



## FUND MANAGER COMMENTARY

GA-Courtenay Special Situations fund (USD I) delivered a gain of +8.0% in February. ImmunityBio added 429 basis points, and gains were also realised from positions across the wider diversification of sectors within which the fund invests, notably from NovaGold +125bps, and jet engine makers GE Aerospace +53ps and Safran +51bps.

Selected new investment opportunities continue to be identified, allowing the fund's gross exposure to moderately increase in the month. Notwithstanding, the fund remains well protected against market dislocation events through our positive carry hedge, and we see no meaningful impact on the fundamentals of our holdings in the scenario that geopolitical developments in the Middle East worsen further.

### **Filtronic's new factory opens, presenting a path to significant revenue growth**

A central principle underpinning stock selection by the fund is that we are most interested in what management teams reveal not by their words, but by their actions. Words, communicating guidance and targets, are shaped by conflicting incentives: management may guide high to sustain a lofty valuation and deter activism, or guide low to raise the probability of exceeding bonus thresholds. In our type of opportunity, low guidance is also often compounded by a 'stealth mode' instinct — a desire to conceal the true rate of growth so as not to precipitate competitor reaction.

For these reasons, we focus instead on management actions, and in particular, on the build of new factories or other capacity-linked infrastructure. Capacity expansion exists for one purpose: to grow revenue. Tracking it closely therefore can provide a higher-resolution forecast than management commentary alone. No matter what the leaders of companies say, it is what they do that defines the future of their businesses.

It was by following this principle that in December I visited the new factory of Filtronic (held by the fund at month end at 8.0% of NAV). Construction had completed but the site had not yet opened operationally. The visit confirmed that Filtronic was more than doubling its manufacturing capacity, following a 75% increase in 2024. The additional facilities are custom-designed, allowing the company to also move up the value chain to higher-ASP products. And crucially, since the factory had not yet opened, Filtronic's trailing revenue included no benefit from this expansion.

There was a roughly three-month lag between my site visit and the press release by Filtronic in February disclosing both the operational opening of the factory and the financial implications of its capacity build, which the company stated would support "over £200 million in annual revenue."<sup>1</sup> For context, Filtronic — which our analysis contends is the monopoly supplier of solid-state power amplifiers to SpaceX for use in Starlink ground stations — achieved £14m of net income on £56m of revenue in 2025, a 25% net income margin. Its market capitalisation at end-February was £420m, and the company carries no debt. On trailing earnings, Filtronic is therefore valued at 30x. However, if its 25% net margin holds and the company utilises its new capacity to reach £210m in revenue, net income would rise to approximately £53m — implying an 8x earnings multiple on the current market capitalisation, and an extremely attractive valuation for a company in its position.

### **Amplification of our returns, through leverage, requires factor risk diversification**

Whilst the isolation of and high-conviction allocation to situations such as Filtronic significantly advantages the fund, stock selection alone does not entirely define the gradient of returns that the fund can deliver. An additional feature of our mode of operation is the ability to leverage our investments — and to do so safely — through their combination with our positive-carry hedge.



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*Prior to Green Ash, Adrian oversaw the fund at Odey Asset Management. Previously, Adrian was Vice President in the Special Situations Group at D.E. Shaw & Co.*

*Adrian, who is also a recognised speaker at Sohn investment conferences, has completed the Chartered Financial Analyst Program and is a graduate of Oriel College, Oxford, where he graduated with a 1<sup>st</sup> class MA and was a scholar.*

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To use this leverage in a safe manner, however, our hedge must be effective, and that requires not only that our hedge is low cost — which is achieved by combining S&P 500 put options with merger arbitrage yield — but also that our long equity book does not become overly defined by any single factor risk.

Some of the volatility in the fund's NAV in early February reflected suboptimal factor-risk exposure in the long equity book. We had selected stocks from approximately five factor risks, or "themes," and had applied leverage. When two or three of these themes correlated temporarily, a larger-than-desired tracking error emerged between our long book and our hedge. During February, we therefore expanded the long equity book to eight factor risks, resulting in greater diversification and increased safety.

The implication is that when our long equity book is reviewed and its multiple factor risks — and therefore diversification across types of opportunity — are observed, this is a feature, not a bug. The composition of the book is a deliberate function of my focus on two concurrent objectives: amplifying returns through leverage and efficiently protecting fund assets at the same time. To achieve both of these goals, no single factor risk should dominate the equity book.

At the time of writing, developments in the Middle East have tested market nerves. We see no direct exposure in terms of the fundamentals of our holdings, but the period may provide an up-to-date test of whether our increased factor-risk diversification, in combination with our hedging activities, is reasonably calibrated. I should add, in any more severe form of market shock I am confident we are more than well protected due to the nominal value of our S&P500 put options — at strike 11% out of the money — being more than 220% of the fund's net asset value.

### **A greater scaling in the fund's gold and gold mining exposure**

One of our newer factor risk scales is gold, expressed both through a direct commodity position (8.7% of NAV) and through our holding in NovaGold (4.5% of NAV), a development-stage gold miner whose asset structure and valuation offers substantial leverage to further rises in the gold price.

The rising gold price has several enduring drivers, but I would put forward that the most important is increasing tightness of supply. There have been no major new gold discoveries in the past ten years, and even over the last twenty-five years discoveries have not ranked close in scale to the largest thirty finds since 1985<sup>2</sup>. Identified reserves are also low — representing just seventeen years of production at current rates before full depletion<sup>3</sup>. The shift to a multi-polar world aggravates this: previously identified prospective mines or reserves may no longer be reachable in geopolitically contested regions, further constraining supply.

Gold is therefore rare among commodities in that one side of the supply-demand balance — supply — has a predictive characteristic. If current demand remains unchanged, demand will consistently and within decades dramatically exceed supply as supply declines.

The shift to a multi-polar world also introduces some predictability on the demand side. Gold is differentiated from fiat currencies, in particular the US dollar, by its immunity to sanction by the US government. Central banks across an increasingly multi-polar world therefore have little option but to increase their gold holdings, a process which has started — particularly by China<sup>4</sup> — but has a long way to run before historical weightings are restored.

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There is also a scenario in which the AI era drives an additional increase in gold demand from the general public. To the extent which AI further concentrates power at the level of both elites and governments within Western economies, with that increased power comes fewer relative restraints on further fiat currency monetisation (elites can benefit from fiat devaluation by holding equity assets, and indebted governments – in the short term at least – can benefit from fiat devaluation by its lowering of the real value of their liabilities) and this stands to further precipitate an environment in which gold's appeal to ordinary savers grows.

NovaGold — backed by Thomas Kaplan and Paulson Investment Company — is building North America's largest gold mine, Donlin Gold, with 40 million ounces of gold in mineral resources so far identified in addition to obvious exploration upside within a district that remains 95% unexplored. At current gold prices, those 40 million ounces translate to a gross in-ground value of approximately \$206 billion, implying that NovaGold's \$5.5 billion market capitalisation prices the asset at just 2.7% of gross resource value. When a development-stage gold mining asset is priced this low it offers a highly rewarding *geological leverage* to changes in the gold price: every 1% rise in the gold price theoretically adds approximately 37% in value to NovaGold's market capitalisation (i.e. \$206bn x 1% / \$5.5bn). Whilst this sensitivity may not manifest in day-to-day price moves, over time its forcing function is mathematical and as such more certain. NovaGold is debt-free and guides that Donlin Gold will begin mining operations from 2031.

### **Our search for accretive new opportunities continues; in February the fund initiated a new position in Canadian-listed Haivision Systems**

More generally, whilst the fund's long equity book remains relatively stable, our search for new, accretive opportunities continues with an enduring determination.

In this regard, it was pleasing to identify and allocate to a new position in February: Canadian-listed Haivision Systems (held at 4.7% of NAV at month end), which possesses the monopoly-and-platform standard US Department of Defense-approved video streaming software. Haivision offers unmatched low-latency video streaming and uniquely empowers the "eyes" of modern military autonomous systems.

The position was originated using the same methodology applied to identify Filtronic and Kraken Robotics. We first identify an extraordinary yet privately held growth company — in the case of Filtronic, SpaceX; in the case of Kraken Robotics, Anduril — and then determine whether monopolistic suppliers exist on public markets that serve as listed, robust proxies for that private company's growth.

In the case of Haivision, the extraordinary privately held growth company is Shield AI, led by Ryan Tseng. Our work examined Shield AI's business trajectory and, simultaneously, determined that Haivision is the monopoly supplier of Department of Defense-approved video streaming across the Shield AI product platform<sup>5</sup>.

This concept — a listed supplier that directly participates in the growth of an extraordinary private company — may appear from time to time in other opportunities, but it is extremely rare to find it in the form of both a *monopoly supplier* and *at the valuations we have captured* for Filtronic and Haivision. By our estimates, Haivision is valued by the market at as low as 15x earnings in its next financial year, starting October. The company possesses a net cash position at approximately 5% of its market capitalisation.

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### Conclusion

In summary, the fund's operating model is well deployed. We are seeing results concurrent with our potential, combined with the continuing identification of new opportunities to underpin prospective returns.

The fund is performance-orientated: our long equity book targets dominant companies with attractive growth rates, deployed with modest leverage. However, we remain equally steadfast in our mission to provide a highly protected fund. Our hedging is designed to significantly defend through modest market dislocations, and to generate profit in more severe forms of market shock.

As such, I believe our outlook for this year and beyond remains very strong. On this note, I am holding for followers of the GA-Courtenay Special Situations fund a group breakfast event at 830am on Thursday 26<sup>th</sup> of March for a greater review of our stock selections, our outlook for 2026 and beyond, and for questions and answers.

The breakfast will take place at The Royal Automobile Club (RAC), 89-91 Pall Mall, St James's, London, SW1Y 5HS, situated near St James's Park and Regent Street. The booking link is below, followers of the fund are warmly invited to attend.

[\[Booking link: attend GA-Courtenay group breakfast Thursday 26<sup>th</sup> of March\]](#)

**Adrian Courtenay**

**MONTHLY PERFORMANCE ATTRIBUTION – FEBRUARY 2026**

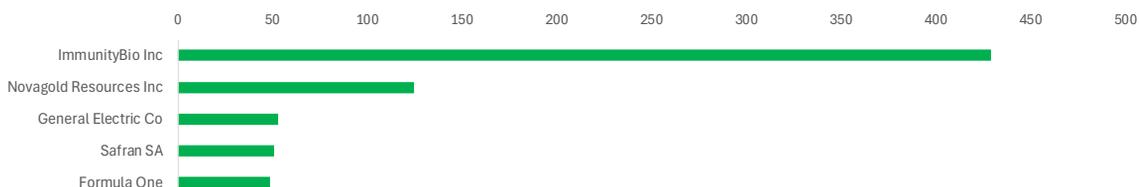
**Long Equity +801 basis points**  
*Absolute return component*

**Merger arbitrage +16 basis points**  
*Hedge funding component*

**S&P500 put options (17) basis points**  
*Crash protection hedge component*

**Long Equity +801 basis points**

**Top 5 contributors**



**Top 5 detractors**



*Contribution in basis points, GA-Courtenay USD I Class*

**Merger arbitrage +16 basis points**

**Top 5 contributors**



**Top 5 detractors**



*Contribution in basis points, GA-Courtenay USD I Class*

**S&P500 put options (17) basis points**

**S&P500 put option protection cost**



*Contribution in basis points, GA-Courtenay USD I Class*

*All performance figures provided by this monthly factsheet are for GA-Courtenay USD I Class. In all cases performance is presented net of 0.75% management fee and 20% performance fee.*

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### Footnote

1. Filtronic opens new headquarters and manufacturing facility, February 2027 [\[link\]](#)
2. There have been no major new gold discoveries in the past 10 years, and even in the last 25 years gold discoveries have not ranked close in scale to the largest 30 gold discoveries since 1985 [\[link\]](#)
3. Nearly three-quarters of all known gold has already been extracted; just 64,000 tonnes of gold reserves remain [\[link\]](#) versus annual mining of c. 3,700 tonnes [\[link\]](#)
4. China's central bank buys gold for 15th consecutive month, Reuters, February 2026 [\[link\]](#)
5. Webinar exploring how Havision Systems and Shield AI are revolutionizing intelligence, surveillance and reconnaissance operations [\[link\]](#)

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