

GA-Courtenay Special Situations Fund

Performance-orientated | Consistency in outcomes | Low correlation to the market at large

GA-Courtenay is a performance orientated event-driven strategy targeting consistent outcomes at low correlation to the market at large.

The fund maintains a global portfolio of merger arbitrages, combined with selected high impact equity investments, and accreted by competitive advantage from extensive proprietary systems and a repeatable, deep dive research process.

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Fund information

Inception date:	October 17 th , 2019
AUM:	\$37m
Annualised return since inception:	13.9% versus the iShares MSCI World ETF total annualised return of 12.4%
Manager focus:	GA-Courtenay Special Situations Fund is the only investment entity overseen by the fund manager and the fund manager is fully invested in the product
Structure:	UCITS (Irish domiciled)
Base currency and share classes:	Base currency: USD, other share classes: EUR, GBP and CHF
Administrator, auditor and custodian:	Administrator: US Bank, Auditor: Deloitte, Custodian: European Deposit Bank
Dealing:	Daily, 2pm
Strategy:	<ul style="list-style-type: none"> • A global portfolio of merger arbitrages, combined with selected high impact equity investments • Extensive proprietary systems encompassing arbitrage search, antitrust, spread history • Intensive per situation due diligence through deep dive research • Concentrated positions (within UCITS limits) • Developed markets only; ability for activist engagement goal of the unlocking of value • Optionality for put option purchases for dislocation scenarios
Leverage tolerance:	<ul style="list-style-type: none"> • Only against the fund's merger arbitrage holdings
Fee structure:	<ul style="list-style-type: none"> • Annual management charge 75bps (institutional share classes) • Performance fee 20% with underperformance carried forward

Fund manager bio and key strengths

Fund manager bio

- 2023 – present: Green Ash Partners, GA-Courtenay Special Situations Fund
- 2016 – 2023: Odey Asset Management (Special Situations Fund launches 2019)
- 2014 – 2016: D.E. Shaw & Co, Vice President, Special Situations Group
- 2000 – 2012: Tisbury Capital, Fortelus Capital (both special situations hedge funds)
- 1998 – 2000: Oxford University (Scholar, 1st class MA, Oriel College)



Key strengths

- Wide-ranging experience in situation assessment and relationship building across global developed markets
- Extensive search and history systems to accelerate situation discovery, analysis and risk management
- Extensive due diligence competency through deep dive research
- Demonstrated ability to accrete situation economics by activist engagement

Current holdings representative of our optimal opportunity mix during most market periods: 109% of the fund's assets allocated to merger arbitrages, 17% to equity investments

<u>Largest equity investment holdings</u>	17.4% of NAV	<u>Largest merger arbitrage holdings</u>	109.3% of NAV	<u>Gross exposure - total fund (% of NAV)</u>	126.7%
Raspberry Pi	5.46%	Tellurian Inc.	9.73%	Equity investments gross exposure	17.4%
SoftBank	4.40%	Rex Minerals Limited	9.69%	Merger arbitrages gross exposure	109.3%
Formula One	4.09%	i3 Energy Plc	6.25%		
Delfi	3.47%	Stericycle, Inc.	4.77%		
		Catalent, Inc.	4.77%	<u>Net exposure - total fund (% of NAV)</u>	27.5%
		Sterling Check Corp	4.72%	Equity investments net exposure	17.4%
		Infinera Corporation	4.27%	Merger arbitrages (beta est)	19.1%
		Arvida Group Limited	4.23%		
		Salcef Group S.p.A.	4.07%	Net exposure	27.5%
		Galaxy Gaming	4.01%		
		Surmodics, Inc.	3.83%		
		Resurs Holding AB (publ)	3.47%		
		ANSYS, Inc.	3.05%		
		WalkMe Ltd.	2.99%		
		Sharecare, Inc.	2.92%		
		Amedisys, Inc.	2.91%		
		Iteris, Inc.	2.86%		
		Doma Holdings Inc.	2.18%		
		PSC Insurance Group Limited	2.13%		
		Keypath Education International, Inc.	2.08%		
		BEST Inc.	2.05%		
		HashiCorp, Inc.	2.01%		
		Shanghai Henlius Biotech, Inc.	2.00%		
		ECIT AS	1.92%		
		Shinko Electric Industries Co., Ltd.	1.90%		
		ICC Holdings, Inc.	1.78%		
		Gowest Gold Ltd.	1.48%		
		Base Resources Limited	1.27%		
		OneSoft Solutions Inc.	1.24%		
		GAN Limited	1.13%		
		Augmedix, Inc.	1.03%		
		Greenthesys S.p.A.	1.00%		
		Servicios Corporativos Javer, S.A.B. de C.V.	1.00%		
		Eggriculture Foods Ltd.	1.00%		
		MultiChoice Group Limited	1.00%		
		Stelco Holdings Inc.	1.00%		
		Givex Corp.	0.96%		
		Árma Real Estate SOCIMI, S.A.	0.39%	<u>Special Opportunities</u>	0.0% of NAV
		Ansarada Group Limited	0.18%	Pershing Square SPARC Holdings, warrants	0.00%
		NSL Ltd	0.02%	<i>(SSF owns 387,285 SPAR warrants; each warrant contains a call on two stock units upon merger announcement)</i>	

Performance net of fees to August 30th, 2024

Since inception the GA-Courtenay Special Situations (USD I class) has returned 13.9% net annualised, relative to 12.4% annualised for the iShares MSCI World ETF

GA-COURTENAY SPECIAL SITUATIONS FUND (USD I) PERIOD NET RETURNS

Price at 30-Aug-24	Month to 30-Aug-24	Year to 30-Aug-24	Annualised since inception %
\$188.66	-0.7%	4.8%	13.9%

Inception 23-Oct-19 to 30-Aug-24

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	1.5	1.5	0.7	-2.6	1.6	2.2	0.6	-0.7					4.8
2023	7.6	-3.2	-5.4	0.6	-6.6	-4.1	1.0	-2.5	-2.4	-2.0	23.2	3.0	6.4
2022	-1.2	2.0	2.3	-3.1	-6.7	-6.1	1.5	7.7	1.0	-9.0	-0.2	-0.5	-12.8
2021	7.7	4.2	-3.2	-0.3	0.5	-4.7	-1.9	2.5	3.0	17.6	-2.1	1.6	24.4
2020	8.4	-2.5	-13.2	6.1	8.7	20.5	5.6	-5.1	5.7	-4.0	-2.7	13.2	42.8
2019										0.6	4.0	4.4	9.1

Note: Inception 17-Oct-2019; Performance figures are for share class USD I = the fund's base currency.

Merger arbitrage focus lowers beta, optionality for put option purchases

GA-Courtenay fund since inception: raw beta: 0.37, r (correlation): 0.32, reference benchmark MSCI World USD TR, weekly

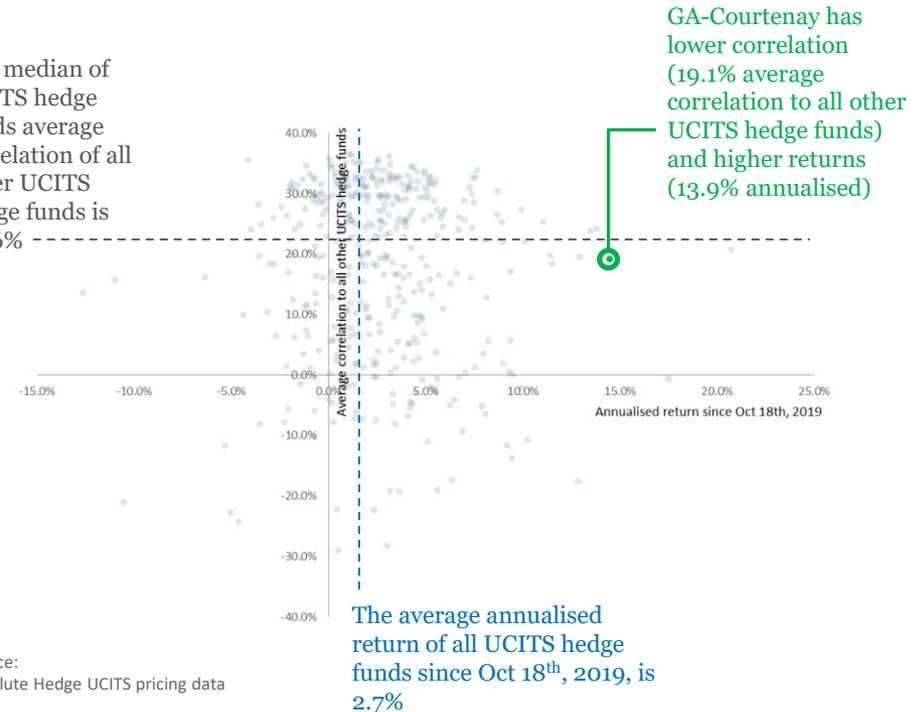
Whilst the fund focuses on merger arbitrages, our freedom to increase equity allocations at market troughs is an important additional advantage

	Euphoric markets	Normal markets	Distressed markets
Volume of merger arbitrage opportunities	High	Medium	Low
Volume of attractively priced equity investment opportunities	Low	Medium	High
Natural balance of opportunity set	80% arbitrage 20% equity investments ↔ Ability for higher proportion in equity investments		
Beta of the fund	Low		Moderate
Efficiency of the fund (lack of high cost hedge choices)	High		High

Source:
GA-Courtenay research disclosures

Lower correlation to other hedge funds, and higher returns

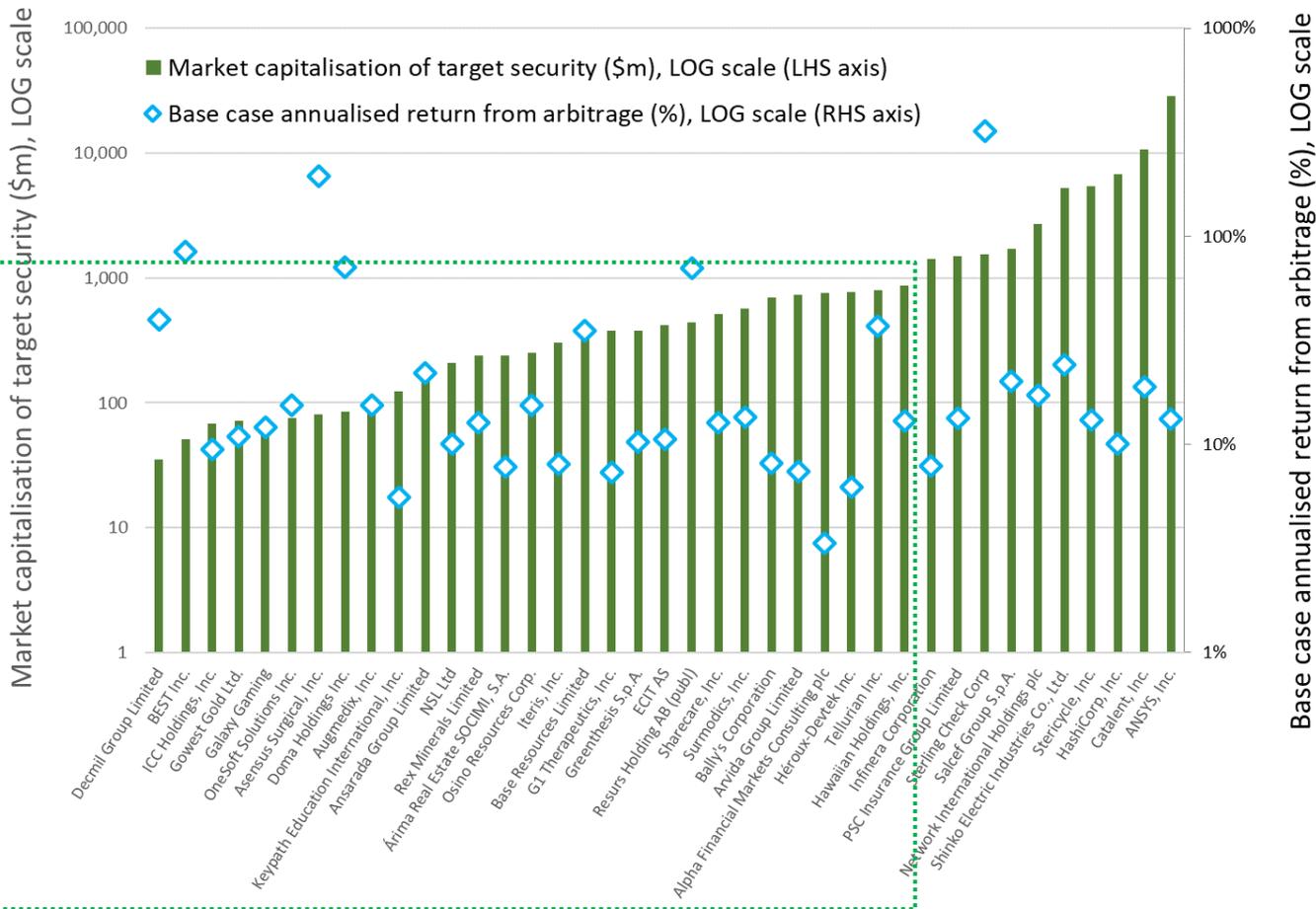
The median of UCITS hedge funds average correlation of all other UCITS hedge funds is 22.6%



Our modest size adds an advantageous tailwind to our arbitrage return prospects

Many of the talented merger arbitrageurs will work at larger funds, and yet there is a low incentive for these larger arbitrage funds to deploy capital at the level of market capitalisations that form the majority part of our merger arbitrage holdings

Fund arbitrage holdings as at August 2024:
29 of 39 holdings have a market capitalisation below \$1bn



As at August 2024, 74% (29 of 39) of the fund's merger arbitrage holdings had a market capitalisation below \$1bn

Source: GA-Courtenay research

Comprehensive discovery rate of arbitrage opportunities across all developed global markets, combined with multi-decade high resolution litigation and mitigation history database systems

Compressive discovery rate of arbitrage opportunities across all developed global markets

Vast scale

At spot, more than 200 live arbitrage opportunities *identified* globally; more than 300 in higher animal spirits environments

Even at below average current deal volume, **our monitoring systems today are capturing 37,500 (i.e. 200 x 250) live datapoints dynamically**

Intelligence as to data collection

More than 250 datapoints monitored per opportunity:

- Basic deal characteristics relative to live pricing
- Regulatory characteristics dynamically updated
- Enforcement characteristics dynamically updated
- Fundamental value characteristics dynamically updated

Zero fund “politics” in opportunity capture. Immediate action.

Multi-decade high resolution litigation and mitigation history database systems

Vast scale

Close to 1,000 regulatory mitigations and litigations, full capture of more than 30 years of antitrust history across global developed markets

Every historic mitigation and litigation decision encompasses 1) legal regulatory framework, 2) definitive merger agreement enforcement provisions, 3) fundamental value incentives for parties to fight or surrender. For every decision, 30 extensive field entries, resulting in **a history database of more than 30,000 entries, which continually builds.**

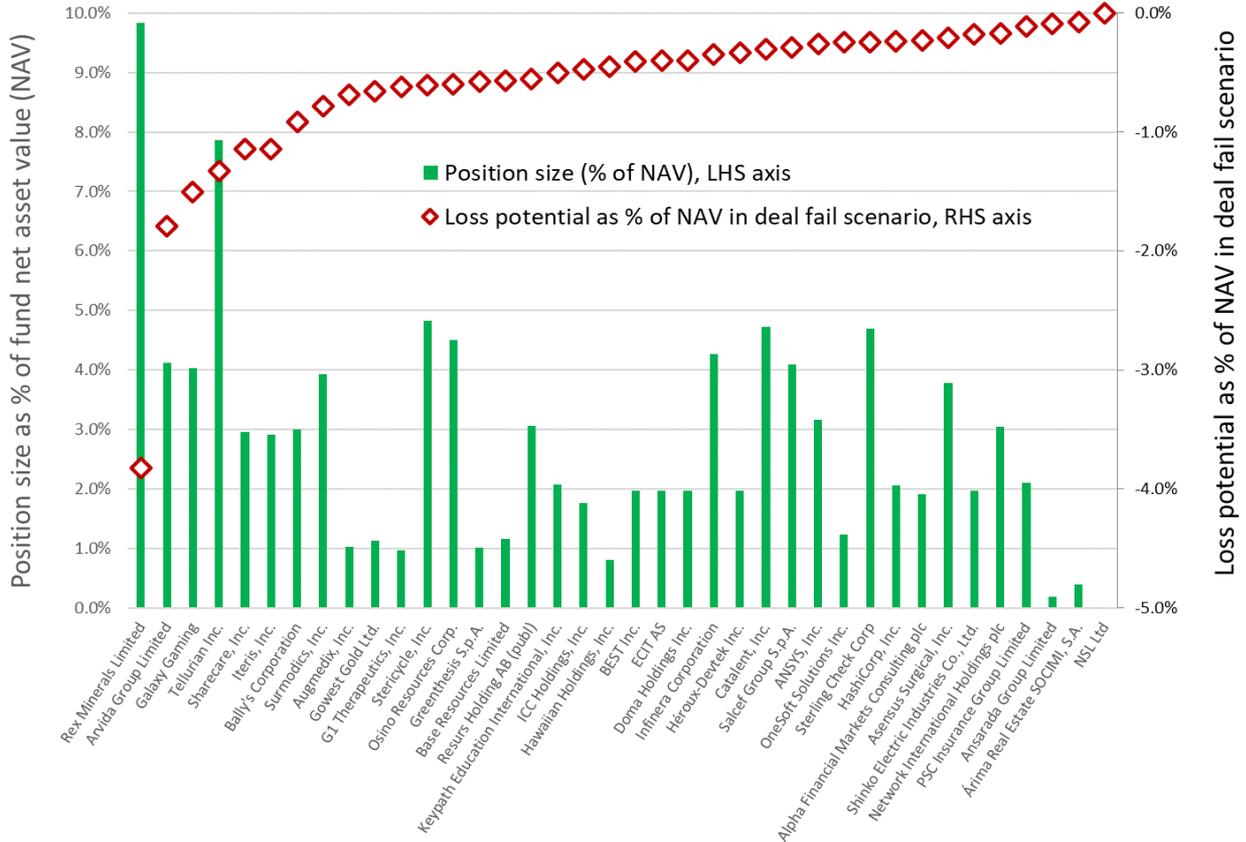
Intelligence as to data collection

Intelligence is not just about how much data is captured, but about *what* is captured. Our systems target the “unlimited hard drive” concept antitrust expert, but not simply in terms of the current, but in terms of a full history of our proprietary antitrust theory structure covering the last 30 years

Database automatically updates as each new arbitrage deal completes; over time our advantage builds and builds

Risks atomised across merger arbitrage holdings with per position risk limits

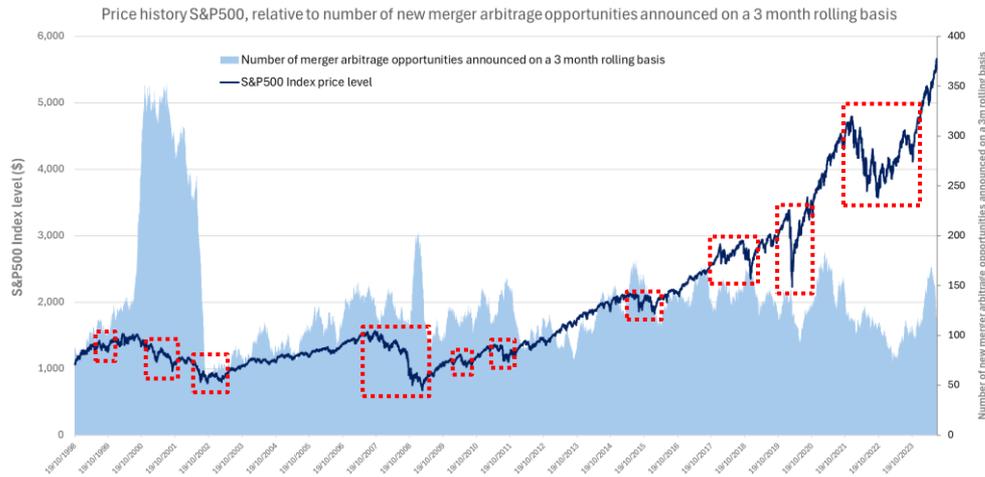
Fund arbitrage holdings as at August 2024:
Position sizes (green) versus loss potential per position (red)



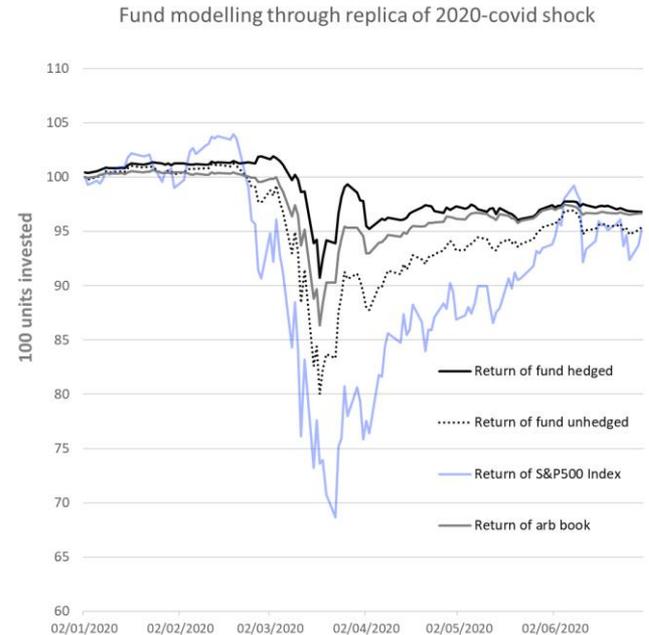
Source: GA-Courtenay research

Arbitrage spread behaviour history database optimises risk management

Arbitrage spread history database through historic market dislocation events over last 30 years (i.e. 2020 covid crash)..



.. provide for optimisation of merger arbitrage exposure, leverage and risk management



* Hedge method by index put options, when imposed, in the region 10 basis points per month cost

Source:
GA-Courtenay research disclosures

Selected high impact equity investments balance risk, target best in class long-term opportunities

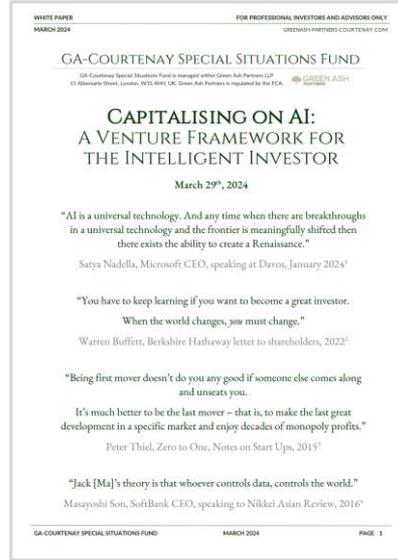
Exceptional investment opportunities will remain extremely rare; our approach targets high impact opportunities whilst restricting allocations to a limited proportion of total capital

White papers reveal theory structure for high impact equity investments; we focus on Buffettian approach and Venture framework opportunities

GA-Courtenay 43 page white paper on Buffettian approach



GA-Courtenay 69 page white paper on Venture framework



Case-specific public reveal as to high impact equity investment hypotheses

GA-Courtenay presentation on Raspberry Pi, June 2024



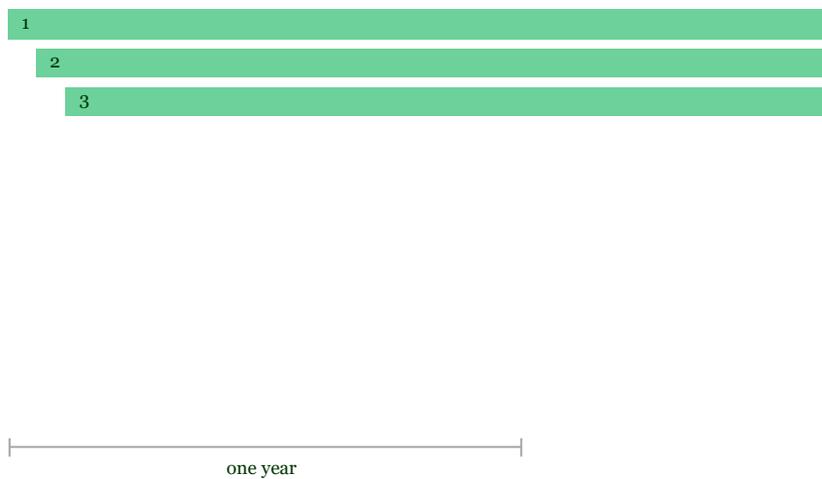
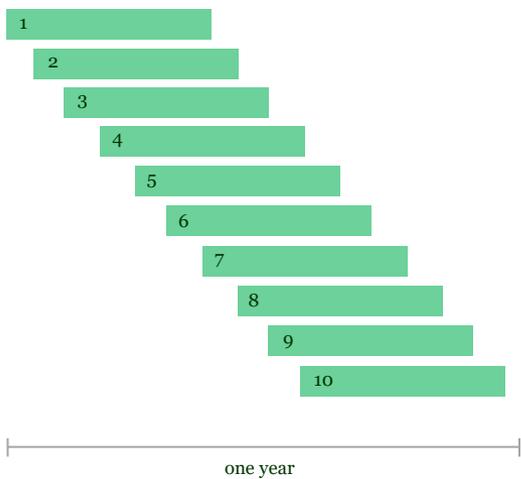
Source:
Sohn Monaco, June 2024

Source:
GA-Courtenay research disclosures

The shorter duration of merger arbitrages (typically 4-6 months), combined with their legally binding nature, raises the consistency of annual returns

Merger arbitrages: in each one year period, multiple arbitrages, each of which has low beta, complete. A high success rate in arbitrage allocations therefore significantly raises the probability of consistent annual results

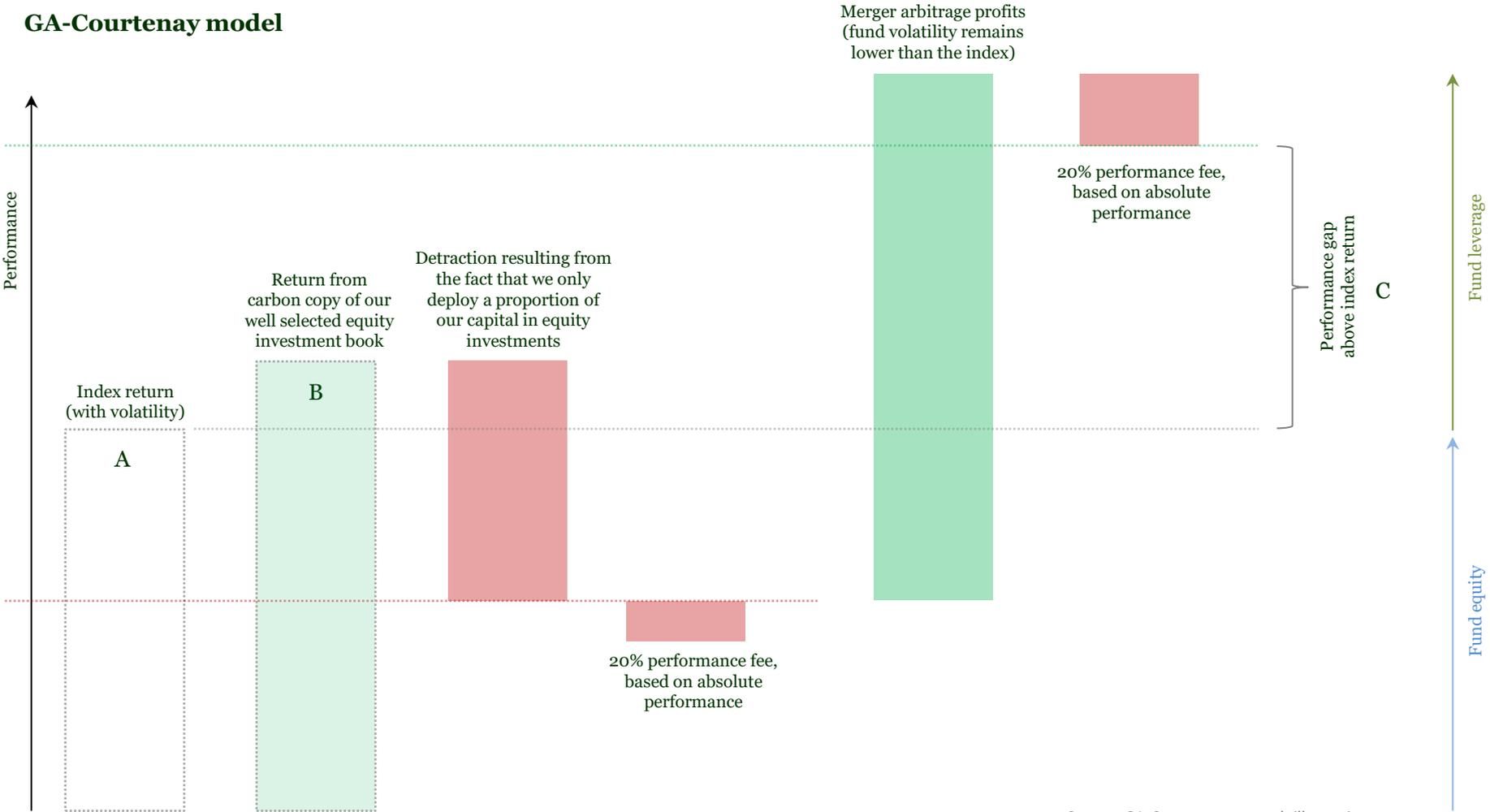
Long-term equity investments: in each one year period, no long-term equity investment may reach intrinsic value, at the same time as each possessing high beta with market variation. As such, even well selected long-term equity investments can result in inconsistent annual results



Source:
GA-Courtenay research disclosures

It is only a low correlation to the market, twinned with a high consistency of returns, that can be safely leveraged

GA-Courtenay model



Source: GA-Courtenay research illustration

Merger arbitrage returns further accreted by optionality for selective activist engagement

2021: Successful private engagement in competitive takeover situation in Noront Resources leading to significantly raised offer price



2022: Successful public engagement in takeover situation in Western Areas leading to raised offer price



Source:
GA-Courtenay research disclosures, public domain corporate disclosures

Pershing Square SPAR warrants

- The fund owns 387,285 Pershing Square SPAR warrants, and each warrant has a right to two stock units. Therefore, the fund owns rights to 774,570 stock units.
- If a merger partner seeks to raise \$12-13bn, the strike of the SPAR stock units is \$100.
- The average day one price rise for private-to-public transactions (IPOs) is +20%, and this has been consistently positive every year for the last 40 years (see RHS chart).
- The base case calculation contention: $774,570 \times \$100 \times 20\% = \$15.5m$.
- In July 2021, Pershing Square Holdings, in a private-to-public transaction, made an investment of 10% in the equity of the then privately held Universal Music Group “UMG”. UMG shares subsequently rose by 40% on day one of their IPO.



“It would be hard to do a \$13bn IPO let’s say to pay down debt. What is interesting here, is that **we could commit – Pershing Square, \$2bn to a transaction – set the rights price, there are 121m shares, so set the rights price at \$100 a share**, and announce a transaction, the seller knows he is going public, he knows he is raising \$2bn which certainly helps. And then we tell the story, and then the rights holders have a chance to decide whether to invest.

As long as the rights have positive value, they are trading in the market for a dollar, they are all going to get exercised, and the IPO raises \$13bn. And the investors, just look at the 13F list of Pershing Square Tontine Holdings, it is a who’s who of institutions and family offices.”

Bill Ackman, announcing SEC clearance of Pershing Square SPARC Holdings, 2nd Oct 2023

<https://www.youtube.com/watch?v=R6ANfz6-gSQ>

The first day performance of post-IPO companies has averaged +20.5% from 1980-2022, with no down year

Year	Number of IPOs	Mean First-day Return	
		Equal-weighted	Proceeds-weighted
1980	71	14.3%	20.0%
1981	192	5.9%	5.7%
1982	77	11.0%	13.3%
1983	451	9.9%	9.4%
1984	171	3.7%	2.5%
1985	186	6.4%	5.6%
1986	393	6.1%	5.1%
1987	285	5.6%	5.7%
1988	105	5.5%	3.4%
1989	116	8.0%	4.7%
1990	110	10.8%	8.1%
1991	286	11.9%	9.7%
1992	412	10.3%	8.0%
1993	510	12.7%	11.2%
1994	402	9.6%	8.3%
1995	462	21.4%	17.5%
1996	677	17.2%	16.1%
1997	474	14.0%	14.4%
1998	283	21.9%	15.6%
1999	476	71.2%	57.4%
2000	380	56.3%	45.8%
2001	80	14.0%	8.4%
2002	66	9.1%	5.1%
2003	63	11.7%	10.4%
2004	173	12.3%	12.4%
2005	159	10.3%	9.3%
2006	157	12.1%	13.0%
2007	159	14.0%	13.9%
2008	21	5.7%	24.7%
2009	41	9.8%	11.1%
2010	91	9.4%	6.2%
2011	81	13.9%	13.0%
2012	93	17.7%	8.9%
2013	158	20.9%	19.0%
2014	206	15.5%	12.8%
2015	118	19.2%	18.9%
2016	75	14.5%	14.2%
2017	106	12.9%	16.0%
2018	134	18.6%	19.1%
2019	113	23.5%	17.6%
2020	165	41.6%	47.9%
2021	311	32.1%	24.0%
2022	38	48.9%	14.2%
1980-2022	9,127	19.0%	20.5%

Sources: 1) left hand side column calculations – GA-Courtenay research estimates, 2) Bill Ackman comments CNBC interview Oct 2nd 2023 as per YouTube link, 3) IPO returns table, University of Florida IPO data [\[link\]](#)

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