

The Conservative Fund – March 2026



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 since. 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%	1.28%	(1.09%)	(0.16%)	3.41%	3.66%	(2.73%)				13.23%

Performance Summary

Key performance metrics and charts.

Portfolio Analytics (July 2022 – Current)		
Metric	Fund	AOR
AUM	\$7M	US\$3.42B
Volatility	11.9%	10.2%
Sharpe Ratio	0.93	0.58
Sortino Ratio	1.32	0.85
Largest Drawdown	(13.0%)	(12.8%)
1-year return	19.5%	14.8%
Cumulative Return	77.3%	47.7%
Since Inception Annualised	16.5%	11.0%
Unit Price (Mid)	\$1.5719	\$64.35

Contact Information

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Market Commentary

Since Inception Exposures:

Long = 81.1% | Cash = 18.9%

Portfolio Information

Benchmark Performance Correlation (AOR):

54%

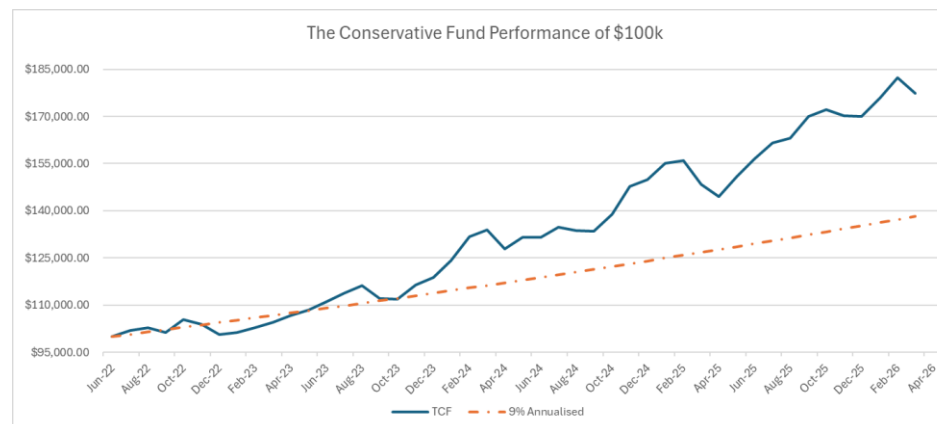
Benchmark Drawdown Correlation (AOR):

38%

Since Inception Turnover (01/07/2022):

602.6%

Results Graph Since Inception



Quarterly Commentary

The Conservative Fund was designed to match or beat Equity returns, with lower drawdowns and volatility over time. In the December quarterly update, we set out exactly how the Fund is constructed, breaking down the 4 systems and how they interact.

For this quarter end, we wanted to share an “Asset Matrix” table, showing how various major asset classes have performed over the last 20+ years, and how these returns compare to the Conservative Fund’s performance.

Table One:

Avg 2005-2025	Vol	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
CF	12.7%	Cmnty	Gold	Gold	US Eq	Cmnty	Cmnty	CF	US Eq	Cash	CF	Cmnty	AUS Eq	Real Est	US Eq	AUS Eq	Int Eq	Gold	Emg Eq	Bonds	Emg Eq	Real Est	Emg Eq
13.8%	12.7%	29%	63.6%	26.6%	26.2%	19.3%	41.3%	36.8%	31.2%	1.8%	37.9%	18.0%	3.0%	26.6%	32.3%	19.7%	21.3%	29.2%	68.9%	17.9%	33.3%	34.8%	32.6%
Gold	18.4%	Gold	Emg Eq	CF	Int Eq	Cash	Real Est	Gold	Real Est	Bonds	Emg Eq	US Eq	CF	US Eq	CF	Emg Eq	Bonds	Real Est	AUS Eq	Gold	Cmnty	Emg Eq	Cmnty
12.5%	18.4%	8.3%	33.3%	26.1%	18.4%	1.2%	38.7%	24.8%	28.1%	0.9%	37.2%	12.0%	1.7%	13.5%	31.9%	19.1%	15.6%	26.5%	39.6%	4.9%	31.5%	31.1%	28.8%
US Eq	16.9%	Emg Eq	Int Eq	US Eq	CF	Gold	US Eq	US Eq	AUS Eq	Gold	Int Eq	AUS Eq	Real Est	Bonds	Int Eq	Real Est	Gold	Emg Eq	Real Est	Cash	Gold	Int Eq	AUS Eq
12.1%	16.9%	3.7%	31.5%	24.9%	18.2%	-0.7%	28.7%	18.3%	23.7%	-1.9%	25.1%	11.3%	1.6%	9.0%	21.3%	18.2%	9.5%	16.5%	30.4%	2.0%	30.5%	25.8%	21.1%
Emg Eq	25.5%	CF	60/40	AUS Eq	Gold	AUS Eq	AUS Eq	Emg Eq	Int Eq	CF	US Eq	Emg Eq	Bonds	CF	AUS Eq	US Eq	Real Est	US Eq	Int Eq	CF	CF	AUS Eq	Gold
9.7%	25.5%	3.0%	19.0%	11.4%	12.6%	-1.6%	17.4%	17.0%	22.0%	-2.4%	21.7%	10.8%	1.5%	7.3%	19.5%	16.0%	5.5%	15.1%	26.9%	-3.0%	27.2%	25.0%	18.0%
AUS Eq	16.0%	Int Eq	US Eq	60/40	60/40	CF	CF	60/40	Emg Eq	AUS Eq	60/40	Gold	US Eq	AUS Eq	60/40	CF	60/40	CF	US Eq	60/40	AUS Eq	Gold	CF
9.4%	16.0%	1.2%	17.7%	8.0%	12.4%	-4.4%	14.0%	10.6%	18.2%	-3.0%	17.5%	8.0%	1.3%	4.9%	8.8%	15.7%	4.0%	10.4%	26.3%	-21.3%	18.0%	22.1%	13.5%
Int Eq	17.2%	Cash	CF	Emg Eq	AUS Eq	60/40	Int Eq	Bonds	Gold	Real Est	Gold	Real Est	Cash	60/40	Real Est	Gold	US Eq	Cmnty	Gold	Cmnty	60/40	60/40	Int Eq
7.9%	17.2%	0.9%	13.4%	6.9%	12.0%	-13.3%	11.5%	10.0%	17.8%	-4.3%	12.8%	7.0%	0.1%	2.5%	1.1%	6.6%	01.8%	11.9%	24.0%	-31.7%	12.8%	16.0%	13.3%
Real Est	19.5%	Real Est	AUS Eq	Cash	Real Est	Int Eq	60/40	Int Eq	60/40	US Eq	AUS Eq	CF	Int Eq	Cash	Cash	60/40	Cash	60/40	60/40	US Eq	Bonds	US Eq	60/40
7.8%	19.5%	0.8%	10.6%	5.3%	11.9%	-14.0%	6.7%	7.6%	16.3%	-4.5%	11.8%	6.1%	-1.0%	0.1%	0.1%	6.5%	0.1%	9.8%	23.2%	-36.8%	10.3%	15.8%	11.3%
60/40	10.6%	60/40	Cmnty	Real Est	Emg Eq	Bonds	Cash	AUS Eq	Cmnty	60/40	Real Est	60/40	60/40	Gold	Emg Eq	Bonds	Cmnty	Bonds	CF	Real Est	Int Eq	CF	Real Est
7.0%	10.6%	0.3%	8.0%	4.4%	8.9%	-15.1%	0.1%	1.8%	11.8%	-6.2%	9.3%	5.1%	-2.9%	-2.1%	-3.7%	3.6%	-2.6%	9.4%	19.1%	-39.8%	9.9%	15.0%	8.9%
Cmnty	19.3%	Bonds	Bonds	Int Eq	Cash	US Eq	Bonds	Cash	CF	Cmnty	Cmnty	Int Eq	Gold	Emg Eq	Bonds	Cmnty	CF	Int Eq	Cmnty	AUS Eq	Cash	Cmnty	US Eq
3.9%	19.3%	-0.1%	8.0%	3.5%	5.1%	-18.1%	-3.3%	0.1%	9.2%	-11.6%	4.8%	1.3%	-10.6%	-3.9%	-6.0%	3.5%	-3.6%	8.1%	16.2%	-40.0%	5.2%	7.1%	4.8%
Bonds	7.5%	AUS Eq	Cash	Cmnty	Bonds	Emg Eq	Emg Eq	Real Est	Bonds	Int Eq	Bonds	Bonds	Emg Eq	Int Eq	Cmnty	Cash	AUS Eq	AUS Eq	Cash	Int Eq	US Eq	Cash	Cash
3.6%	7.5%	-2.8%	4.3%	2.1%	3.6%	-20.5%	-3.7%	-5.2%	8.0%	-13.8%	2.5%	1.0%	-16.2%	-6.2%	-7.6%	0.1%	-11.4%	1.8%	0.2%	-41.0%	5.1%	5.0%	3.0%
Cash	2.0%	US Eq	Real Est	Bonds	Cmnty	Real Est	Gold	Cmnty	Cash	Emg Eq	Cash	Cash	Cmnty	Cmnty	Gold	Int Eq	Emg Eq	Cash	Bonds	Emg Eq	Real Est	Bonds	Bonds
1.8%	2.0%	-4.4%	3.3%	-0.6%	-6.2%	-25.5%	-4.0%	-7.8%	2.3%	-15.3%	1.1%	0.4%	-27.5%	-28.1%	-28.3%	-6.2%	-18.8%	0.1%	-6.5%	-48.8%	-18.0%	2.5%	2.6%

*The CF returns are actual since July 2022, and theoretical before that, i.e. back-tested.

Analysis

Each year asset classes are ranked by performance, for example, in 2021 “Commodities” was the best performing asset class with a 41.3% return, and Gold performed the worst with -4% (this result is itself an odd example of dis correlation between what should be two “inflation hedges”).

There are a couple of points we can draw from the table: -

1. Most asset classes (except cash and bonds) are highly variable, moving with ease from the bottom of the table to the top of the table and vice versa.
2. This movement is measured and reflected in the Volatility column (second from left). Emerging Markets has the highest volatility (25%) and cash (2%) the lowest.
3. It is very hard to guess which asset classes are going to perform and when.

4. One measure of a good system is to compare the ratio of returns to volatility. Equity markets are generally around 0.4 to 0.6.
5. One must look at absolute returns as well as ratios, otherwise you would just put your money in cash, and inflation would destroy your purchasing power.
6. The CF has the best ratio **AND** the best return in the above table (ratio above 1).

The normal way to address this variability of returns is to have a balanced portfolio – we include a traditional 60/40 portfolio in the mix above, which delivers a respectable 7% return for only 10% annualised volatility (0.7 ratio), a better risk/return ratio than equity markets, but at the price of a lower expected return.

The CF addresses this problem by rotating in and out of the strongest asset classes measured using the momentum factor we have developed. Using this method, we achieve an excellent return to risk ratios at the same time as achieving the highest return through the cycle of all asset classes.

This methodology is not without its risks and costs, a couple worth considering mentioned below: -

- Higher turnover – this can lead to higher tax costs, so the vehicle is best suited to lower taxed entities.
- Potential for underperformance – occasionally it will take some time for leading assets to develop reliable trends. In such an environment, the Fund often moves into and out of assets until a proper trend forms, in market parlance this is referred to as being “whipsawed”.

It is important to keep in mind there is no system that will always outperform, otherwise all investors would just use that. All asset classes will traverse good and bad periods. To our mind, the CF strikes an excellent balance between providing a top return, while managing the downside performance adequately (the risk).

So far in 2026 the CF is doing a good job of achieving those objectives, sitting in the top section of the table so far. You can see CF appears in the top 5 of the table more often than anything alternative, with 16 appearances in 22 years.

The use of black shading for the results of the CF in the table make it easy to eyeball the chart and arrive at a good understanding of why we think the fund presents an excellent core holding for most investors. It is seldom the best performing asset in the table, but more importantly rarely finds its performance in the bottom half of the group. The fund is designed with a goal in mind of generally being in the top half. CF strikes a remarkable balance between results and stability. Being consistently good rather than occasionally brilliant is the name of the game for The Conservative Fund - From your Co-CIO's: **Erik A. (Tony) Hansen & Gavin L. Skinstad**