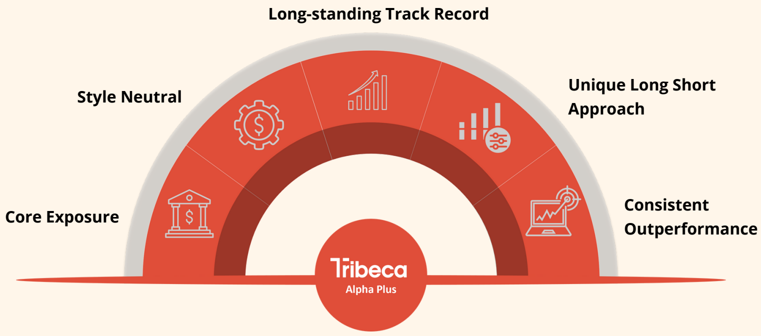
Fund Overview

The Tribeca Alpha Plus Fund targets outperformance over the S&P/ASX 200 Accumulation Index over the long term by investing in listed Australian equities (long and short). The fund leverages off the strengths of both quantitative and fundamental styles of investing. Quantitative investing brings breadth and objectivity to the process by exploiting behavioural biases in the market. Fundamental investing gives depth of insight and conviction by identifying high quality businesses with strong fundamentals.



Core Exposure
Offers investors core exposure to the ASX

A diversified portfolio, generally consisting of 60-70 long positions and 30-40 short positions

Style Neutral
Style agnostic and broad-based industry exposure

Long-standing Track Record
One of the longest running equity long short funds in Australia (inception 2006).

Unique Long Short Approach
Utilises a long short approach that is rarely seen in Australian equities. Active management allows enhanced return potential and better risk control.

Target allocation of 150% long, 50% short

Consistent Outperformance
The fund has consistently outperformed its benchmark since its inception in 2006.

Fund Characteristics

TOP 10 ACTIVE WEIGHTS

	Active Position %
Treasury Wine Estates Limited	2.8
Commonwealth Bank of Australia	-2.7
Telstra Group Limited	-2.2
IDP Education Ltd.	2.1
Wesfarmers Limited	-2.0
Transurban Group Ltd.	-2.0
Aristocrat Leisure Limited	1.9
Scentre Group	1.9
REA Group Ltd	1.8
a2 Milk Company Ltd.	1.8

TOP 10 HOLDINGS

	Fund %	Index %[1]
BHP Group Ltd	10.3	9.3
Commonwealth Bank of Australia	6.1	8.8
CSL Limited	5.9	6.6
National Australia Bank Limited	5.9	5.1
Woodside Energy Group Ltd	4.9	3.4
Westpac Banking Corporation	4.5	4.2
ANZ	3.8	3.8
Macquarie Group, Ltd.	3.3	3.0
Treasury Wine Estates Limited	3.2	0.5
Aristocrat Leisure Limited	3.1	1.2

1. S&P/ASX 200 Accumulation Index

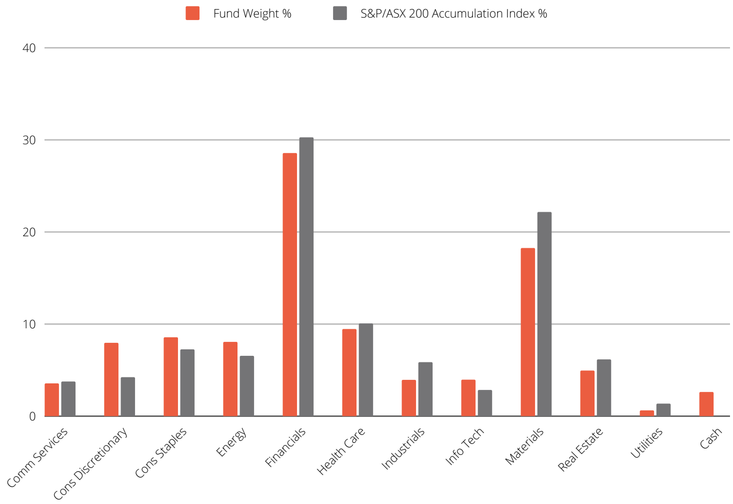
Performance as at 31 October 2022

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception[1] % pa
Class A Units[2]	6.76	4.25	(1.59)	9.94	8.92	9.39	12.23	9.18
Benchmark[3]	6.04	0.67	(2.01)	4.82	7.18	8.26	8.73	6.32
Value Added	0.72	3.58	0.42	5.12	1.74	1.13	3.50	2.86

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

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.

Manager Commentary

October was an exceptionally strong month for risk assets with US equities taking the lead and in turn dragging most other developed markets higher as oversold conditions and more favourable valuations drove a broad-based rebound across both value and growth equity styles. The S&P/ASX200 Accumulation Index rose 6.0%, underperforming US equities which posted one of their strongest ever October monthly gains of +8.0% but substantially outperforming within Asia Pacific region as the fallout from China's 20th Party Congress meeting dragged down its equity market as well as emerging markets. Surprisingly, the rebound in equity markets came despite no meaningful decline in bond yields, a further widening in credit spreads and ongoing concerns around slowing economic growth, particularly as expectations for a post-Party Congress economic recovery in China was put on hold due to its ongoing zero-COVID commentary and no immediate support for the flagging property sector.

Within the Australian market, Banks rose 14.5% with WBC, BOQ, BEN and CBA all posting returns in excess of 15%, levels not normally associated with the low beta status of the banking sector. Alongside a more favourable risk-on backdrop, banks are benefiting from strong net interest margin gains due to solid deposit pricing, even though mortgage volumes are slowing. Energy was the second-best performer for the month rising 9.5% but largely mirroring the rise in crude which was also up close to 10%. Real Estate which has come under significant pressure from rising bond yields and negative sentiment across both retail and residential, also rose strongly (+9.3%) led by double digit gains from SCG +14.2% and GPT +12.5%. This move was surprising given bond yields were largely flat and at the end of October are up 70bps over the past 3 months and 170bps over the past year.

The Materials sector continues to give back gains from earlier in the year, falling 0.1% in October followed by Consumer Staples, which was down 0.2% as rising price pressures and concerns around demand undermined WOW, COL and EDV. On the other hand, QAN was a standout performer rising 16% as it reported a much stronger-than-expected result which highlighted tight capacity, strong pricing power and ongoing cost control. Overall, there was little to differentiate between value and growth stocks with both indices rising similar amounts. Despite broad gains for the market, earnings revision trends continue to soften although not drastically and at this stage appears to be concentrated in rate sensitive areas or those which are cycling large post-COVID rebounds.

The Fund returned 6.76% in October, outperforming its benchmark by 0.72%. It was pleasing to see continued outperformance in both the deep sell-off in September and the sharp rebound in October. As usual, the vast majority of alpha for the month came from stock selection rather than sector allocation, which remains broadly neutral. The long side of the portfolio contributed the bulk of the attribution this month. Overweight positions that contributed positively to performance included: Challenger (CGF), which provided a strong quarterly update with sales of annuities increasing on the back of higher rates; Domino's Pizza (DMP), which finally saw a bounce following an extended de-rating which has taken the stock back to trough earnings multiples and; Scentre Group (SCG) which rallied sharply to erase the sell-off of the prior month along with the broader REIT sector.

Underweight stocks that contributed positively included: ASX Limited (ASX) which has seen minor earnings downgrades on the back of subdued trading activity across the financial year-to-date, Fortescue Metals (FMG) which has been dragged down by a falling iron ore price as investor sentiment towards the Chinese property sector has deteriorated; and Magellan Financial Group (MFG) which reported further outflows during the month.

On the flipside, key detractors included overweight positions in: Megaport (MP1) which reported a softer quarter with sales momentum stalling; and a2 Milk (A2M) which lagged the market during the month on limited news flow following a period of strong outperformance. Underweight positions which negatively impacted performance included: Commonwealth Bank (CBA) which rallied with the whole bank sector on positive earnings updates from peers; and Pexa Group (PXA) which reacted to positive updates around the groups planned expansion into the UK market.

OUTLOOK

At this stage, the equity market continues to be very macro-driven. While the October rebound appears to be largely the result of a technical reversal – and hence why it was so broad based - the direction of inflation and interest rates remain the key driver for more sustainable trends. We are encouraged that the RBA has slowed its rate hike path which reduces the risk of overtightening and a domestically driven policy mistake, but it will take a peek in inflation and transparency on the path lower for markets to look through the fear of higher rates. Globally, this appears to be close, but domestically Australia's economic conditions are lagging and so we might not reach this point until early in the new year if the RBA's forecasts are correct.

For the equity market, valuations in areas that are exposed to higher rates or lower economic growth have been hit hard and unless we see growth surprise on the downside or inflation remain stickier than expected, then a lot of the damage has already been done and anyone with a long- term outlook may see the current level as an attractive entry point. However, for the near term we expect volatility to persist as uncertainty around the macroeconomic outlook remains elevated. Key central banks, including the RBA, have reiterated their commitment towards lowering inflation and that means more rate hikes are coming. However, we see plenty of opportunities to invest, with compelling value in high quality stocks alongside our ability to go short names where we think either valuation or earnings risks are not priced in.

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%