

# NEWGEN EQUITY LONG-SHORT FUND CLASS F (NGLS)

FEBRUARY 2024 NEWSLETTER

NEWGEN

ASSET MANAGEMENT

## FUND OVERVIEW

The NewGen Equity Long-Short Fund LP (NGLS) seeks to balance steady risk-adjusted performance with capital preservation, in order to deliver a unique return stream that can provide real diversification benefits. The NGLS aims to achieve this by targeting persistent structural inefficiencies that exist in the equity markets and are particularly prevalent in Canada. In order to minimize downside volatility, the Fund adheres to disciplined risk management targets, with a highly liquid portfolio and defensive exposures (market and sector).

The Fund's active management style is based on an investment process that merges both trading and fundamental analysis and sources Alpha (excess return) from stock-specific ideas with catalysts (i.e. corporate updates, financings, index addition/deletions, clean-ups/blocks, strategic reviews, M&A, etc) over a short and medium-term time horizon. The portfolio is typically concentrated around 40-60 positions that are balanced between both longs and shorts. Through this portfolio composition, net exposures generally range from 20-40%, thereby minimizing Beta (systematic risk).

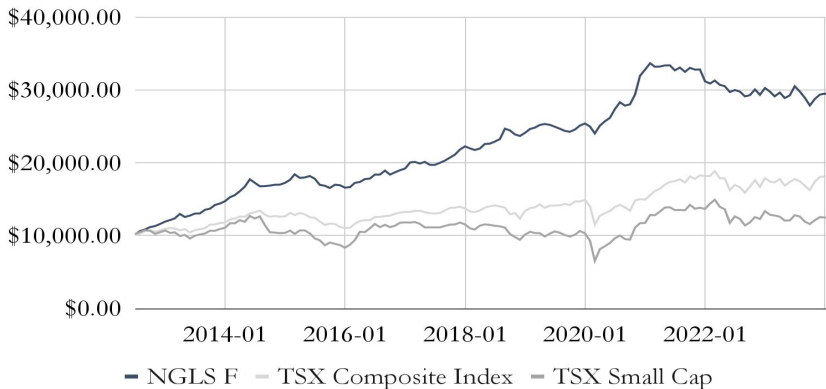
## MONTHLY COMMENTARY

The NGLS F fund was -0.99% in February (-0.51% YTD) compared to the TSX Composite which was 1.63% (1.93% YTD). Equities markets finished in positive territory for the fifth month in a row, undeterred by inflation numbers that came slightly higher than expected, prompting speculation that rates cuts will be further pushed out to later this year. In the commodity complex, oil finished higher while gold was relatively unchanged. Yields and the US dollar were firmer. Across the TSX, Healthcare (+8.3%), Industrials (+5.6%), and Consumer Staples (+5.2%) led, while Materials (-2.3%), Utilities (-3%) and Communications Services (-4.7%) lagged. Mega tech earnings and the AI revolution continue to be a focus point of the broader market, evidenced by Nvidia's (NVDA US) blow-out quarter to end the month. The stock's price gains singlehandedly represented 20% of the S&P 500's total return for the month. While the S&P 500 made new highs in February, the Canadian market remains 3% below its high-water mark achieved in March 2022. However, the late stages of Q1/24 are seeing a renewed interest in the Canadian market, spurred by a recent rally in commodities, namely oil, as well as gold, which is currently at an all-time high. Some noteworthy winners from the month included: (1) long Coeur Mining (CDE-US), which strengthened its balance sheet, providing enhanced runway to expand their flagship asset; (2) long MDA Ltd (MDA-TSX), which announced positive quarterly earnings as well as its addition to the S&P TSX Composite Index; (3) long Enerflex (EFX-TSX), which reported better than expected quarterly earnings.

## MONTHLY PORTFOLIO RETURNS

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	NGLS F							1.24%	4.85%	2.02%	2.84%	1.23%	2.42%	15.46%
	TSX Composite Index							0.59%	2.44%	3.08%	0.86%	-1.48%	1.59%	7.22%
2013	NGLS F	2.68%	1.77%	1.75%	4.87%	-3.32%	1.42%	2.06%	0.08%	3.72%	1.02%	3.64%	1.28%	22.85%
	TSX Composite Index	2.02%	1.08%	-0.56%	-2.30%	1.56%	-4.12%	2.95%	1.34%	1.05%	4.49%	0.26%	1.69%	9.55%
2014	NGLS F	2.15%	3.72%	1.61%	3.46%	3.68%	6.00%	-2.74%	-2.91%	0.04%	0.35%	0.59%	0.02%	16.74%
	TSX Composite Index	0.54%	3.76%	0.88%	2.21%	-0.33%	3.71%	1.22%	1.92%	-4.26%	-2.32%	0.90%	-0.76%	7.42%
2015	NGLS F	1.33%	2.39%	4.18%	-2.73%	0.26%	1.01%	-2.06%	-5.00%	-0.82%	-1.89%	2.61%	-0.49%	-1.58%
	TSX Composite Index	0.28%	3.82%	-2.18%	2.16%	-1.38%	-3.07%	-0.58%	-4.21%	-3.98%	1.67%	-0.44%	-3.41%	-11.09%
2016	NGLS F	-2.07%	0.32%	3.69%	0.64%	2.18%	0.38%	2.96%	-0.04%	2.88%	-2.98%	1.64%	1.46%	11.40%
	TSX Composite Index	-1.44%	0.30%	4.93%	3.39%	0.82%	-0.01%	3.68%	0.10%	0.88%	0.42%	2.00%	1.36%	17.51%
2017	NGLS F	1.13%	4.28%	0.29%	-1.16%	1.03%	-2.06%	-0.12%	1.33%	1.51%	1.90%	1.97%	3.16%	13.91%
	TSX Composite Index	0.64%	0.09%	0.96%	0.25%	-1.52%	-1.09%	-0.25%	0.45%	2.78%	2.50%	0.26%	0.88%	6.03%
2018	NGLS F	1.93%	-1.36%	-1.09%	0.87%	2.78%	0.14%	1.17%	1.43%	6.07%	-1.02%	-2.34%	-0.97%	7.56%
	TSX Composite Index	-1.59%	-3.19%	-0.49%	1.57%	2.91%	1.35%	0.96%	-1.04%	-1.17%	-6.51%	1.13%	-5.76%	-11.64%
2019	NGLS F	1.76%	2.16%	0.62%	1.43%	0.48%	-0.51%	-1.10%	-1.19%	-1.29%	-0.53%	1.18%	2.16%	5.20%
	TSX Composite Index	8.50%	2.95%	0.64%	2.97%	-3.28%	2.15%	0.15%	0.22%	1.32%	-1.05%	3.38%	0.14%	19.13%
2020	NGLS F	1.07%	-1.77%	-3.86%	4.37%	2.35%	1.84%	4.46%	3.39%	-1.71%	0.58%	4.76%	8.62%	26.16%
	TSX Composite Index	1.49%	-6.09%	-17.74%	10.48%	2.79%	2.12%	4.22%	2.14%	-2.38%	-3.35%	10.33%	1.41%	2.17%
2021	NGLS F	2.65%	2.59%	-1.50%	0.00%	0.41%	-0.03%	-2.13%	1.09%	-1.84%	1.62%	-0.80%	0.00%	1.94%
	TSX Composite Index	-0.55%	4.17%	3.55%	2.18%	3.26%	2.20%	0.61%	1.45%	-2.49%	4.82%	-1.79%	2.72%	21.74%
2022	NGLS F	-5.05%	-1.05%	1.24%	-1.97%	-0.68%	-2.71%	0.81%	-0.78%	-2.31%	0.49%	2.61%	-2.46%	-11.44%
	TSX Composite Index	-0.59%	0.13%	3.62%	-5.15%	-0.16%	-9.01%	4.41%	-1.84%	-4.59%	5.32%	5.29%	-5.22%	-8.66%
2023	NGLS F	3.19%	-1.72%	-2.10%	1.78%	-2.52%	1.26%	4.30%	-2.41%	-2.93%	-3.58%	3.27%	2.01%	0.10%
	TSX Composite Index	7.13%	-2.63%	-0.60%	2.67%	-5.16%	2.98%	2.34%	-1.62%	-3.70%	-3.42%	7.22%	3.57%	8.12%
2024	NGLS F	0.48%	-0.99%											-0.51%
	TSX Composite Index	0.30%	1.63%											1.93%

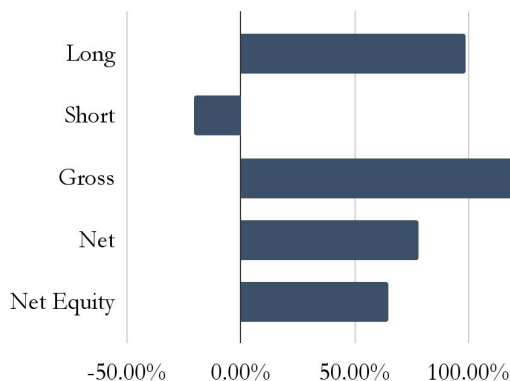
## GROWTH OF \$10,000 INVESTED SINCE INCEPTION



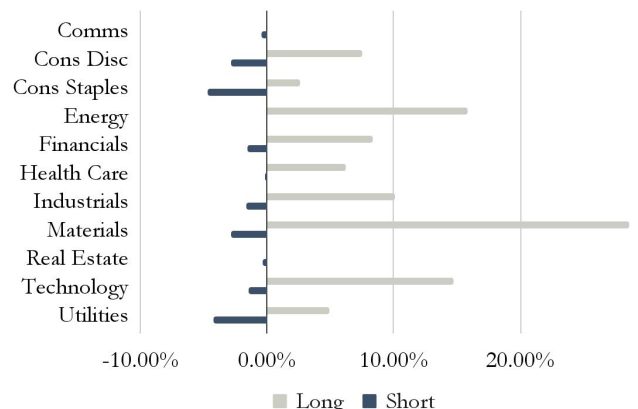
## DATA SINCE INCEPTION

	Fund	TSX
Annualized Performance	9.63%	5.38%
Year-To-Date	-0.51%	1.93%
One-Year	-1.80%	5.65%
Three-Year	-4.63%	5.76%
Five-Year	3.45%	5.95%
Ten-Year	6.69%	4.16%
Standard Deviation	8.12%	11.97%
Downside Standard Deviation	3.72%	7.61%
Sharpe Ratio (RFR=1.5%)	1.00	0.32
Sortino Ratio (RFR=1.5%)	2.19	0.51
Correlation vs TSX	50.03%	100.00%
Beta Coefficient to TSX	0.34	1.00
Jensen's Alpha (RFR=1.5%)	6.82%	-
Positive Months	67.14%	64.29%
Avg. Monthly Gain	2.10%	2.35%
Avg. Monthly Loss	-1.86%	-2.84%
Avg. Upside Capture vs TSX	61.74%	100.00%
Avg. Downside Capture vs TSX	13.49%	100.00%

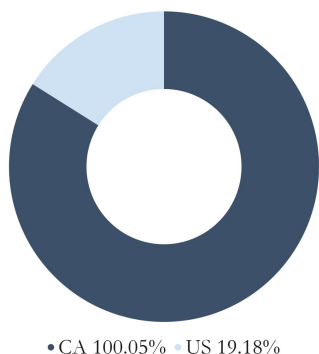
## PORTFOLIO EXPOSURE



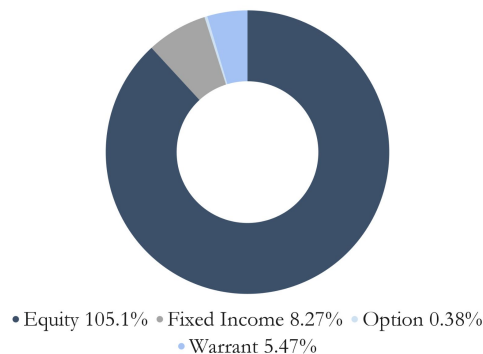
## PORTFOLIO EXPOSURE BY SECTOR



## GROSS PORTFOLIO EXPOSURE BY COUNTRY



## GROSS PORTFOLIO EXPOSURE BY SECURITY TYPE



## KEY FUND INFORMATION & TERMS

FUND STRUCTURES	Mutual Fund Trust (RRSP Feeder) Limited Partnership (Canadian Feeder Fund) Cayman open-ended investment fund (Master)
ELIGIBLE CANADIAN INVESTORS	ON/AB/BC/NL/QC/SK/MB
FUNDSERV CODES	F Class NEW004 / RRSP NEW304 G Class NEW005 / RRSP NEW305
BASE CURRENCY	CAD (Hedged USD Class Available)
MINIMUM INVESTMENT	Closed to new investors
MANAGEMENT FEE	B & G Class 2% / F Class 1%
PROFIT ALLOCATION	20% above perpetual high-water mark
SUBSCRIPTIONS / REDEMPTIONS	Monthly
STRATEGY INCEPTION	July 2012
ADMINISTRATOR	SGGG Fund Services Inc.
AUDITOR	Deloitte LLP
PRIME BROKERS	CIBC World Markets Scotia Capital BMO Capital Markets Fidelity Prime Services National Bank TD Securities Inc

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## FOOTNOTES & DISCLAIMERS

Performance data is since strategy inception (July 2012) and reported net of all fees; data prior to February 1, 2014 is for Class A – Series 1 Units from the NewGen Equity Long/Short Fund, an Exempted Company incorporated in the Cayman Islands; effective February 1, 2013 this Fund changed its base currency from USD to CAD; presentation of performance data prior to this date assumes USD hedged to CAD; the NewGen Equity Long-Short Fund LP adopted an identical investment strategy on February 1, 2014; data on and after February 1, 2014 is for Class B – Series 1 Units of the NewGen Equity Long-Short Fund LP. Most recent month of performance is an internal estimate.

Standard deviation is a form of hypothetical performance data; Sharpe Ratio, Sortino Ratio and Jensen's Alpha are hypothetical measures of excess return and we assume a risk-free rate of 1.5% in their calculations.

Exposure data prior to February 1, 2014 is from the NewGen Equity Long/Short Fund.

The TSX Composite Index and TSX Smallcap Index comparative performance is provided for illustrative purposes only – they are widely followed indices but are not considered benchmarks due to differing holding composition compared to the NewGen Equity Long-Short Fund LP. The composition of the Funds' portfolio could differ significantly from these indices due to the investment strategy employed, and includes differences such as use of short positions, varying fund net exposure, varying sector exposure, and investing in small and mid capitalization stocks. Please see "Investment Strategies" in the Confidential Offering Memorandum for more details.

This newsletter is not an offer to sell nor a solicitation of an offer to purchase interests of the Funds. The Manager reserves the right to change any terms of the offering at any time. Offers and sales of interests in the Funds will be made only pursuant to an offering memorandum, complete documentation of the relevant Fund and in accordance with the applicable securities laws, and this presentation is qualified in its entirety by reference to such documentation, including the Risk Factors and Potential Conflicts of Interest disclosure set forth therein. Past performance does not guarantee future results. The securities of NGLS described herein are only available in Ontario, Alberta, British Columbia, Newfoundland, Quebec and Saskatchewan pursuant to a prospectus exemptions as set out in NGLS's offering memorandum.