

The Conservative Fund – September 2025

1

The Conservative Fund is the long only product intended for launch in July 2026. The underpinning strategy has been run by Gavin at [GANE Capital](#). The strategy forming the basis of the below report has been in operation since May 2022, and we have set out the results for each full financial year. The results shown below closely represent the strategy we will run with The Conservative Fund. This strategy relies on allocations to ETFs and the largest capitalisation US stocks. It has historically averaged about 80% ETFs/equities and 20% cash exposures. No shorting or leverage are used.



Results Table

	July	August	September	October	November	December	January	February	March	April	May	June	YTD
FY2023	1.93%	0.84%	(1.50%)	4.04%	(1.47%)	(3.10%)	0.66%	1.58%	1.69%	2.09%	1.53%	2.44%	11.03%
FY2024	2.58%	1.94%	(3.48%)	(0.20%)	4.14%	2.02%	4.41%	6.22%	1.55%	(4.53%)	2.87%	0.10%	18.49%
FY2025	2.36%	(0.66%)	(0.19%)	4.07%	6.24%	1.52%	3.47%	0.59%	(4.92%)	(2.58%)	4.37%	3.82%	19.00%
FY2026	3.13%	1.00%	4.23%										8.57%

Performance Summary

Key performance metrics and charts.

Portfolio Analytics (July 2022 – Current)		
Metric	Fund	AOR
AUM	\$6.0m	US\$2.7b
Volatility	13.1%	10.6%
Sharpe Ratio	0.98	0.52
Sortino Ratio	1.41	0.75
Largest Drawdown	(13.0%)	(13.2%)
1-year return	27.3%	11.3%
Cumulative Return	70.0%	41.5%
Since Inception Annualised	17.73%	11.58%
Unit Price (Mid)	\$1.5072	\$64.38

Contact Information

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Market Commentary

Since Inception Exposures:

Long = 80.9% | Cash = 19.1%

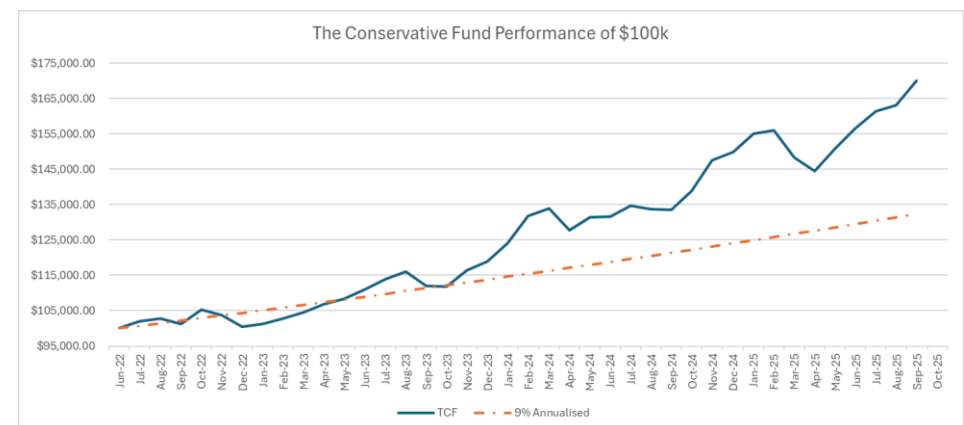
Portfolio Information

Benchmark Performance Correlation (AOR): 50%

Benchmark Drawdown Correlation (AOR): 55%

Annualised Portfolio Turnover: 4.4x

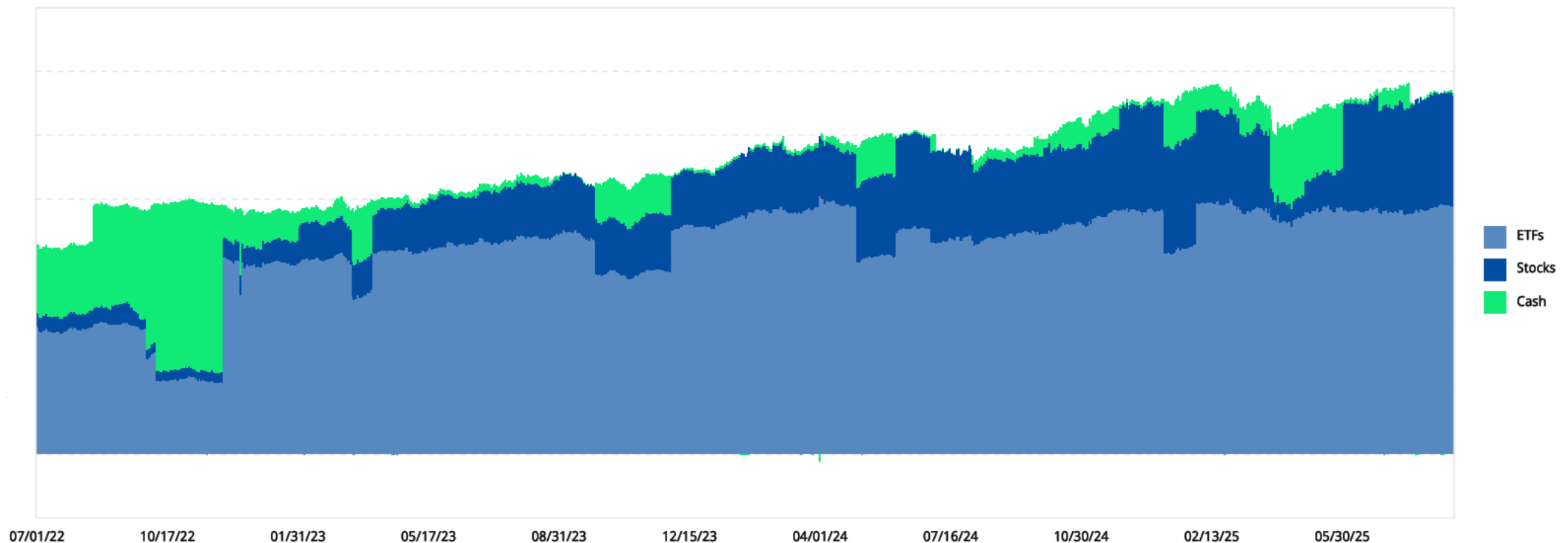
Results Graph Since Inception



Quarterly Commentary

This report on “The Conservative Fund - TCF” will be included in our monthly newsletter email henceforth. TCF is a third (and likely final) quantitative strategy we will be launching targeting July 2026. It is a long-only, product with (as the name implies) a much demurer exposure profile than The Aggressive Fund (TAF) and the Long/Short Global Fund (LSGF). A core difference is represented by portfolio turnover levels. Average portfolio turnover in TCF is ~4x per annum, compared to 40-50x for LSGF and >120x for TAF. Average hold duration for a winning trade is 33.3 days (AF = 2.5 days) and for a losing trade is 24.6 days (AF = 2.9 days). It develops the return profile shown in this report by investing across a variety of the largest and most liquid global Exchange Traded Funds (ETFs) and improves the return profile by selecting up to 10 large US stocks that meet the “Momentum” criteria we have developed.

The graphic below from the Interactive Brokers risk report shows the historic allocation between stocks, ETFs and cash in the Fund (US date conventions):



TCF is intended to be a replica of a strategy which Gavin has operated since May 2022. The “[GANE International Equity Fund](#)” commenced in late 2018, but after a drawdown larger than Gavin was comfortable with in early 2022, transitioned to the strategy set out in this report in mid-2022. These results represented in

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3

the table on the front page and in the extract from the Interactive Brokers Risk Report shown below are actual performance for GANE since July 2022 (first full financial year the new strategy operated:

Risk Measures

	AOR	TCF
Ending VAMI	1,382.74	1,678.92
Max Drawdown	13.20%	13.03%
Peak-To-Valley	05/04/22 - 10/14/22	02/19/25 - 04/08/25
Recovery	79 Days	69 Days
Sharpe Ratio	0.52	0.98
Sortino Ratio	0.75	1.41
Calmar Ratio	0.75	1.25
Standard Deviation	0.68%	0.72%
Downside Deviation	0.47%	0.50%
Turnover	-	519.98%
Mean Return	0.04%	0.06%
Positive Periods	500 (56.05%)	486 (54.48%)
Negative Periods	392 (43.95%)	406 (45.52%)

Risk Measures Relative to Benchmark

TCF	vs.	AOR
Correlation		0.50
β :		0.53
α :		0.08
Tracking Error		0.70%
Information Ratio		42.20

Although TCF is intended to use an absolute return target of 9% per annum, for the purpose of comparison, we have selected the AOR ETF (iShares Core 60/40 Balanced Allocation) to use as a secondary benchmark. AOR is a 60/40 portfolio, regarded by many as an excellent core position in a portfolio where a sound return profile is sought, but full equities risk exposure is considered too risky or volatile.

There is much useful data in the table above, but the core concept demonstrated is that GANE International Equities Fund/TCF has delivered approximately 1.5x the return of AOR, with better risk ratios (Sharpe/Sortino/Calmar), the fund has a relatively low tracking error compared to AOR yet still manages to deliver alpha (α) of 0.08. These strong, stable results deliver an Information Ratio that is better than you are likely to find in any balanced/conservative product.

It is almost certain that the GANE International Equity Fund vehicle will be transformed into TCF, subject to regulatory approval. Anyone wishing to join the fund is welcome to do so immediately. The transition will be a largely ceremonial and regulatory one. Prior to formally launching TCF, we will provide a pitchbook that compares the historic returns of a 60/40 portfolio and a back-tested facsimile of TCFs strategy for the whole of the 21st century.

The Aggressive Fund and The Long/Short Global Fund are intended to generate strong returns, they are volatile and have extremely limited capacities (~\$15m & ~\$100m respectively) and are expected to represent a modest portfolio exposure for most investors. TCF is developed to be a core position and given the lower turnover strategy, targeting large capitalisation ETFs/shares, we feel it has a capacity >\$1b - From your Co-CIO's: **Erik A. (Tony) Hansen & Gavin L. Skinstad**