The GANE Fund – June 2026

The GANE Fund is the long only product. The underlying strategy was run by [GANE Capital] since mid-2022. The strategy is the basis of the below report; we have set out the results for each full financial year since then. The results shown below closely represent the strategy we will run with EGP GANE 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 is 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%)**	**3.40%**	**4.33%**	**5.02%**	**28.28%**

Performance Summary

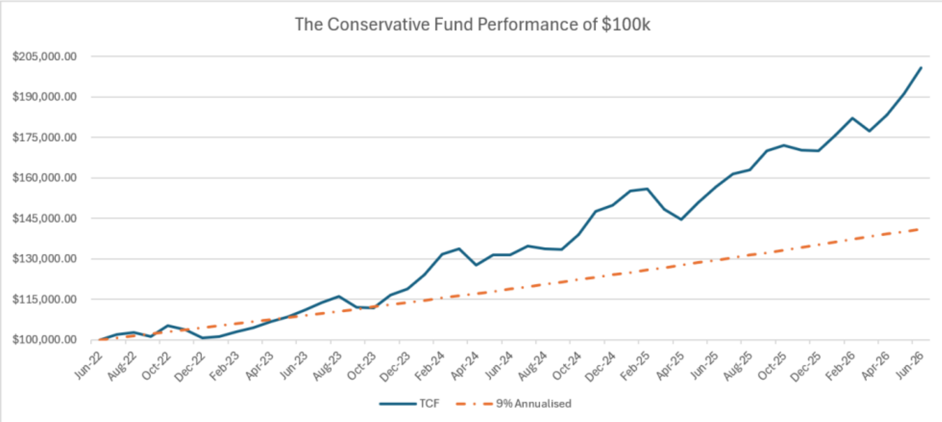
Key performance metrics and charts.

Portfolio Analytics (July 2022 – Current)		
Metric	**Fund**	**AOR**
AUM	**$8M**	**US$3.65B**
Volatility	**12.5%**	**10.6%**
Sharpe Ratio	**1.15**	**0.77**
Sortino Ratio	**1.66**	**1.13**
Largest Drawdown	**(13.0%)**	**(13.2%)**
1-year return	**28.3%**	**12.9%**
Cumulative Return	**100.8%**	**57.5%**
Since Inception Annualised	**19.0%**	**12.0%**
Unit Price (Mid)	**$1.7808**	**$69.50**

Portfolio Information

Since Inception Exposures: **Long = 81.2%| Cash = 18.8%**
Inception AOR Performance Correlation: **55%**
Inception vs AOR β: **68%**
Inception vs AOR α: **9% p.a.**
Inception Portfolio Turnover: **671%**

Results Graph Since Inception



Contact Information

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Quarterly/FY2026 Review

We have re-named the fund from "The Conservative Fund" to "The GANE Fund" this month. The change reflects the input of industry titans who pointed out that despite the very low volatility and stable return profile since inception, it would still not be considered "Conservative" to most asset allocators, given the significant equity bent of the systems allocation structure. The GANE Fund is intended to be the largest of the three funds we operate, as the strategies it employs are by a good margin the most scalable of the Funds. As such, it behoves us to name the fund in a way that will not deter prospective clients because of a mismatch in perceptions between the name and the strategy the Fund operates.

The GANE Fund (the Fund) was designed to match or beat average equity returns, with lower drawdowns and volatility over time. In this financial year update we will breakdown how each part of the portfolio has performed, and whether we have achieved our goal – also looking at any changes we have made to the portfolio over the year.

FY2026 Overview

We firstly review FY2026 performance for the Fund for the 2026 Financial Year versus the ten other asset classes first set out in the March newsletter:

- EGP GANE Fund +28.3%
- S&P 500 (US Market) +20.9%
- ASX 300 (Australian Market) +6.2%
- International Equities in AUD (VGS.AX) +15.1%
- US Govt Bonds (TLT) -2.1%
- Broad Commodities (PDBC) +21.8%
- 60/40 (AOR) +12.9%
- Real Estate (IYR) +7.9%
- Cash (AAA.AX) +4.0%
- Gold (GOLD) +87.6%
- Emerging Equities (EEM) +41.8%

As the table in the March newsletter showed, the Fund is usually in the top half of these eleven. Only Gold and Emerging Market equities outperformed the Fund in FY2026. We are always happy to be among the top few positions. Gold was unusually strong in the past 12 months and is almost 40% off highs set less than 4 months ago. Emerging market performance has been primarily driven by three stocks (which now make up almost 30% of the EEM ETF) that caught the AI tailwind. Taiwan Semiconductor (2330.TW +127%), Samsung Electronics (005930.KS +461%) and SK Hynix (000660.KS +825%) drove most of the EEM +41.8% result. Our closest proxy is VGS, a world index priced in AUD, which we beat handily in 2026, due to underlying portfolio outperforming, as well as dynamic hedging of the AUDUSD exposure which provided additional edge. Normally we would expect to be much closer in results to this index, but individual 12-month periods can diverge noticeably.

Underlying Systems Review

Regular readers will recall the Fund employs 4 different systems. Each employs a similar methodology, but the underlying target assets for each segment are vastly different, which results in the nicely diversified, and usually stable portfolio outcome the Fund generates.

Global Tactical Allocation System

This system looks at global asset classes (US Equities, Real Estate, Bonds etc) and invests in what the algorithm determines to be the three strongest asset classes, rotating these monthly.

The system had an excellent year, ~20%* gross on the capital in employed, benefitting from being long the S&P 500, as well as European stocks for the full year, with a nice late kick from exposure to the Emerging Markets outcome described above in 2026. Sometimes the best years are where you do very little – A quote from Jesse Livermore, one of the old-time greats reminds us of this…

"It never was my thinking that made big money for me. It always was my sitting. Got that? My sitting tight!"

The thinking gets you in and out, but best of all is finding a winner and then riding it!!

US Sector System

This was our worst performing system, producing a gross 4.5%* for the year. Unlike the Global system, the Sector system failed to identify strong, persistent trends and ride them, the system made 8 trades for FY2026 but did not produce any significant winners. This is surprising given the sound performance of the US market overall.

What it did do well was to go long the US Energy sector in February of this year, just before the Iran war, which did nicely in February and March, providing a hedge for our equity exposures. Unfortunately, most of those gains were given back. Such is the nature of the beast, what this strategy failed to produce in return, it at least made up for with sound diversification.

Single Stock System

This was our standout system in 2026, returning >60%* on the capital the system employed. Momentum was the standout factor in FY2026, and we were fortunate to have such meaningful exposures. The system made a total of 68 trades, with 23 losers and 45 winners.

Our worst loss was Alcoa Corp, with a 29% loss. Our winning list was far more impressive, with 5 trades making over 50% (across the IT/Semiconductor segments) – we can only hope for more years like this, as it gives a tremendous kick to the returns the portfolio produces.

* Performance figures may not add/multiply to exactly match reported figures due to fees/costs and rounding

Alternatives System

This system (comprising only 10% of the portfolio) was added in January of this year and returned annualised 13%* gross. The portfolio while not a standout, has performed as a useful hedge to the main equity portfolio. It was long Gold, Silver, Oil and broad commodities for the majority of the first 6 months of 2026. This generated stabilising returns in the turbulent months but has since given back a lot of the gains, moving almost perfectly out of sync with the equities market. Whilst the strategy is seldom expected to be a huge money spinner, it does provide a useful counterbalance to the equities heavy remainder of the portfolio, and we consider it a useful addition.

Conclusion

The Fund saw some minor changes in 2026, with the addition of the Alternatives system, and refinements in the single stock system to more of a pure momentum play as differentiated from the previous model that isolated top picks from the best Hedge Funds. For FY2027 we anticipate no need for changes to this Fund and hope it performs as well as it did in FY2026! - From your Co-CIO's: **Erik A. (Tony) Hansen & Gavin L. Skinstad**

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