



October 2024

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 on Beginning NAV
Performance Fees – Calculated after Management Fees and Paid Semi Annually	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. The fund currently invests 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 10% of ADV (Average Daily Volume).

The monthly performance reports since inception have published the entirety of the portfolio and all positions closed that month to assist investors and potential investors to have complete visibility of how the fund has achieved its reported performance. This practice will cease in the 2nd year of operation.

The fund generally commences each month with about 20 long-term long positions and about 5 longer-term short positions. The shorter-term strategies average 37 trades per month. The fund anticipates extremely high portfolio turnover of between 15-75x p.a. depending on market conditions.

The fund has averaged a Net Exposure of 81.2% (~96.2% Long and ~15% Short), though this level will vary significantly depending on market conditions.



Post Fee Strategy Performance

Post Fees Returns Table – Back Tested and Actual

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	MaxDD	Key:
2000	6.0%	2.9%	5.7%	0.7%	10.5%	5.7%	1.9%	14.0%	6.1%	13.3%	0.0%	7.0%	102.5%	0.0%	Backtest
2001	5.1%	8.4%	3.0%	7.3%	0.0%	7.8%	7.6%	-1.4%	-1.3%	-0.8%	6.7%	0.9%	51.7%	-3.5%	Actual
2002	6.2%	1.7%	3.2%	2.6%	3.1%	3.0%	1.3%	3.0%	1.1%	1.6%	1.0%	5.6%	38.9%	0.0%	Annual
2003	0.2%	-0.8%	-1.5%	5.5%	5.2%	9.2%	1.5%	7.5%	3.5%	8.0%	5.5%	2.0%	55.6%	-2.3%	Drawdown
2004	5.8%	1.5%	1.4%	-7.5%	3.4%	4.0%	0.1%	4.3%	6.5%	4.4%	1.6%	3.8%	32.5%	-7.5%	
2005	2.3%	7.3%	1.1%	0.9%	2.8%	3.6%	6.6%	2.2%	3.8%	1.3%	4.0%	3.3%	46.7%	0.0%	
2006	8.9%	-0.4%	10.3%	5.1%	-1.2%	4.0%	-0.3%	-4.9%	-1.6%	6.5%	5.6%	2.0%	38.2%	-6.7%	
2007	-0.2%	1.5%	2.2%	2.9%	8.8%	5.1%	1.8%	8.3%	9.1%	9.6%	0.0%	2.0%	63.7%	-0.2%	
2008	-3.8%	6.1%	5.2%	6.6%	9.2%	6.8%	8.0%	7.1%	8.4%	6.0%	0.5%	2.6%	82.9%	-3.8%	
2009	-4.3%	1.3%	5.1%	5.0%	2.6%	-3.1%	6.5%	0.0%	5.5%	-2.5%	9.0%	0.0%	27.1%	-4.3%	
2010	-8.0%	11.6%	10.1%	7.1%	0.0%	0.0%	0.0%	-0.8%	2.7%	5.0%	2.5%	3.4%	37.3%	-8.0%	
2011	1.2%	6.4%	5.6%	1.7%	2.6%	0.0%	2.5%	-9.9%	1.9%	2.1%	1.4%	0.0%	15.6%	-9.9%	
2012	2.1%	5.1%	4.5%	2.2%	0.0%	0.9%	5.4%	1.9%	1.4%	1.8%	2.4%	0.0%	31.2%	0.0%	
2013	2.1%	3.8%	2.0%	0.9%	6.7%	2.3%	1.5%	3.8%	3.8%	4.3%	3.8%	0.0%	40.7%	0.0%	
2014	5.0%	9.1%	-2.8%	1.4%	1.4%	3.5%	0.3%	4.2%	-4.5%	0.6%	3.9%	5.4%	30.3%	-4.5%	
2015	6.2%	3.8%	0.3%	-4.3%	8.6%	0.8%	4.6%	-0.6%	-3.5%	0.6%	1.8%	3.0%	22.4%	-4.3%	
2016	0.6%	0.8%	3.4%	-0.8%	1.5%	4.0%	4.6%	0.0%	2.1%	0.9%	13.9%	8.7%	37.3%	-4.3%	
2017	4.8%	-5.0%	2.9%	-2.7%	12.5%	2.8%	4.4%	3.9%	0.0%	8.0%	-1.1%	-1.9%	31.0%	-5.0%	
2018	12.7%	6.1%	-2.2%	3.1%	8.7%	-0.5%	-2.0%	10.4%	4.2%	-21.1%	0.4%	-2.0%	13.7%	-22.4%	
2019	0.8%	1.4%	5.0%	0.4%	-5.3%	3.6%	5.9%	13.5%	-12.2%	-6.2%	-1.8%	-0.4%	2.3%	-19.5%	
2020	5.8%	2.6%	-2.4%	-2.6%	13.6%	9.9%	11.9%	4.0%	12.9%	0.0%	9.1%	10.2%	103.5%	-4.9%	
2021	13.2%	4.6%	3.3%	7.4%	5.5%	2.3%	6.9%	5.3%	0.0%	5.2%	3.4%	3.9%	80.3%	0.0%	
2022	-2.9%	12.5%	4.2%	2.0%	5.8%	-11.8%	-1.3%	-0.6%	-0.9%	2.5%	6.9%	1.7%	17.5%	-14.2%	
2023	-2.1%	-6.0%	7.9%	-2.2%	4.8%	5.8%	1.6%	-3.8%	-3.2%	-1.3%	7.8%	-4.6%	3.5%	-7.9%	
2024	8.3%	4.6%	4.1%	2.0%	12.0%	3.0%	-3.1%	3.8%	6.2%				48.2%	-3.1%	
Average	3.0%	3.6%	3.3%	1.8%	4.9%	2.9%	3.1%	3.0%	2.1%	2.1%	3.7%	2.4%	42.2%	-5.5%	



Performance Comparisons

	EGPLSGF	S&P500
CAGR	42.2%	7.7%
Max Drawdown	-26.7%	55.2%
Avg Ann Drawdown	-5.5%	-15.6%
Sharpe	1.93	0.47
Sortino	3.21	0.75
Volatility	23.1%	19.4%
Avg Net Exposure	81.2%	100%
Max Net Exposure	176.5%	100%
Corr to S&P500	42%	100%

Year	EGP LSGF	MSCI World US\$	Difference
2000	102.5%	(13.2%)	115.7%
2001	51.7%	(16.8%)	68.5%
2002	38.9%	(19.9%)	58.8%
2003	55.6%	33.1%	22.5%
2004	32.5%	14.7%	17.8%
2005	46.7%	9.5%	37.2%
2006	38.2%	20.1%	18.1%
2007	63.7%	9.0%	54.7%
2008	82.9%	(40.7%)	123.6%
2009	27.1%	30.0%	(2.9%)
2010	37.3%	11.8%	25.5%
2011	15.6%	(5.5%)	21.1%

Year	EGP LSGF	MSCI World US\$	Difference
2012	31.2%	15.8%	15.4%
2013	40.7%	26.7%	14.0%
2014	30.3%	4.9%	25.4%
2015	22.4%	(0.9%)	23.3%
2016	37.3%	7.5%	29.8%
2017	31.0%	22.4%	8.6%
2018	13.7%	(8.7%)	22.4%
2019	2.3%	27.7%	(25.4%)
2020	103.5%	15.9%	87.6%
2021	80.3%	21.8%	58.5%
2022	17.5%	(18.1%)	35.6%
2023	3.5%	23.8%	(19.8%)
2024 YTD	48.2%*	17.5%*	30.7%

*As of 30 September 2024



Points of Difference

- Pure quantitative strategy utilising numerous uncorrelated systems tested to create strong, stable return equity returns whilst minimising drawdowns
- Comprehensively designed and tested strategy applying mean reversion and momentum-based systems to an AU\$74 trillion universe of opportunities
- Careful risk management of short book. Although the short-book produces less of the strategy profit. It tends to do so during periods of major market reversals, enabling increased exposure into the long-book before 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, with early actual results supporting this thesis
- The strategy has correlation below 40% with the S&P500, MSCI World and All Ordinaries. Modest exposure to the Fund could offer significant diversification
- Despite the complexity of the strategy, the Management Fee is only 0.6% p.a.
- Furthermore, 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 product



Reasons Not to Invest

- Back-tested results should always be treated with extreme scepticism
- Despite comprehensive testing to produce optimal returns with minimal risk at the targeted Net Exposures, the Fund may fail in future to produce returns as good as the back-testing
- Despite comprehensive system testing to minimise drawdowns under a variety of market conditions, the low back-tested average annual drawdown may be higher
- The strategy occasionally produces extreme volatility, with back-testing showing double-digit months occur quite regularly, including a down month of 21.1%. Such volatility is not for everybody and will be suited to investors accustomed to large irregular portfolio movements, and potentially smaller portfolio allocations
- The extreme lack of correlation sometimes leads to periods of significant under-performance of major equity markets. Such as 2019 and 2023 when the strategy meaningfully under-performed major global indices
- Short-side investing has many risks and the positive contribution the short-book has made in back-testing and in early practice may not continue for the Fund
- **The fund will produce primarily short-term capital gains. Only ~20% 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