

The Great Reshape

Solaris Long Short

Pinnacle Summit, August 2022

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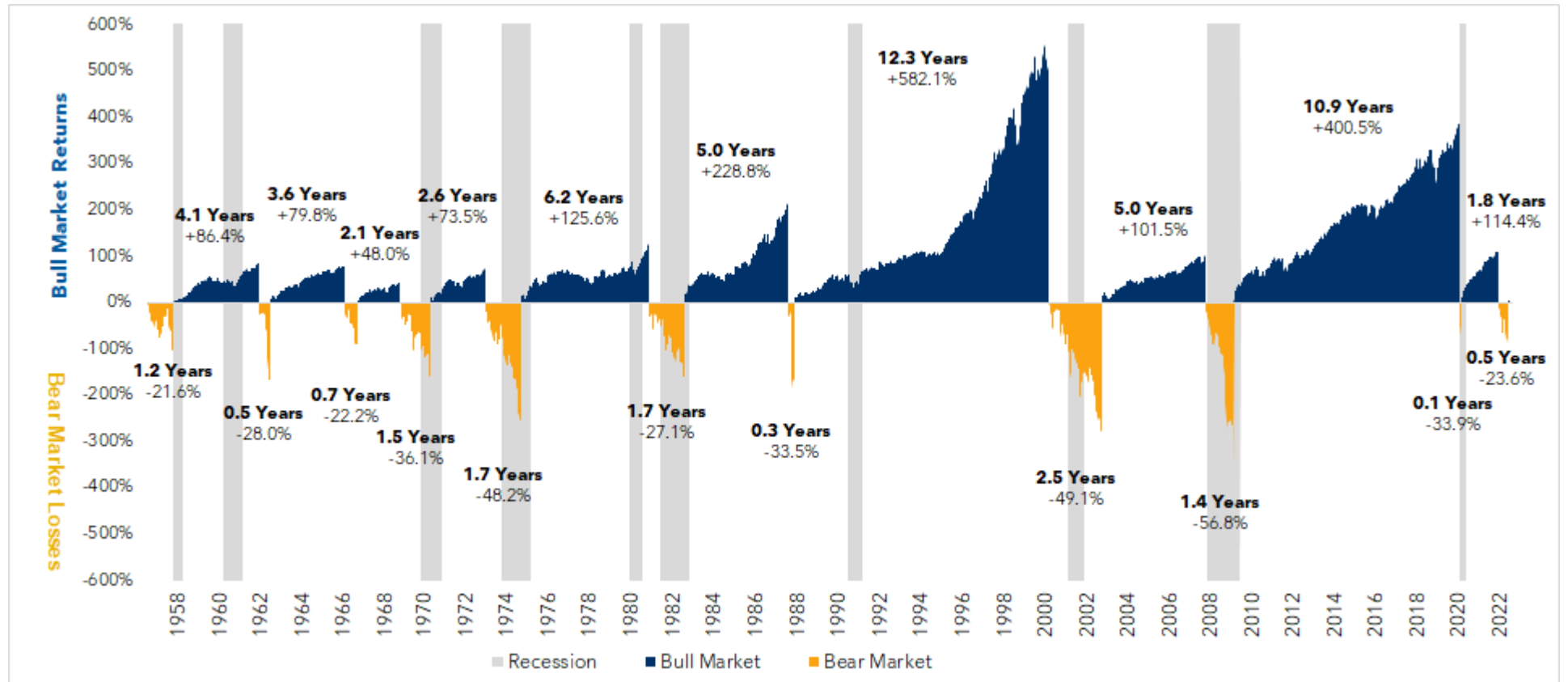
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History of Bull and Bears Markets

Bull markets usually associated with long steady gains, bear markets are usually shorter term in nature

Average Bull Market has lasted 5yrs with an average gain of 170%

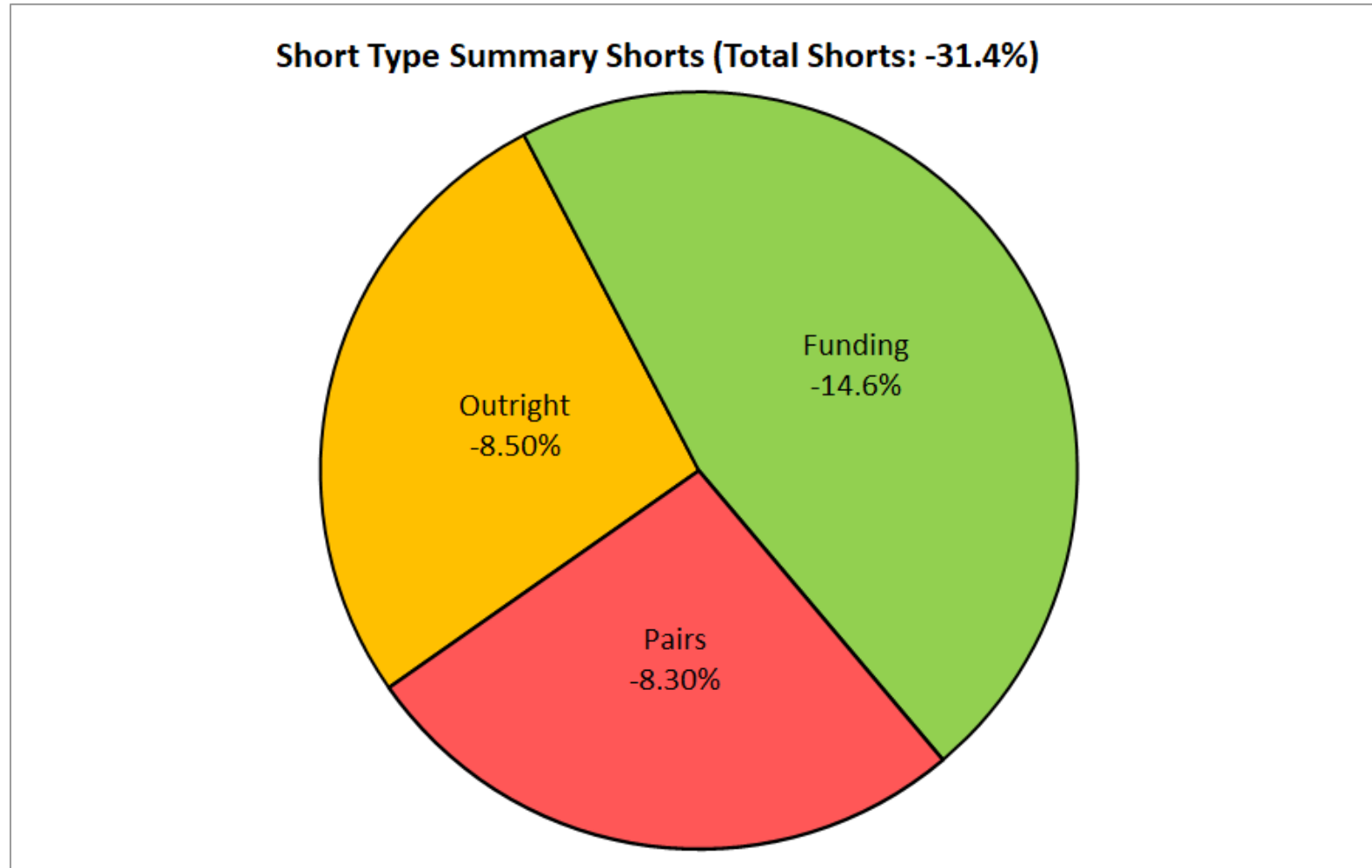
Average Bear Market has lasted 1yr with an average loss of 35%



Quote: "You make most of your money in a bear market; you just don't realize it at the time." – Vitaliy Katsenelson, CIO @ Investment Management Associates

Why Long Short Investing

How do we short?

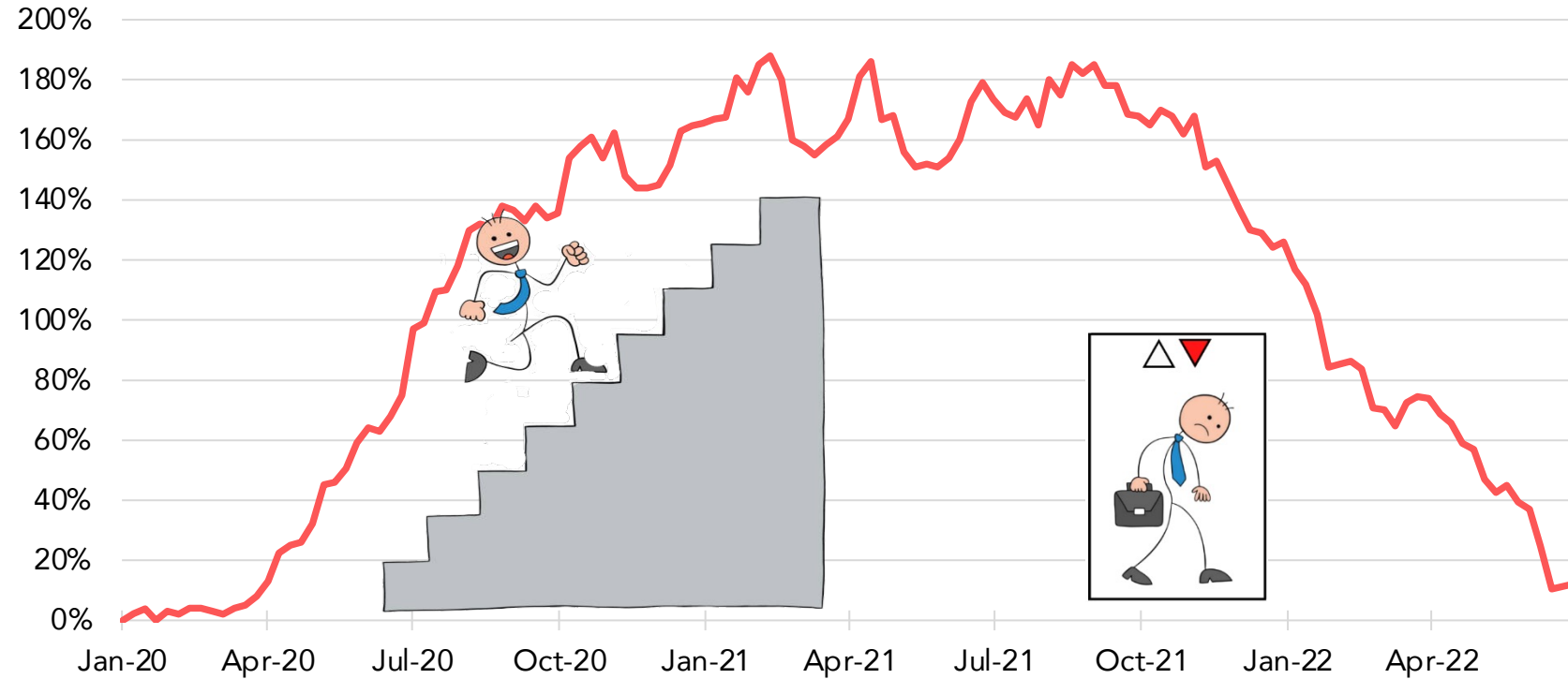


Why Long Short Investing: profit from falling prices

Outright Shorts

- ✓ Expected to outright fall
- ✓ Fail investment screens
- ✓ Earnings risk
- ✓ Overvalued

COVID Winners Basket



Fisher & Paykel
HEALTHCARE

Ansell

afterpay

xero

Domino's
Pizza

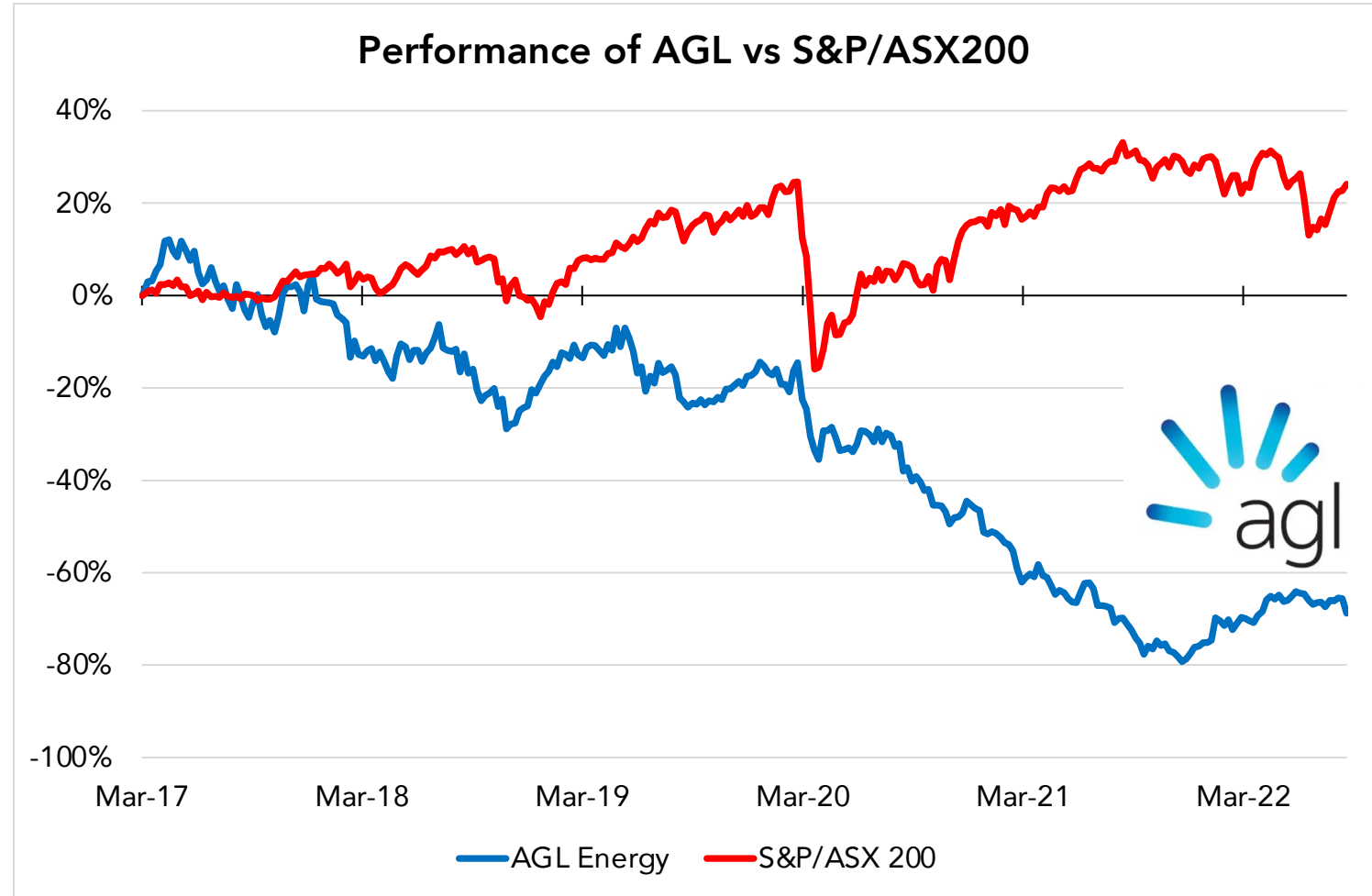
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Why Long Short Investing: profit from change

Funding Shorts: more opportunities

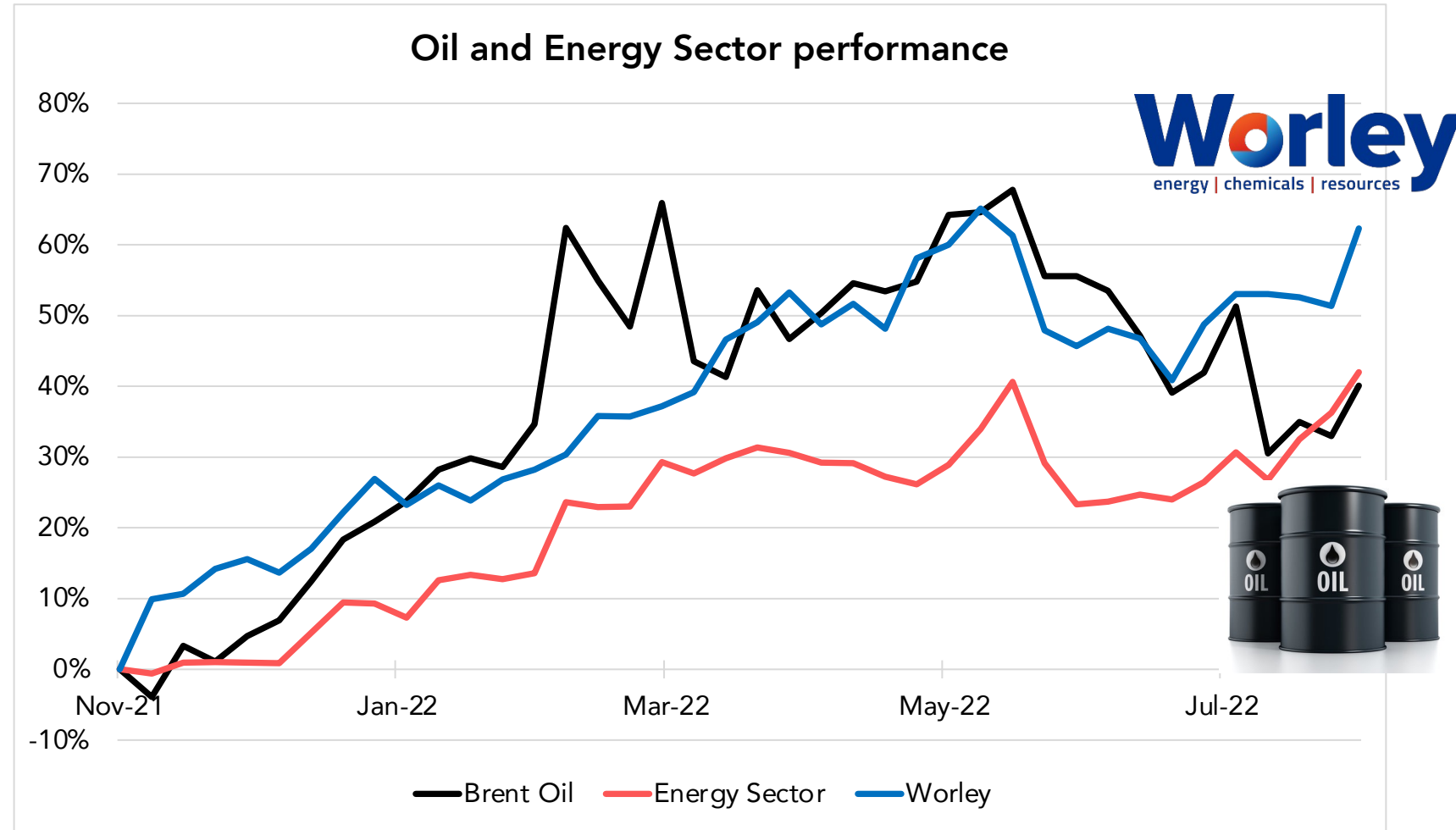
- ✓ More opportunities to short
- ✓ Expected to see flat performance or underperform
- ✓ Proceeds used to gross-up conviction positions



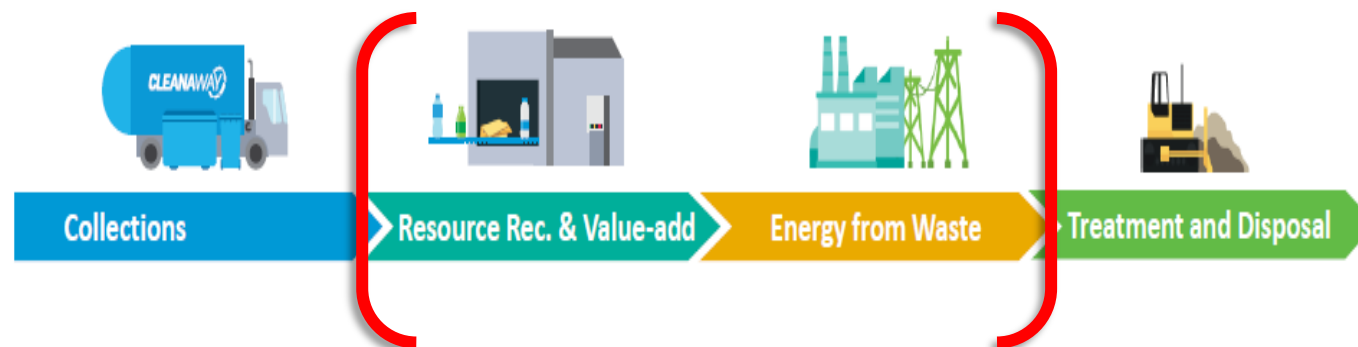
Reducing top-down risks through flexible portfolio construction

Pairs Trades: ability to make money without punting the macro

- ✓ Same Industry
- ✓ Usually homogenous
- ✓ Mispriced relative to each other
- ✓ Removes top-down risk



What do we like: Investing for change



Quote: "Change is the only constant in life." - Heraclitus

Summary

- Bear markets are a normal part of investing
- Flexibility to manage investments through any cycle
- Interesting opportunities in this evolving world – both long & short

Portfolio Rolling Period Returns *	1 Year	2 Years p.a.	5 Years p.a.	Inception p.a.
Solaris Australian Equity Long Short Fund – APIR: WHT3859AU				Inception Date: 1 Mar 2017
Portfolio Return (net)	4.83%	10.16%	9.07%	9.08%
Benchmark Return [#] (net)	-3.25%	10.67%	7.97%	7.74%
Active Return (net)	8.09%	-0.51%	1.10%	1.34%