

The GANE Fund – September 2026

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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%
FY2027	(3.37%)	0.95%	2.05%										(0.46%)

Performance Summary

Key performance metrics and charts.

Portfolio Analytics (July 2022 – Current)		
Metric	Fund	AOR
AUM	\$8M	US\$3.76B
Volatility	12.4%	10.4%
Sharpe Ratio	1.07	0.69
Sortino Ratio	1.54	1.02
Largest Drawdown	(13.0%)	(12.8%)
1-year return	17.6%	6.4%
Cumulative Return	99.9%	59.2%
Since Inception Annualised	17.7%	11.3%
Unit Price (Mid)	\$1.4329	\$68.52

Contact Information

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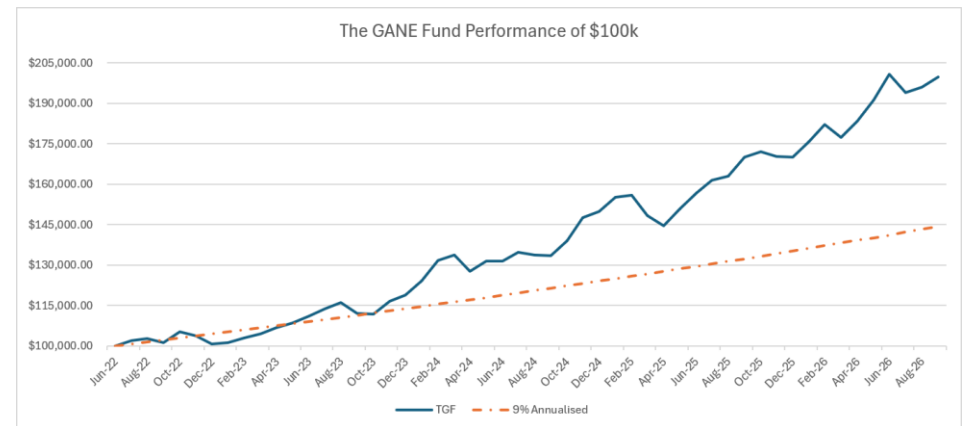
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Portfolio Information

Since Inception Exposures: Long = 81.5% | Cash = 18.5%
Inception AOR Performance Correlation: 55%
Inception vs AOR β : 67%
Inception vs AOR α : 9% p.a.
Inception Portfolio Turnover: 778%

Results Graph Since Inception



Quarterly Commentary

The GANE Fune (TGF) is a more difficult prospect when it comes to writing an interesting quarterly commentary.

The construction of TGF’s algorithm has been very stable since Gavin introduced it to run his original fund back in 2022. The fund has four conceptual sleeves which have been described at considerable length in previous newsletters.

We thought it might be interesting to briefly examine how TGF generates returns that resemble equity but are less correlated and lower volatility.

	Strategy 1	Strategy 2	Strategy 3	Strategy 4	S&P500 Benchmark	60/40 Benchmark	Combined Strategies
Strategy 1	1.00	0.62	0.51	0.07	0.71	0.70	0.74
Strategy 2	0.62	1.00	0.47	0.13	0.71	0.69	0.75
Strategy 3	0.51	0.47	1.00	0.15	0.42	0.37	0.90
Strategy 4	0.07	0.13	0.15	1.00	0.07	0.06	0.30
S&P500	0.71	0.71	0.42	0.07	1.00	0.93	0.64
60/40	0.70	0.69	0.37	0.06	0.93	1.00	0.60
Combined	0.74	0.75	0.90	0.30	0.64	0.60	1.00

The above table is the return correlation profile since July 2022. Perhaps the most interesting aspect of the output is the high correlation (93%) between the S&P500 returns and the 60/40 stocks/bonds portfolio. Investors owning a 60/40 allocation almost certainly think that inclusion will give them a lot more diversification than they are truly getting.

The combined strategies have a 64% return correlation with the S&P500 and 60% with a 60/40 portfolio. If you look under the S&P500, you can see the return correlations of the 4 strategies are 71%/71%/42% & 7%. Regular readers likely guessed that the strategy with only 7% return correlation is our “Alts” strategy that owns a variety on non-equity assets (Silver/Gold/Bonds/Oil and other commodities etc.). That strategy sleeve is by far the smallest allocation, but moves almost completely independent of equity markets, hence driving the return correlation of TGF way lower than a 60/40 allocation.

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As important as return correlations are, drawdown correlations are possibly more critical when investors own an asset seeking “equity-like” returns that are uncorrelated with equity markets. If your equity alternative falls exactly when markets fall, you might as well just own equity ETFs...

	Strategy 1	Strategy 2	Strategy 3	Strategy 4	S&P500 Benchmark	60/40 Benchmark	Combined Strategies
Strategy 1	1.00	0.61	0.49	0.14	0.60	0.64	0.68
Strategy 2	0.61	1.00	0.37	0.33	0.40	0.57	0.51
Strategy 3	0.49	0.37	1.00	0.10	0.35	0.31	0.90
Strategy 4	0.14	0.33	0.10	1.00	0.07	0.09	0.11
S&P500	0.60	0.40	0.35	0.07	1.00	0.94	0.59
60/40	0.64	0.57	0.31	0.09	0.94	1.00	0.54
Combined	0.68	0.51	0.90	0.11	0.59	0.54	1.00

You can see that at least for the past 4 years, a 60/40 exposure has been something close to useless for drawdown defence with a 94% correlation between when that exposure and equity markets face drawdowns.

The TGF combined strategies have been even better at drawdown correlation than they have at return correlation, with only 59% drawdown correlation with the S&P500 and 54% with a 60/40 portfolio. This is more impressive than it sounds because two of the strategies own assets that are direct equity exposures that would mostly be component parts of the S&P500 (though certain direct stocks may not be in that specific index). Those two strategies have only a 35 & 40% drawdown correlation with the S&P500, which is quite remarkable. TGF’s direct stock exposure comprises 10 equity positions that would normally be S&P500 index members, yet the strategy has only a 42% return correlation and a 35% drawdown correlation (over the past 4+ years) with that index.

This reminds us that while momentum is a core driver for the wider market (all indices remember, are a type of momentum investing), developing a strategy that owns the BEST momentum opportunities at any given time still has the prospect of enormous value add. It is through the thoughtful construction of the TGF’s group of strategies that the strategy has been able to generate returns almost as good as the S&P500, but with a volatility profile more closely resembling a 60/40 portfolio (despite outperforming that allocation by ~8% per annum).

We think exposure to TGF makes a lot of sense for most investors, if you have not joined this fund yet, get in touch - From your Co-CIO’s: **Erik A. (Tony) Hansen & Gavin L. Skinstad**