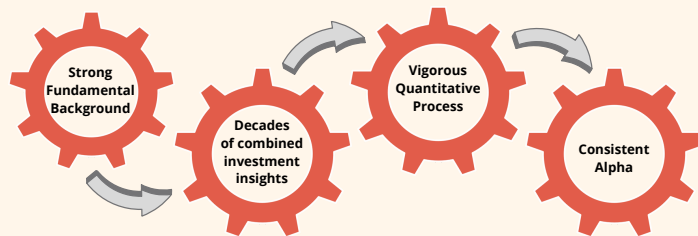


## Fund Overview

### INVESTMENT PHILOSOPHY

Tribeca's investment approach uniquely blends fundamental and quantitative processes that aim to identify investment opportunities and generate returns above the benchmark. Fundamental investing gives depth of insight and conviction by identifying high quality businesses with strong fundamentals. Quantitative investing brings breadth and objectivity to the process by exploiting behavioural biases in the market.

### INVESTMENT APPROACH



- A long/short equity strategy that enables investors to benefit in rising and falling markets by taking long or short positions to profit from positive or negative share price movements
- A diversified portfolio, generally consisting of 60-70 long positions and 30-40 short positions
- Style agnostic and broad-based industry exposure
- The active extension structure enables short selling a range of stocks with weak investment characteristics and reinvesting the proceeds in long positions in preferred stocks
- Target allocation of 150% long, 50% short (maximum 50% short exposure)
- Long history of outperforming the S&P/ASX 200 Accumulation Index

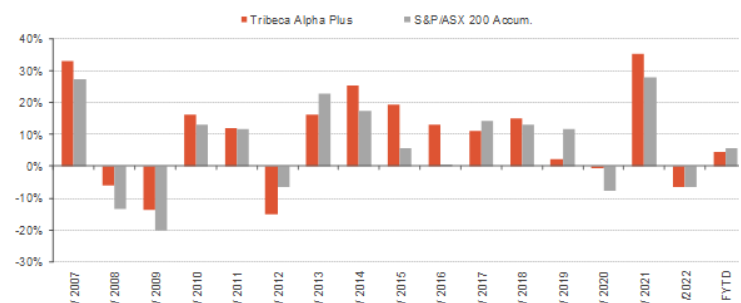
## Fund Characteristics

### TOP 10 ACTIVE WEIGHTS

	Active Position %
CBA	-2.3
Treasury Wine Estates Limited	2.2
Transurban Group Ltd.	-2.2
Wesfarmers Limited	-2.0
Aristocrat Leisure Limited	2.0
Cleanaway Waste Management Ltd.	1.9
Ansell Limited	-1.8
Scentre Group	1.8
Rio Tinto Limited	-1.8
Woolworths Group Ltd	-1.7

### LONG TERM PERFORMANCE VS BENCHMARK

**Tribeca Alpha Plus Fund vs S&P/ASX 200 Accumulation Index:**  
delivered outperformance in 12 out of 16 financial years since inception



Source: Tribeca Investment Partners  
Past performance is not a guide to future performance

## Performance as at 31 July 2022

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception <sup>1</sup> % pa
<b>Class A Units<sup>2</sup></b>	4.42	(6.76)	(2.84)	7.79	9.45	8.76	12.40	9.04
<b>Benchmark<sup>3</sup></b>	5.75	(6.04)	(2.17)	4.27	8.03	7.10	9.44	6.38
<b>Value Added</b>	(1.33)	(0.72)	(0.67)	3.52	1.42	1.66	2.96	2.66

1. Inception date: 18 September 2006

2. Returns are based on end of month redemption prices and calculated after the deduction of ongoing fees and expenses but before tax and assume distributions are reinvested

3. S&P/ASX 200 Accumulation Index

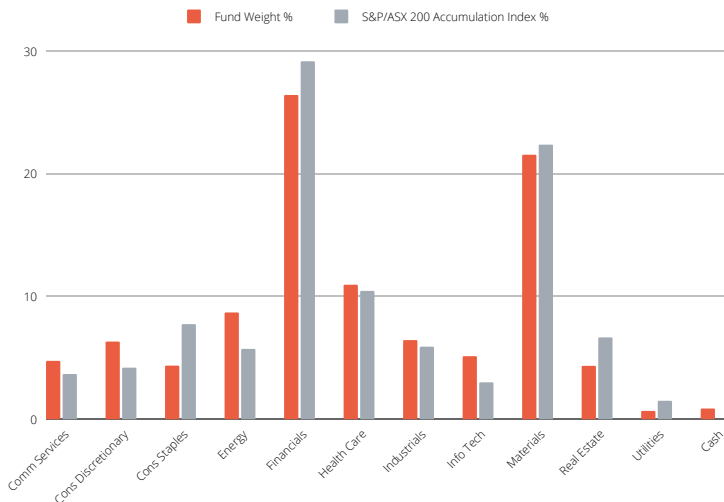
**Past performance is not a guide to future performance**

TOP 10 HOLDINGS

	Fund %	Index % <sup>1</sup>
BHP Group Ltd	10.5	9.6
CSL Limited	8.1	6.8
Commonwealth Bank of Australia	6.1	8.4
National Australia Bank Limited	6.0	4.8
Westpac Banking Corporation	5.3	3.7
Woodside Energy Group Ltd	4.5	2.9
Macquarie Group Limited	3.7	3.2
Aristocrat Leisure Limited	3.1	1.2
Treasury Wine Estates Limited	2.7	0.4
Sccentre Group	2.5	0.7

1. S&P/ASX 200 Accumulation Index

SECTOR ALLOCATION



The data presented in these tables and graphs is unaudited and may change at any time. The data is shown for informational purposes only and is not indicative of any future portfolio characteristics.

Fund Facts

**APIR CODE**  
ETL0069AU

**RESPONSIBLE ENTITY**  
Equity Trustees Limited

**INCEPTION DATE**  
18 September 2006

**PERFORMANCE FEE**  
20.5% of the Fund's return above the Fund Benchmark

**DISTRIBUTIONS**  
Half-Yearly

**MANAGEMENT FEE**  
0.97% P.A.

**INVESTMENT MANAGER**  
Tribeca Investment Partners Pty Ltd

**BUY / SELL SPREAD**  
Buy +0.30% / Sell -0.30%

Manager Commentary

The S&P/ASX200 Accumulation Index rose by 5.75% in July, snapping a 3-month losing streak for the local market. Global equities also rebounded strongly, with the S&P500 Index leading the way, surging +9.2% driven by a positive U.S. reporting season. The Tribeca Alpha Plus Fund returned 4.42% during the month, underperforming its benchmark by 1.33%

Macro events continued to dominate news flow in July as central banks persisted with rate hikes (RBA +50bps and Fed +75bps). However, several softer consumer data prints, and a second consecutive quarterly decline in U.S. Real GDP softened investor expectations of the steepness of future rate hikes. This slight dovish pivot by the market provided relief to stocks and sectors that have been most heavily impacted by rising discount rates this year, creating some spectacular reversals amongst the most beaten down names. A prime example was Zip Co which was up +158% in July but remains down -83% on a rolling 12-month basis. Other notable examples include: Megaport (+78% in July, -42% rolling LTM), Kogan (+66% in July, -56% rolling LTM) and Xero (+21% in July, -34% LTM).

From a sector perspective July was almost a mirror image of the June sell-off, with the best returning sectors being IT (+15.2%) and Real Estate (+11.9%), both sectors that have underperformed notably calendar year-to-date. Financials (+9.3%) also contributed materially to the positive move in the index as investors weigh a trade-off between improving NIMs and worsening volume growth on a deteriorating housing outlook. The net result has seen consensus EPS upgrades across the sector in the front year, with a much more mixed outlook for outer years. The only sector to post a negative return during July was Materials (-0.7%), where continued USD strength created a headwind for underlying commodity prices.

The portfolio generated alpha from the long side in July, however this was outweighed by negative attribution from the short side which suffered from some aggressive short squeezes. Overweight positions that contributed positively included: Pinnacle Investment Group which is a beneficiary of rising markets and rallied into its full year results; Johns Lyng Group, a new addition to the portfolio which bounced back strongly following a sudden de-rate in May/June; and Xero which benefited from a rotation towards high growth tech stocks.

Underweight positions that contributed positively included: Rio Tinto which followed the iron ore price lower during the month on more China covid lockdown worries; and Transurban, which had proved very defensive during the prior months' sell-off and hence didn't benefit from a market bounce-back.

On the flipside, key detractors included overweight positions in: Viva Energy which sold off on concerns around deteriorating refining margins, and Graincorp, which has outperformed materially year to-date and saw some profit taking as investors rotated into beaten-down names. Underweight positions which negatively impacted performance included: Nanosonics and Ansell, both of which had large short interest and squeezed higher during the month.

**OUTLOOK**

For the first time in over a decade, the equity market is working against both rising interest rates and economic growth fears as central banks, including the RBA seek to combat inflation at any cost. The narrative from central banks, who were behind the curve in terms inflation and are now playing catch up, is that they will do whatever it takes to ensure inflation expectations remain anchored and an aggressive pace of rate hikes by the RBA has seen some ground being made. However, interest rates are a blunt tool and the risk that the RBA and other central banks go too hard and fast on rate hikes is increasing economic recession fears. Similarly, the likelihood that the RBA can pivot from policy tightening (raising rates) to policy easing (cutting rates) at just the right time, which is now what is being priced into forward expectations, remains low - particularly following the latest statement by the RBA where they both upgraded peak inflation as well as extended out the decline back to its target range until 2024.

On the positive side, the 1H22 sell-off in equity markets has driven a meaningful contraction in valuation multiples. The ASX trades on a 12-month forward PE of 14x, which is considerably lower than the 18.3x it traded on at the end of 2021 but still above levels that would normally signal the bottom of the market during recessionary periods which is usually in single digits. In addition, if bond yields have peaked, which we think is the case, then the valuation bear market has largely run its course. However, if recession eventuates (and there is no certainty that it will), then the equity market is still not priced for this outcome given downside risk to earnings. While earnings estimates will likely follow equity prices lower, they have been very resilient to date given the support provided by high commodity prices, resilient household balance sheets and a weaker currency. These factors should continue to provide support to varying degrees, but corporate profit margins are now under pressure from rising input costs, higher labour costs and now rising borrowing / debt servicing costs. Traditionally corporates can absorb initial increases in costs via raising price but if the RBA is successful in slowing aggregate demand, then it's likely that we are on the cusp of a broader downgrade cycle.

In the near-term, we expect volatility to persist as uncertainty around the macroeconomic outlook remains elevated and the tug-of-war between inflation and growth continues. However, we see plenty of opportunities to invest, with compelling value in good quality stocks alongside our ability to go short names where we think either valuation or earnings risks are not priced in. We believe the August reporting period should provide a timely reminder that over the mid to long-term company fundamentals are more important to share prices than macro news flow.

**See [gsfm.com.au](http://gsfm.com.au) for more information about the Tribeca Alpha Plus Fund.**

**Important Information**

Investment Manager: Tribeca Investment Partners Pty Ltd ABN 64 080 430 100 AFSL 239070. Responsible Entity: Equity Trustees Limited (EQT) ABN 46 004 031 298 AFSL 240975, Distribution partner: GSFM Pty Limited (GSFM) ABN 14 125 715 004 AFSL 317587. This report is provided for information purposes only and is not intended to take the place of professional advice. Neither Tribeca, EQT nor GSFM give any warranty as to the accuracy, reliability or completeness of the information in this report nor do they undertake to correct any information subsequently found to be inaccurate. Opinions expressed may change without notice. This report has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision in relation to the Fund, you should consider the appropriateness of this information having regard to your own objectives, financial situation and needs and read and consider the Fund's product disclosure statement dated 18 April 2019 (PDS). Retail investors may invest in the Fund through a licensed financial adviser or an investment platform using the PDS for that platform which can be obtained from the operator of the platform. Tribeca Alpha Plus Fund Class A's Target Market Determination is available at [www.gsfm.com.au](http://www.gsfm.com.au). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed. This document is issued on 11 August 2022.