indicates only 39% of short trades are profitable, but they produce 4.8% of the strategy profit, with most of it produced during major market reversals, enabling increased exposure into the long-book awaiting market recovery
- The strategy invests across Australia, Canada and the USA, providing diversification benefits from an Equity and currency viewpoint
- Investor aligned fee structure



# Reasons To Invest

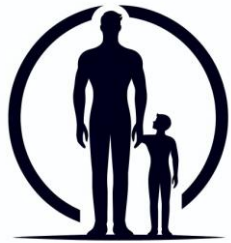
- Back-tested results indicate the strategy has the potential to produce materially better than market returns with meaningfully lower average and maximum drawdowns
- Back-tested performance has an uncommonly low correlation of 38% with the S&P500, 39% with the MSCI World and only 28% with the All Ordinaries. A modest exposure to the Fund could offer massive portfolio diversification
- Given the complexity of the strategy, the low Management Fee of 0.6% per annum is very attractive
- The Management Fee is deducted from any Performance Fee. To earn anything more than the Management Fee, the Manager needs to produce >12% p.a. above the high watermark
- Investor interests are fully aligned with the Manager's interests, from the Investor aligned fee structure to the Manager's personal investments into the Fund
- Both Managers have significant experience in Finance as well as Funds Management and have used this experience to create this unique offering





# Reasons Not to Invest

- Back-tested results should always be treated with extreme scepticism
- Despite comprehensive testing to optimise returns at the targeted Net Exposure, the Fund may fail to produce returns as good as the back-testing demonstrates
- Despite comprehensive system testing to minimise drawdowns under a variety of conditions, back-tested average annual drawdown (8.9%) p.a. may be higher
- The strategy produces double-digit months (up or down) almost once a year on average in back-testing, it will be an extremely volatile offering only suited to those accustomed to large irregular portfolio movements
- The extreme lack of correlation will mean periods of significant underperformance of major equity markets. Such as 2009 & 2019 when the strategy under-performed major markets by ~26%, or 2023 when the strategy under-performed major markets by ~13%
- Short-side investing has many risks and the positive contribution the short-book has made in back-testing may not materialise for the Fund
- **The fund will produce primarily short-term capital gains. Below 25% of realised gains in back-testing were eligible for CGT discounting**



# Want to know more?

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*“Gentlemen, we will chase perfection, and we will chase it relentlessly, knowing all the while we can never attain it. But along the way, we shall catch excellence.”*

- VINCE LOMBARDI